



Notes to the Accounts *(continued)*

For the year ended 31st March 2004

21 Notes to the consolidated cash flow statement *(continued)*

(c) Acquisition of wedding services business

	2004 <i>HK\$</i>	2003 <i>HK\$</i>
Net assets acquired		
Fixed assets	5,060,982	—
Deposits and other receivables	2,803,050	—
Cash	39,939	—
Deposits received in advance	(3,533,982)	—
Other payables and accruals	(445,555)	—
	<hr/>	<hr/>
	3,924,434	—
Goodwill	20,075,566	—
	<hr/>	<hr/>
Consideration satisfied by cash	<u>24,000,000</u>	<u>—</u>

Analysis of the net cash outflow on acquisition of the wedding services business:

	2004 <i>HK\$</i>	2003 <i>HK\$</i>
Cash consideration	24,000,000	—
Cash acquired	(39,939)	—
	<hr/>	<hr/>
	<u>23,960,061</u>	<u>—</u>

22 Commitments

(a) Commitments under operating leases

At 31st March 2004, the Group had future aggregate minimum lease payments under non- cancellable operating leases in respect of land and buildings as follows:

	Group	
	2004 <i>HK\$</i>	2003 <i>HK\$</i>
Not later than one year	9,358,000	456,000
Later than one year and not later than five years	8,120,000	124,000
	<hr/>	<hr/>
	<u>17,478,000</u>	<u>580,000</u>

The Company did not have any commitments under operating leases at 31st March 2004 (2003: Nil).



Notes to the Accounts *(continued)*

For the year ended 31st March 2004

22 Commitments *(continued)*

(b) Operating lease rental receivables

At 31st March 2004, the Group's future aggregate minimum rental receivables under non-cancellable operating leases in respect of land and buildings are as follows:

	Group	
	2004	2003
	<i>HK\$</i>	<i>HK\$</i>
Not later than one year	4,764,000	4,292,000
Later than one year and not later than five years	9,494,000	14,258,000
	<u>14,258,000</u>	<u>18,550,000</u>

The Company did not have any operating lease rental receivables at 31st March 2004 (2003: Nil).

23 Related party transactions

Significant related party transactions, which were carried out in the normal course of the Group's business, are as follows:

	Group	
	2004	2003
	<i>HK\$</i>	<i>HK\$</i>
Acquisition of the wedding services business from a related company (Note (a))	24,000,000	–
Management fees from a related company (Note (b))	1,260,010	1,061,519
Rental income from a related company (Note (c))	–	249,893
Rental expenses to related companies (Note (d))	<u>156,000</u>	<u>–</u>

- (a) During the year, the Group entered into a sale and purchase agreement (“Agreement”) with a related company to purchase from the related company the business of provision of wedding services under the trade names of “Cite Du Louvre” and “Wonderful Arts Wedding Services” in Hong Kong at a consideration of HK\$24,000,000.
- (b) Management fees of HK\$1,117,145 (2003: HK\$1,061,519) were charged at 1.5% on the revenue of a related company and management fees of HK\$142,865 (2003: HK\$Nil) were charged based on the floor area of godown let to a related company.
- (c) Rental income was received for the subletting of the office premise which was based on a tenancy agreement signed between both parties.
- (d) Rental expenses were paid based on the tenancy agreements signed between both parties.
- (e) A director of the Company holds directorship and has beneficial interests in the related companies mentioned in (a), (b), (c) and (d) above.



Notes to the Accounts *(continued)*

For the year ended 31st March 2004

24 Ultimate holding company

The directors regard World Possession Assets Limited, a company incorporated in the British Virgin Islands, as being the ultimate holding company.

25 Approval of accounts

The accounts were approved by the board of directors on 20th July 2004.