



SAINT HONORE HOLDINGS LIMITED  
聖安娜控股有限公司

(Incorporated in Bermuda with limited liability)

*Interim Report 2002*

*For the six months ended 30th September 2002*

The board of directors (the “Board”) of Saint Honore Holdings Limited (the “Company”) is pleased to present to shareholders the unaudited interim report of the Company and its subsidiaries (the “Group”) for the six months ended 30 September 2002.

## RESULTS

The turnover slightly dropped by 1.5% from HK\$255.1 million to HK\$251.2 million and this partly led to a decrease in the profit attributable to shareholders by 31.9% from HK\$11.5 million to HK\$7.8 million. The continual low interest rate also affected our interest income.

## INTERIM DIVIDEND

The directors have declared an interim dividend of HK 2 cents (2001: HK 2.5 cents) per ordinary share for the six months ended 30 September 2002 to shareholders whose names appear in the register of members of the Company on 10 January 2003. The dividend will be payable on or about 28 January 2003.

## CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 13 January 2003 to 16 January 2003, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company’s Registrar, Computershare Hong Kong Investor Services Limited, Shops 1712-6, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:00 p.m. on 10 January 2003.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business review

Overall sales of our bakery operation fell by 1.5% as growth in the first quarter was offset by a drop in sales of 5.5% in the second quarter. Mooncake sales usually play a significant impact on the performance of the second quarter. As the sentiment felt was quite negative in the early stage of our sales campaign, we decided to offer more aggressive discounts at the onset so as to secure our market share while sacrificing gross margin to some extent. We intentionally halted our normal cake coupons sales promotion for nearly 10 months after the aborted “cake run” in March 2002 to allow a reasonable cooling period for consumers to rationalise. Our normal bakery business was inevitably affected as a high percentage of cake coupons are normally redeemed within the first year of their purchases. Our eatery business also dropped by 7.2% as turnover shrank drastically over the period of 2002 World Cup Soccer and the onslaught of many similar niche dining places.

The migration of certain production lines to Shenzhen was completed and we expect to see further savings in our payroll. As competition has intensified in the consumer market, we have set aside a more generous budget for related marketing campaigns for re-enforcing a consistent level of consumer awareness or our brand name.

## MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

### Business review (Cont'd)

Our first "Saint Honore" retail outlet in PRC was opened at Guangzhou in July 2002 as a stepping stone to tap this huge, yet mystique market. Given the proximity of Guangdong Province, the "Saint Honore" brand was already commonly recognised among the local residents even before our landing. Sales have improved steadily since its opening and we are planning to open up two more outlets within the fiscal year.

### Prospect

We don't expect any significant improvement on our business in Hong Kong as the deflationary threat is still strangling the local economy for at least another six to nine months. The mainland China market may shed some lights to our future given her robust consumer market.

### Liquidity and financial resources

As at 30 September 2002, the Group's freehold cash on hand stood at HK\$61.4 million (31 March 2002: HK\$79.7 million) with zero gearing and our cash balance dropped by HK\$18.3 million. It was caused by suspended cake coupons sales of HK\$18.7 million compared to last year. We did it purposely so as to win back customers confidence in our cake coupons by improving financial transparency through the publishing of the Group's quarterly results. Given that, the Group's cash position is still considered healthy. The capital commitments as at the reporting date were mainly for opening of a new outlet, redecoration of certain outlets and expansion of our Shenzhen's production plant and these projects would be financed internally.

### Charge on group asset

As at 30 September 2002 there was no asset of the Group being pledged.

### Employees

As at 30 September 2002, the Group employed about 1,580 (2001: 1,480) employees. The Group offers competitive remuneration package and discretionary bonus may be granted to the eligible employees based on the Group's and the individual's performance. The Company has a share option scheme according to which directors granted share options to employees of the Company and its subsidiaries to subscribe for share of the Company.

### Contingent liabilities

As at the reporting date, the Group did not have significant contingent liability.

### Exposure to fluctuations in exchange rates and related hedge

The Group's activities are primarily denominated in Hong Kong dollars. There is no significant exposure to foreign exchange fluctuations.

## PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the period and neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period.

