

2003/04 INTERIM REPORT

For the six months ended 30 September 2003



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

(Incorporated in Bermuda with limited liability)

Saint Honore

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 2003.

RESULTS

The consolidated turnover increased by 11.3% to HK\$279.6 million (2002: HK\$251.2 million) while the profit attributable to shareholders improved substantially by 153.4% to HK\$19.9 million (2002: HK\$7.8 million).

INTERIM DIVIDEND

The directors have declared an interim dividend of HK4 cents (2002: HK2 cents) per ordinary share for the six months ended 30 September 2003 to shareholders whose names appear in the register of members of the Company on 9 January 2004. The dividend will be payable on or about 28 January 2004.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 12 January 2004 to 15 January 2004, 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 9 January 2004.

MANAGEMENT DISCUSSION AND ANALYSIS

Business review

Hong Kong's economy faced a drastic change during the period. The outbreak of Severe Acute Respiratory Syndrome ("SARS") in March 2003 has tremendously weakened the retail market and our business was also affected. With the winning of the battle over SARS and the announcement by Beijing of various policies favoring Hong Kong in the second quarter of our fiscal year, the economy has begun to rebound. The improved economy coupled with the successful marketing and promotion strategy and improving product quality resulted in moderate growth for our normal cake and bread business while mooncake sales were maintained at last year level. Overall turnover has increased by 11.3%. Our gross profit margin slightly decreased from 70.5% to 69.7% due to the higher discounts offered to customers. Benefits from migration of certain production lines to Shenzhen began to show effect whereby our staff costs increased by a mere 4.7% despite of turnover increase of 11.3%. The outlet image upgrading program is still continued with five more outlets being renovated during the period. The migration of certain production lines to Shenzhen and outlet renovation increased our depreciation charge by 10.4%. Although we gained in total of five outlets, our rental expenses decreased slightly by 2.3% due to certain landlords agreed to temporarily reduce the rental charge during the outbreak of SARS.

The exploration of the PRC market, especially for the festive product, is on schedule. Our mooncake products have obtained various awards such as the 'Famous Mooncake' and 'National Hygiene Quality Standard' issued by the PRC authorities. The turnover generated from the PRC grew by 140%.

Prospect

Although the business sentiment of Hong Kong has improved recently, the management remain cautious as the pressure of rising costs is imminent with prices of commodities jumped against the weak US dollar and the global demand for the Renminbi to revalue.

In September 2003, we agreed to sell an investment property at Hysan Road to a third party. The disposal was completed in November 2003 and the financial effect of this transaction will be recorded in the second half year.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

Liquidity and financial resources

As at 30 September 2003, the Group's freehold cash on hand increased by HK\$25.5 million to a record level of HK\$117.7 million (31 March 2003: HK\$92.2 million) with zero gearing. The capital commitment of HK\$28.5 million as at 30 September 2003 included HK\$18.2 million for the purchase of an investment property at Yuen Long while the remaining portion was mainly for the upgrading of our retail networks. All the above projects will be financed internally.

Pledge of assets

No assets were pledged as at 30 September 2003.

Employees

As at 30 September 2003, the Group employed about 1,690 (2002: 1,580) employees. Employees are remunerated based on basic salaries and sales incentives are payable to some operational staff. Bonuses are discretionary in nature and are based on the performance of the employees and the Group. The Company has adopted a share option scheme to provide incentive to working staff.

Contingent liabilities

The Group had no significant contingent liabilities as at 30 September 2003.

Exposure to fluctuations in exchange rates and related hedge

The Group conducts most of its business transactions in currencies of Hong Kong dollars, Pataca and Renminbi. As these currencies were relatively stable during the period, the Group had not exposed to any material currency fluctuation risk during the period.

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 ("Option Scheme") and the details of the movements of share options granted under Option Scheme ("Options") during the period are as follows:

Participants	Grant date	Exercise period		Exercise price HK\$	Number of Options			As at 30 Sept. 2003
		From	To		As at 1 Apr. 2003	Exercised during the period	Lapsed during the period	
Directors								
Chan Ka Shun,	15 Jan. 2001	1 May 2001	31 May 2010	0.50	1,000,000	-	-	1,000,000
Raymond	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 Man Li,	15 Jan. 2001	1 May 2001	31 May 2010	0.50	1,000,000	-	-	1,000,000
Carrina	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,	15 Jan. 2001	1 May 2001	31 May 2010	0.50	750,000	-	-	750,000
Billy	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

SHARE OPTIONS (Cont'd)