## SHARE OPTIONS

The company adopted a share option scheme and the details of the movement of share options granted under this scheme during the period are as follows:

Participants	Grant date	Exercise period		Exercise price HK\$	Number of share options		
		From	To		As at 1 April 2002	Lapsed during the period	As at 30 September 2002
<b>Directors</b>							
Chan Ka Shun, Raymond	15 Jan. 2001	1 May 2001	31 May 2010	0.50	1,000,000	–	1,000,000
	15 Jan. 2001	1 May 2002	31 May 2010	0.50	1,000,000	–	1,000,000
	31 Aug. 2001	1 Mar. 2002	30 Sept. 2011	0.55	300,000	–	300,000
	31 Aug. 2001	1 Sept. 2002	30 Sept. 2011	0.55	300,000	–	300,000
			Total		2,600,000	–	2,600,000
Shum Wing Hon	15 Jan. 2001	1 May 2001	31 May 2010	0.50	1,000,000	–	1,000,000
	15 Jan. 2001	1 May 2002	31 May 2010	0.50	1,000,000	–	1,000,000
	31 Aug. 2001	1 Mar. 2002	30 Sept. 2011	0.55	300,000	–	300,000
	31 Aug. 2001	1 Sept. 2002	30 Sept. 2011	0.55	300,000	–	300,000
			Total		2,600,000	–	2,600,000
Wong Chung Piu, Billy	15 Jan. 2001	1 May 2001	31 May 2010	0.50	750,000	–	750,000
	31 Aug. 2001	1 Mar. 2002	30 Sept. 2011	0.55	375,000	–	375,000
	31 Aug. 2001	1 Sept. 2002	30 Sept. 2011	0.55	375,000	–	375,000
			Total		1,500,000	–	1,500,000
Wong Man Li, Carrina	15 Jan. 2001	1 May 2001	31 May 2010	0.50	1,000,000	–	1,000,000
	15 Jan. 2001	1 May 2002	31 May 2010	0.50	1,000,000	–	1,000,000
	31 Aug. 2001	1 Mar. 2002	30 Sept. 2011	0.55	300,000	–	300,000
	31 Aug. 2001	1 Sept. 2002	30 Sept. 2011	0.55	300,000	–	300,000
			Total		2,600,000	–	2,600,000
<b>Continuous contract employees</b>	15 Jan. 2001	1 May 2001	31 May 2010	0.50	2,220,000	(150,000)	2,070,000
	31 Aug. 2001	1 Mar. 2002	30 Sept. 2011	0.55	3,880,000	(145,000)	3,735,000
	31 Aug. 2001	1 Sept. 2002	30 Sept. 2011	0.55	3,880,000	(145,000)	3,735,000
			Total		9,980,000	(440,000)	9,540,000
			Grand Total		<u>19,280,000</u>	<u>(440,000)</u>	<u>18,840,000</u>

## DIRECTORS' INTERESTS IN EQUITY AND DEBT SECURITIES

As at 30 September 2002, the interests of the directors, chief executives and their associates in the shares of the Company and its associated corporations within the meaning of Hong Kong Securities (Disclosure of Interests) Ordinance ("SDI Ordinance") as recorded in the register maintained by the Company under Section 29 of the SDI Ordinance or as notified to the Company were as follows:

Name of company	Name of director	Note	Number of shares held	
			Personal interest	Other interest
The Company	Chan Wai Cheung, Glenn	(a)	–	28,435,652
		(b)	–	118,028,098
	Chan King Catherine	(a)	–	28,435,652
		(b)	–	118,028,098
Chan Ka Lai, Joseph		182,000	–	
	Chan Ka Shun, Raymond		212,500	–
Hong Kong Catering Management Limited ("HKCM")	Chan Wai Cheung, Glenn	(a)	–	113,742,609
		(a)	–	113,742,609
	Chan Ka Lai, Joseph		728,000	–
	Chan Ka Shun, Raymond		850,000	–

### Notes:

- (a) These shares are directly held by Well-Positioned Corporation ("Well"), a company beneficially owned by a trust established for the benefit of the family members of Mr. Chan Wai Cheung, Glenn and Mrs. Chan King Catherine.
- (b) Well also holds indirect interests in the Company as 118,028,098 shares of the Company are held by HKCM through its wholly owned subsidiary, Albion Agents Limited.

**DIRECTORS' INTERESTS IN EQUITY AND DEBT SECURITIES** (Cont'd)

- (c) The details of share options granted to directors and their movements during the period are disclosed in the section headed "share options" above. In addition, one director of the Company was holding share options in HKCM and there was no movement in such options during the period. The details of these share options were as follows:

Name of director	Grant date	Exercise period		Exercise price HK\$	As at 1 April and 30 September 2002
		From	To		
Chan Ka Lai, Joesph	30 Aug. 2001	1 Oct. 2001	30 Sept. 2011	0.48	1,000,000
	30 Aug. 2001	1 Mar. 2002	30 Sept. 2011	0.48	1,000,000
	30 Aug. 2001	1 Sept. 2002	30 Sept. 2011	0.48	1,000,000
					3,000,000

Save as disclosed above, the Company has not received notice of any interests to be recorded under Section 29 of the SDI Ordinance as at 30 September 2002 and at no time during the period was the Company, its holding companies, its subsidiaries or its fellow subsidiaries a party to any arrangement to enable any of the Company's directors and chief executives (including their spouse and children under 18 years of age) to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

**SUBSTANTIAL SHAREHOLDERS**

As at 30 September 2002, the following entities had or were deemed to have interests in the Company under the provisions of the SDI Ordinance as recorded in the register of substantial shareholders maintained by the Company pursuant to Section 16(1) of the SDI Ordinance.

	Note	Number of shares held in the Company	Percentage holding
HKCM	(a)	118,028,098	60.15%
Well-Positioned Corporation	(b)	28,435,652	14.49%

*Notes:*

- (a) These shares are held by HKCM through its wholly-owned subsidiary, Albion Agents Limited.
- (b) It is also deemed to be interested in the Company indirectly by virtue of being the controlling shareholder of HKCM.

## **AUDIT COMMITTEE**

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including a review of the Group's unaudited interim accounts for the six months ended 30 September 2002.

## **COMPLIANCE WITH THE CODE OF BEST PRACTICE**

None of the directors is aware of any information that would reasonably indicate that the Company is not, or was not, for any part of the accounting period, in compliance with the Code of Best Practice set out in the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules").

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**

	<i>Note</i>	<b>Unaudited</b>	
		<b>Six months ended 30 September</b>	
		<b>2002</b>	<b>2001</b>
		<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Turnover</b>	2	<b>251,196</b>	255,071
<b>Other revenues</b>	3	<b>773</b>	1,617
<b>Costs of inventories consumed</b>		<b>(74,004)</b>	(75,283)
<b>Staff costs</b>		<b>(81,369)</b>	(83,915)
<b>Operating lease rentals</b>		<b>(24,605)</b>	(26,536)
<b>Depreciation of fixed assets</b>		<b>(13,973)</b>	(12,238)
<b>Other operating expenses</b>		<b>(45,811)</b>	(42,435)
<b>Amortisation of intangible assets</b>		<b>(2,300)</b>	(2,300)
<b>Profit before taxation</b>	4	<b>9,907</b>	13,981
<b>Taxation</b>	5	<b>(2,062)</b>	(2,454)
<b>Profit attributable to shareholders</b>		<b><u>7,845</u></b>	<u>11,527</u>
<b>Dividend – interim</b>	6	<b><u>3,925</u></b>	<u>4,906</u>
<b>Earnings per share</b>	7		
– Basic		<b>4.0 cents</b>	5.9 cents
– Diluted		<b><u>3.9 cents</u></b>	<u>5.8 cents</u>