Participants	Grant date	Exercise period		Exercise price HK\$	Number of Options			As at 30 Sept. 2003
		From	To		As at 1 Apr. 2003	Exercised during the period	Lapsed during the period	
Continuous contract employees	15 Jan. 2001	1 May 2001	31 May 2010	0.50	2,070,000	(408,000)	(2,000)	1,660,000
	31 Aug. 2001	1 Mar. 2002	30 Sept. 2011	0.55	3,640,000	(190,000)	(195,000)	3,255,000
	31 Aug. 2001	1 Sept. 2002	30 Sept. 2011	0.55	3,640,000	(190,000)	(195,000)	3,255,000
			Total		9,350,000	(788,000)	(392,000)	8,170,000
			Grand Total		18,650,000	(788,000)	(392,000)	17,470,000

Note: There were 788,000 Options exercised during the period. The weighted average closing price on the day before the Options were exercised was HK\$0.89 per share.

One director of the Company was holding share options in Hong Kong Catering Management Limited ("HKCM") and there was no movement in such share options during the period. The outstanding number of such share options are summarized below:

Name of director	Grant date	Exercise period		Exercise price HK\$	Number of HKCM share options as at 1 Apr. 2003 and 30 Sept. 2003
		From	To		
Chan Ka Lai, Joseph	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

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2003, the interests and short positions of each director and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

Name of company	Name of director	Number of ordinary shares held			Number of underlying ordinary shares held under equity derivatives	Total	Percentage of shareholding %
		Personal interest	Family interest	Trust interest			
The Company	Chan Wai Cheung, Glenn	-	-	146,463,750 (Note a)	-	146,463,750	74.34
	Chan King Catherine	-	146,463,750 (Note a)	-	-	146,463,750	74.34
	Chan Ka Lai, Joseph	182,000 (Note b)	-	146,463,750 (Note c)	-	146,645,750	74.43
	Chan Ka Shun, Raymond	162,500 (Note b)	-	146,463,750 (Note c)	2,600,000 (Note d)	149,226,250	75.74
	Shum Wing Hon	-	-	-	2,600,000 (Note d)	2,600,000	1.32
	Wong Man Li, Carrina	-	-	-	2,600,000 (Note d)	2,600,000	1.32
	Wong Chung Piu, Billy	-	-	-	1,500,000 (Note d)	1,500,000	0.76
HKCM	Chan Wai Cheung, Glenn	-	-	113,742,609 (Note e)	-	113,742,609	36.34
	Chan King Catherine	-	113,742,609 (Note e)	-	-	113,742,609	36.34
	Chan Ka Lai, Joseph	1,200,000 (Note b)	-	113,742,609 (Note c)	3,000,000 (Note f)	117,942,609	37.68
	Chan Ka Shun, Raymond	650,000 (Note b)	-	113,742,609 (Note c)	-	14,392,609	36.54

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (Cont'd)

Note:

- (a) These shares are held by Well-Positioned Corporation ("Well-Positioned"), 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 in the following manner:

	Number of ordinary shares held
Company's shares held by Well-Positioned as beneficial owner	28,435,652
Company's shares held by Well-Positioned through its wholly owned subsidiary, Albion Agents Limited ("Albion")	118,028,098
	<u>146,463,750</u>

Mr. Chan Wai Cheung, Glenn is interested in these shares in the capacity as founder of the trust and Mrs. Chan King Catherine, being the spouse of Mr. Chan Wai Cheung, Glenn is also deemed to be interested in these shares.

- (b) These shares are held by the directors as beneficial owners.
- (c) Mr. Chan Ka Lai, Joseph and Mr. Chan Ka Shun, Raymond, being the eligible beneficiaries of the family trust established by Mr. Chan Wai Cheung, Glenn, are also deemed to be interested in the shares held by Well-Positioned.
- (d) These are underlying shares in respect of Options granted by the Company, the details of which are stated in the preceding section under the heading "Share Options". The aforesaid interests are held by respective directors as beneficial owners.
- (e) These shares are held by Well-Positioned and being the founder of the trust, Mr. Chan Wai Cheung, Glenn has the trust interest in HKCM. Mrs. Chan King Catherine, being the spouse of Mr. Chan Wai Cheung, Glenn is also deemed to be interested in these shares.
- (f) These are underlying shares in respect of share options granted by the ultimate holding company, HKCM, the details of which are stated in the preceding section under the heading "Share Options". The aforesaid interests are held by Mr. Chan Ka Lai, Joseph as beneficial owner.