**CONSOLIDATED BALANCE SHEET**

		<b>Unaudited</b>	Audited
		<b>30 September</b>	31 March
		<b>2002</b>	2002
	<i>Note</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Intangible assets</b>	8	<b>39,100</b>	41,400
<b>Fixed assets</b>	9	<b>188,806</b>	186,101
<b>Rental deposits paid</b>		<b>13,037</b>	11,135
<b>Current assets</b>			
Inventories		<b>6,216</b>	4,785
Amount due from the ultimate holding company		<b>1,056</b>	–
Trade receivables	10	<b>6,044</b>	2,242
Deposits, prepayments and other receivables		<b>9,025</b>	10,585
Taxation recoverable		–	735
Pledged bank deposits		–	1,213
Bank balances and cash		<b>61,421</b>	79,705
		<b>83,762</b>	99,265
<b>Current liabilities</b>			
Amount due to the ultimate holding company		–	455
Trade payables	11	<b>8,599</b>	7,635
Other payables & accrued charges		<b>44,671</b>	43,729
Taxation payable		<b>3,064</b>	1,825
Cake coupon liabilities – current portion		<b>39,288</b>	45,010
		<b>95,622</b>	98,654
<b>Net current (liabilities)/assets</b>		<b>(11,860)</b>	611
<b>Total assets less current liabilities</b>		<b>229,083</b>	239,247
<b>Financed by:</b>			
Share capital	12	<b>19,623</b>	19,623
Reserves		<b>118,203</b>	114,283
Dividend reserve		<b>3,925</b>	6,868
<b>Shareholders' funds</b>		<b>141,751</b>	140,774
<b>Cake coupon liabilities</b>			
– non-current portion		<b>79,069</b>	90,159
<b>Rental deposit received</b>		<b>250</b>	239
<b>Provision for long service payments</b>			
– non-current portion		<b>6,951</b>	6,851
<b>Deferred taxation</b>		<b>1,062</b>	1,224
		<b>229,083</b>	239,247

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	<b>Unaudited</b>	
	<b>Six months ended 30 September</b>	
	2002	(Restated) 2001
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Net cash inflow from operating activities</b>	<b>3,749</b>	44,450
<b>Net cash outflow from investing activities</b>	<b>(16,378)</b>	(12,950)
<b>Net cash outflow from financing activities</b>	<b>(5,655)</b>	(11,801)
<b>(Decrease)/increase in cash and cash equivalents</b>	<b>(18,284)</b>	19,699
<b>Cash and cash equivalents at 1 April</b>	<b>79,705</b>	64,147
<b>Cash and cash equivalents at 30 September</b>	<b><u>61,421</u></b>	<u>83,846</u>
<b>Analysis of balances of cash and cash equivalents:</b>		
Bank balances and cash	<b>61,421</b>	85,057
Bank deposit pledged	<b>–</b>	(1,211)
	<b><u>61,421</u></b>	<u>83,846</u>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Share capital HK\$'000	Contributed surplus HK\$'000	Exchange fluctuation reserve HK\$'000	Retained earnings HK\$'000	Dividend reserve HK\$'000	Total HK\$'000
At 1 April 2002	19,623	104,929	69	9,285	6,868	140,774
Profit for the period	-	-	-	7,845	-	7,845
Dividend paid	-	-	-	-	(6,868)	(6,868)
Dividend proposed	-	-	-	(3,925)	3,925	-
At 30 September 2002	<u>19,623</u>	<u>104,929</u>	<u>69</u>	<u>13,205</u>	<u>3,925</u>	<u>141,751</u>
At 1 April 2001, as previously reported	19,623	104,929	69	32,222	-	156,843
Changes in accounting policy:						
Effect of adopting SSAP 9 (revised)	-	-	-	-	11,774	11,774
Effect of adopting SSAP 29	-	-	-	(31,364)	-	(31,364)
At 1 April 2001, restated	19,623	104,929	69	858	11,774	137,253
Profit for the period	-	-	-	11,527	-	11,527
Dividend paid	-	-	-	-	(11,774)	(11,774)
Dividend proposed	-	-	-	(4,906)	4,906	-
At 30 September 2001	<u>19,623</u>	<u>104,929</u>	<u>69</u>	<u>7,479</u>	<u>4,906</u>	<u>137,006</u>

## NOTES TO THE ACCOUNTS

### 1. Basis of preparation and accounting policies

The interim accounts have not been audited by the Company's auditors but have been reviewed by the Company's Audit Committee. They are prepared in accordance with the Statement of Standard Accounting Practice ("SSAP") 25, "Interim financial reporting" issued by the Hong Kong Society of Accountants and Appendix 16 of the Listing Rules. They should be read in conjunction with the 2002 annual accounts.

The accounting policies and methods of computation used in the preparation of the interim accounts are consistent with those used in the annual accounts for the year ended 31 March 2002 except for the adoption of the following revised and new SSAPs which are effective for accounting periods commencing on or after 1 January 2002.

SSAP 1 (revised)	:	Presentation of financial statements
SSAP 11 (revised)	:	Foreign currency translation
SSAP 15 (revised)	:	Cash flow statements
SSAP 25 (revised)	:	Interim financial reporting
SSAP 34	:	Employee benefits

The significant changes in the Group's accounting policies resulting from the adoption of these new practices are set out below:

(a) *SSAP 1 (revised): Presentation of financial statements*

The consolidated statement of recognised gains and losses is replaced by the consolidated statement of changes in equity.

(b) *SSAP 15 (revised): Cash flow statements*

The presentation and classification of items in the cash flow statement have been changed due to the adoption of SSAP 15 (revised). As a result, cash flow during the period has been reclassified by operating, investing and financing activities. For the six months ended 30 September 2002, net cash outflow from taxation paid of HK\$0.3 million (2001: HK\$0.2 million) has been reclassified as operating cash flow. Interest received of HK\$0.3 million (2001: HK\$1.1 million) has been reclassified as investing cash flow and dividend paid of HK\$6.9 million (2001: HK\$11.8 million) have been reclassified as financing cash flow.

## 2. Turnover and segmental information

An analysis of the Group's turnover and results for the period by business segments is as follows:

	Unaudited Six months ended 30 September 2002			Unaudited Six months ended 30 September 2001		
	Bakery HK\$'000	Eatery HK\$'000	Group HK\$'000	Bakery HK\$'000	Eatery HK\$'000	Group HK\$'000
Segment turnover	<u>236,878</u>	<u>14,318</u>	<u>251,196</u>	<u>239,647</u>	<u>15,424</u>	<u>255,071</u>
Segment results	<u>8,043</u>	<u>1,396</u>	<u>9,439</u>	<u>12,281</u>	<u>1,232</u>	13,513
Unallocated revenue			<u>468</u>			<u>468</u>
Profit before taxation			<u>9,907</u>			13,981
Taxation			<u>(2,062)</u>			<u>(2,454)</u>
Profit attributable to shareholders			<u>7,845</u>			<u>11,527</u>
Segment assets	<u>300,319</u>	<u>9,300</u>	<u>309,619</u>	326,099	10,242	336,341
Unallocated assets			<u>15,086</u>			<u>15,093</u>
Total assets			<u>324,705</u>			<u>351,434</u>
Segment liabilities	<u>172,918</u>	<u>5,910</u>	<u>178,828</u>	205,410	6,197	211,607
Unallocated liabilities			<u>4,126</u>			<u>2,821</u>
Total liabilities			<u>182,954</u>			<u>214,428</u>
Capital expenditure	<u>16,444</u>	<u>243</u>	<u>16,687</u>	13,898	210	14,108
Depreciation	<u>13,084</u>	<u>889</u>	<u>13,973</u>	11,353	885	12,238
Amortisation charge	<u>2,300</u>	<u>-</u>	<u>2,300</u>	2,300	-	2,300

The geographical analysis of the Group's turnover for the period are as follows:

	Unaudited Six months ended 30 September	
	2002 HK\$'000	2001 HK\$'000
Hong Kong and Macau	<u>243,880</u>	<u>246,447</u>
PRC	<u>3,622</u>	<u>2,717</u>
Other countries	<u>3,694</u>	<u>5,907</u>
	<u>251,196</u>	<u>255,071</u>

No geographical analysis in respect of consolidated operating profit is provided as less than 10% of the consolidated operating profit of the Group is attributable to markets outside Hong Kong.

**3. Other revenues**

	<b>Unaudited</b>	
	<b>Six months ended 30 September</b>	
	<b>2002</b>	<b>2001</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Interest income	305	1,149
Rental income from investment properties	468	468
	<u>773</u>	<u>1,617</u>

**4. Profit before taxation**

	<b>Unaudited</b>	
	<b>Six months ended 30 September</b>	
	<b>2002</b>	<b>2001</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Profit before taxation is stated after charging/(crediting) the following:		
Loss on disposal of fixed assets	5	44
Provision for diminution in value of other properties	–	425
Provision for/(reversal of) long service payments included in staff costs	1,273	(502)
Retirement benefit costs included in staff costs	2,908	3,081
Write off of setup cost for Singapore joint venture	–	744
	<u>–</u>	<u>744</u>

**5. Taxation**

	<b>Unaudited</b>	
	<b>Six months ended 30 September</b>	
	<b>2002</b>	<b>2001</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Hong Kong profits tax	1,217	1,629
Overseas taxation	1,006	825
Deferred taxation	(161)	–
	<u>2,062</u>	<u>2,454</u>

Hong Kong profits tax has been provided at the rate of 16% (2001: 16%) on the estimated assessable profits for the period. Taxation on overseas profits has been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the countries in which the Group operates.