Save as disclosed above, as at 30 September 2003, the Company has not received notice of any interests or short positions in the shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) to be recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (Cont'd)

In addition, other than disclosed in section under heading "Share Options" above, at no time during the period was the Company, its subsidiaries, its associated companies, its fellow subsidiaries or its holding companies a party to any arrangement to enable the directors and chief executives of the Company to hold any interests or short positions in the shares, underlying shares and debentures of the Company or its associated companies.

SUBSTANTIAL SHAREHOLDERS

The register of substantial shareholders maintained under section 336 of the SFO shows that as at 30 September 2003, the Company had been notified of the following substantial shareholders' interests and short positions, being 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the directors and chief executives.

Name of substantial shareholders	Number of ordinary shares held	Percentage of shareholding %
Albion	118,028,098	59.91
HKCM (Note a)	118,028,098	59.91
Well-Positioned (Note b)	146,463,750	74.34

Notes:

- (a) Albion was wholly owned by HKCM, hence HKCM has a deemed interest in 118,028,098 shares by virtue of its interests in the shares of Albion.
- (b) It included the interests held by HKCM through its wholly owned subsidiary, Albion, so Well-Positioned also had a deemed interest in 118,028,098 shares by virtue of its interests in the shares of HKCM. Together with the interest in 28,435,652 shares directly held by Well-Positioned as beneficial owner, Well-Positioned has a total interest of 146,463,750 shares in the Company.

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 2003.

COMPLIANCE WITH THE CODE OF BEST PRACTICE OF THE LISTING RULES

Throughout the period, the Company was in compliance with the Code of Best Practice as set out in the Listing Rules except in relation to guideline No. 7 that the service contracts of non-executive directors were renewed with no specific terms, but they are determinable by either parties with at least one month written notice in advance.

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT

		Unaudited	
		Six months ended	
		30 September	
		2003	2002
	<i>Note</i>	HK\$'000	<i>HK\$'000</i>
Turnover	2	279,551	251,196
Other revenues	3	905	773
Cost of inventories consumed		(84,673)	(74,004)
Staff costs		(85,174)	(81,369)
Operating lease rentals		(24,027)	(24,605)
Depreciation of fixed assets		(15,423)	(13,973)
Other operating expenses		(45,212)	(45,811)
Amortisation of intangible assets		(2,300)	(2,300)
		<hr/>	<hr/>
Profit before taxation	4	23,647	9,907
Taxation	5	(3,771)	(2,062)
		<hr/>	<hr/>
Profit attributable to shareholders		19,876	7,845
		<hr/>	<hr/>
Dividend – interim	6	8,176	3,925
		<hr/>	<hr/>
Earnings per share	7		
Basic		10.1 cents	4.0 cents
Diluted		9.9 cents	3.9 cents
		<hr/>	<hr/>

CONDENSED CONSOLIDATED BALANCE SHEET

		Unaudited	Audited
		30 September	31 March
		2003	2003
Note		HK\$'000	HK\$'000
Non-current assets			
	8	34,500	36,800
	9	175,847	181,235
		10,611	11,456
		314	–
		221,272	229,491
Current assets			
		7,835	7,698
	10	7,866	2,104
		8,708	7,243
		117,721	92,169
		142,130	109,214
Current liabilities			
		2,313	67
	11	13,074	8,484
		51,163	42,144
		8,509	4,462
		36,542	39,846
		111,601	95,003
Net current assets		30,529	14,211
Total assets less current liabilities		251,801	243,702

CONDENSED CONSOLIDATED BALANCE SHEET (Cont'd)

		Unaudited	Audited
		30 September	31 March
		2003	2003
<i>Note</i>		HK\$'000	<i>HK\$'000</i>
Financed by:			
		19,702	19,623
Share capital	12		
Reserves		132,969	122,019
Dividend reserve		8,176	6,868
Shareholders' funds		160,847	148,510
Non-current liabilities			
Cake coupon liabilities			
– non-current portion		82,730	87,518
Rental deposit received		239	239
Provision for long service payments			
– non-current portion		6,037	6,175
Deferred tax liabilities		1,948	1,260
		90,954	95,192
		251,801	243,702