**6. Dividend**

	<b>Unaudited</b>	
	<b>Six months ended 30 September</b>	<b>2001</b>
	<b>2002</b>	<b>2001</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Interim dividend, proposed on 5 December 2002, of HK2.0 cents (2001: HK2.5 cents) per ordinary share	<u><b>3,925</b></u>	<u><b>4,906</b></u>

**7. Earnings per share**

	<b>Unaudited</b>	
	<b>Six months ended 30 September</b>	<b>2001</b>
	<b>2002</b>	<b>2001</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<i>Earnings</i>		
Earnings for the purpose of the calculation of basic and diluted earnings per share	<u><b>7,845</b></u>	<u><b>11,527</b></u>
<i>Number of shares</i>		
Weighted average number of ordinary shares for the purpose of the calculation of basic earnings per share	<b>196,229,000</b>	196,229,000
Effect of dilutive potential ordinary shares	<u><b>5,090,569</b></u>	<u><b>3,213,773</b></u>
Weighted average number of ordinary shares for the purpose of the calculation of diluted earnings per share	<u><b>201,319,569</b></u>	<u><b>199,442,773</b></u>

**8. Intangible assets***Trademarks*

	<b>Unaudited HK\$'000</b>
<b>Net book value, 1 April 2002</b>	<b>41,400</b>
<b>Amortisation charge</b>	<b>(2,300)</b>
<b>Net book value, 30 September 2002</b>	<b><u>39,100</u></b>
<b>Cost</b>	<b>92,000</b>
<b>Accumulated amortisation</b>	<b>(52,900)</b>
<b>Net book value, 30 September 2002</b>	<b><u>39,100</u></b>
Cost	92,000
Accumulated amortisation	(50,600)
Net book value, 31 March 2002	<u>41,400</u>

**9. Fixed assets**

	<b>Unaudited HK\$'000</b>
Net book value	
At 1 April 2002	186,101
Additions	16,687
Disposals	(9)
Depreciation	(13,973)
At 30 September 2002	<u>188,806</u>

During the period, the pledge of fixed assets as security for the Group's bank facilities had been released (at 31 March 2002: HK\$10,524,010).

**10. Trade receivables**

Details of the ageing analysis are as follows:

	<b>Unaudited 30 September 2002 HK\$'000</b>	<b>Audited 31 March 2002 HK\$'000</b>
Current to 30 days	<b>5,370</b>	852
31 to 60 days	<b>560</b>	1,218
Over 60 days	<b>114</b>	172
	<u><b>6,044</b></u>	<u>2,242</u>

Sales are normally conducted by cash or through redemption of cake coupons. Credit sales to local and overseas corporate customers are generally granted with respective credit terms of 30 days and 61 to 120 days. Overseas corporate customers are required to pay a deposit in the amount of 20% to 30% of their estimated purchase value.



**11. Trade payables**

Details of the ageing analysis of the trade payables are as follows:

	<b>Unaudited 30 September 2002 HK\$'000</b>	<b>Audited 31 March 2002 HK\$'000</b>
Current to 30 days	5,142	5,741
31 to 60 days	3,405	1,872
Over 60 days	52	22
	<u>8,599</u>	<u>7,635</u>

**12. Share capital**

	<b>Number of ordinary shares</b>	<b>Amount HK\$'000</b>
Authorized	<u>400,000,000</u>	<u>40,000</u>
Issued and fully paid At 1 April 2002 and 30 September 2002	<u>196,229,000</u>	<u>19,623</u>

**13. Commitments**

	<b>Unaudited 30 September 2002 HK\$'000</b>	<b>Audited 31 March 2002 HK\$'000</b>
<i>(a) Capital commitments for property, plant and equipment</i>		
Contracted but not provided for	690	–
Approved but not contracted for	1,841	2,657
	<u>2,531</u>	<u>2,657</u>
<i>(b) Commitments under operating leases for land and buildings</i>		
Within one year	38,270	43,497
In the second to fifth year inclusive	37,072	43,610
After the fifth year	2,952	2,462
	<u>78,294</u>	<u>89,569</u>

On behalf of the Board  
**Chan Wai Cheung, Glenn**  
Chairman

Hong Kong, 5 December 2002