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Unaudited	
	Six months ended	
	30 September	
	2003	2002
	HK\$'000	HK\$'000
Net cash inflow from operating activities	41,935	3,749
Net cash outflow from investing activities	(9,925)	(16,378)
Net cash outflow from financing activities	(6,458)	(5,655)
Increase/(decrease) in cash and cash equivalents	25,552	(18,284)
Cash and cash equivalents at 1 April 2003/2002	92,169	79,705
Cash and cash equivalents at 30 September 2003/2002	<u>117,721</u>	<u>61,421</u>
Analysis of balances of cash and cash equivalents:		
Bank balances and cash	<u>117,721</u>	<u>61,421</u>
	<u>117,721</u>	<u>61,421</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Contributed surplus	Share premium	Exchange fluctuation reserve	Retained earnings	Dividend reserve	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	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
2001/02 final dividend paid	-	-	-	-	-	(6,868)	(6,868)
2002/03 interim dividend proposed	-	-	-	-	(3,925)	3,925	-
At 30 September 2002	<u>19,623</u>	<u>104,929</u>	<u>-</u>	<u>69</u>	<u>13,205</u>	<u>3,925</u>	<u>141,751</u>
At 1 April 2003	19,623	104,929	-	69	17,021	6,868	148,510
Recognition of deferred tax liabilities on adopting SSAP 12 (Revised)	-	-	-	-	(1,081)	-	(1,081)
Issue of shares upon exercise of share options	79	-	334	-	-	-	413
Profit for the period	-	-	-	-	19,876	-	19,876
2002/03 final dividend paid	-	-	-	-	(3)	(6,868)	(6,871)
2003/04 interim dividend proposed	-	-	-	-	(8,176)	8,176	-
At 30 September 2003	<u>19,702</u>	<u>104,929</u>	<u>334</u>	<u>69</u>	<u>27,637</u>	<u>8,176</u>	<u>160,847</u>

NOTES TO THE ACCOUNTS

1. Basis of preparation and accounting policies

The condensed 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 (the "HKSA") and Appendix 16 of the Listing Rules. They should be read in conjunction with the 2003 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 2003 except that the Group has adopted SSAP 12 (Revised) "Income tax" issued by the HKSA which is effective for accounting periods commencing on or after 1 January 2003.

The principal effect of the implementation of SSAP 12 (Revised) is in relation to deferred tax. SSAP 12 (Revised) requires the adoption of a balance sheet liability method, whereby deferred tax is recognised in respect of all temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, with limited exceptions. The adoption of SSAP 12 (Revised) has not had material effect on the results for the current or prior accounting periods. Accordingly, no prior period adjustment has been required.

2. Turnover and segment 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 2003			Unaudited Six months ended 30 September 2002		
	Bakery HK\$'000	Eatery HK\$'000	Group HK\$'000	Bakery HK\$'000	Eatery HK\$'000	Group HK\$'000
Turnover	<u>265,405</u>	<u>14,146</u>	<u>279,551</u>	<u>236,878</u>	<u>14,318</u>	<u>251,196</u>
Segment results	<u>22,578</u>	<u>617</u>	<u>23,195</u>	<u>8,043</u>	<u>1,396</u>	9,439
Unallocated revenue			<u>452</u>			<u>468</u>
Profit before taxation			<u>23,647</u>			9,907
Taxation			<u>(3,771)</u>			<u>(2,062)</u>
Profit attributable to shareholders			<u>19,876</u>			<u>7,845</u>
Segment assets	<u>344,861</u>	<u>7,727</u>	<u>352,588</u>	300,319	9,300	309,619
Unallocated assets			<u>10,814</u>			<u>15,086</u>
Total assets			<u>363,402</u>			<u>324,705</u>
Segment liabilities	<u>185,820</u>	<u>6,278</u>	<u>192,098</u>	172,918	5,910	178,828
Unallocated liabilities			<u>10,457</u>			<u>4,126</u>
Total liabilities			<u>202,555</u>			<u>182,954</u>
Capital expenditure	<u>9,737</u>	<u>656</u>	<u>10,393</u>	16,444	243	16,687
Depreciation	<u>14,289</u>	<u>1,134</u>	<u>15,423</u>	13,084	889	13,973
Amortisation charge	<u>2,300</u>	<u>-</u>	<u>2,300</u>	2,300	-	2,300

2. Turnover and segment information (Cont'd)

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

	Unaudited Six months ended 30 September	
	2003	2002
	HK\$'000	HK\$'000
Hong Kong and Macau	267,584	243,880
PRC	8,688	3,622
Other countries	3,279	3,694
	<u>279,551</u>	<u>251,196</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

	Unaudited Six months ended 30 September	
	2003	2002
	HK\$'000	HK\$'000
Interest income	453	305
Rental income from investment properties	452	468
	<u>905</u>	<u>773</u>

4. Profit before taxation

Profit before taxation is stated after charging the following:

	Unaudited Six months ended 30 September	
	2003	2002
	HK\$'000	HK\$'000
Loss on disposal of fixed assets	343	5
Provision for long service payments included in staff costs	245	1,273
Retirement benefit costs included in staff costs	3,181	2,908
	<u>3,769</u>	<u>4,186</u>

5. Taxation

	Unaudited	
	Six months ended	
	30 September	
	2003	2002
	HK\$'000	HK\$'000
Current taxation		
Hong Kong profits tax	3,185	1,217
Overseas taxation	1,294	1,006
Deferred taxation	(708)	(161)
	<u>3,771</u>	<u>2,062</u>
Taxation charge	3,771	2,062

Hong Kong profits tax has been provided at the rate of 17.5% (2002: 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

	Unaudited	
	Six months ended	
	30 September	
	2003	2002
	HK\$'000	HK\$'000
Interim dividend, declared on 16 December 2003, of HK4 cents (2002: HK2 cents) per ordinary share	8,176	3,925
	<u>8,176</u>	<u>3,925</u>

7. Earnings per share

	Unaudited	
	Six months ended	
	30 September	
	2003	2002
	HK\$'000	HK\$'000
Earnings		
Earnings for the purpose of the calculation of basic and diluted earnings per share	<u>19,876</u>	<u>7,845</u>
	2003	2002
Number of shares		
Weighted average number of ordinary shares for the purpose of the calculation of basic earnings per share	196,289,864	196,229,000
Effect of dilutive potential ordinary shares	<u>4,784,874</u>	<u>5,090,569</u>
Weighted average number of ordinary shares for the purpose of the calculation of diluted earnings per share	<u>201,074,738</u>	<u>201,319,569</u>

8. Intangible assets

Trademarks

	Unaudited
	<i>HK\$'000</i>
Net book value, 1 April 2003	36,800
Amortisation charge	<u>(2,300)</u>
Net book value, 30 September 2003	<u>34,500</u>
Cost	92,000
Accumulated amortisation	<u>(57,500)</u>
Net book value, 30 September 2003	<u>34,500</u>
Cost	92,000
Accumulated amortisation	<u>(55,200)</u>
Net book value, 31 March 2003	<u>36,800</u>

9. Fixed assets

	Unaudited <i>HK\$'000</i>
Net book value, 1 April 2003	181,235
Additions	10,393
Disposals	(358)
Depreciation	(15,423)
	<hr/>
Net book value, 30 September 2003	<u>175,847</u>

10. Trade receivables

Details of the ageing analysis are as follows:

	Unaudited 30 September 2003 <i>HK\$'000</i>	Audited 31 March 2003 <i>HK\$'000</i>
Current to 30 days	7,413	1,516
31 to 60 days	301	451
Over 60 days	152	137
	<hr/>	<hr/>
	<u>7,866</u>	<u>2,104</u>

The majority of the Group's sales are conducted by cash or through redemption of cake coupons. Credit sales are made mainly to certain local and overseas corporate customers who are normally 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 values.

11. Trade payables

Details of the ageing analysis are as follows:

	Unaudited 30 September 2003 <i>HK\$'000</i>	Audited 31 March 2003 <i>HK\$'000</i>
Current to 30 days	7,428	5,109
31 to 60 days	3,994	3,207
Over 60 days	1,652	168
	<hr/>	<hr/>
	<u>13,074</u>	<u>8,484</u>

12. Share capital

	Number of ordinary shares	Amount HK\$'000
Ordinary shares of HK\$0.10 each		
Authorized		
At 1 April 2003 and 30 September 2003	<u>400,000,000</u>	<u>40,000</u>
Issued and fully paid		
At 1 April 2003	196,229,000	19,623
Issue of shares upon exercise of share options	<u>788,000</u>	<u>79</u>
At 30 September 2003	<u>197,017,000</u>	<u>19,702</u>

13. Commitments

	Unaudited 30 September 2003 HK\$'000	Audited 31 March 2003 HK\$'000
(a) <i>Capital commitments for property, leasehold improvements, furniture, fixtures and equipment</i>		
Contracted but not provided for	–	282
Approved but not contracted for	<u>28,500</u>	<u>10,185</u>
	<u>28,500</u>	<u>10,467</u>
(b) <i>Commitments under operating leases for land and buildings</i>		
Within one year	<u>39,536</u>	38,174
In the second to fifth year inclusive	<u>34,269</u>	36,754
After the fifth year	<u>2,353</u>	2,388
	<u>76,158</u>	<u>77,316</u>

On behalf of the Board
Chan Wai Cheung, Glenn
Chairman

Hong Kong, 16 December 2003