



Notes to the Financial Statements *(continued)*

For the year ended 31 March 2005

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25. COMMITMENTS *(continued)*

(b) Operating lease rental receivables

At 31 March 2005, the Group's future aggregate minimum rental receivables under non-cancellable operating leases in respect of investment properties are as follows:

	Group	
	2005	2004
	HK\$	HK\$
Within one year	4,526,000	4,764,000
Within two to five years	4,968,000	9,494,000
	<u>9,494,000</u>	<u>14,258,000</u>

The Company did not have any commitments under operating lease rental receivables at 31 March 2005 (2004: Nil).

(c) Capital commitments

	Group	
	2005	2004
	HK\$	HK\$
Commitments for acquisition of fixed assets		
– contracted but not provided for	<u>292,246</u>	<u>–</u>

The Company did not have any capital commitments at 31 March 2005 (2004: Nil).

26. RELATED PARTY TRANSACTIONS

Significant related party transactions during the year were:

	Group	
	2005	2004
	HK\$	HK\$
Acquisition of the wedding services business		
from a related company (Note (a))	–	24,000,000
Management fees charged to a related company (Note (b))	–	1,260,010
Rental expenses charged by related companies (Note (c))	<u>2,232,000</u>	<u>156,000</u>



Notes to the Financial Statements *(continued)*

For the year ended 31 March 2005

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26. RELATED PARTY TRANSACTIONS *(continued)*

- (a) During the 2004 financial 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, which was approved by the shareholders on 5 March 2004.
- (b) Management fees of HK\$Nil (2004: HK\$1,117,145) were charged at 1.5% of the revenue of these related companies and management fees of HK\$Nil (2004: HK\$142,865) were charged for warehouse usage by related companies.
- (c) Rental expenses were charged based on the tenancy agreements signed between both parties. These tenancy agreements related to the wedding services business of the Group acquired from an associate of a director of the Company mentioned in note (a) above.
- (d) Two directors of the Company have beneficial interests in the related companies, one of whom also holds directorship in those companies.

27. POST BALANCE SHEET EVENTS

- (a) On 13 April 2005, the Company’s wholly owned subsidiary, Well Prime International Limited (“Well Prime”), entered into an agreement to subscribe for 600 ordinary shares in Reli-a-bo Entertainment Limited (“Reli-a-bo”), representing 60% equity interest in Reli-a-bo, for a consideration of HK\$600. Pursuant to the agreement, Well Prime advanced an interest-free loan of HK\$5,999,400 to Reli-a-bo, and the minority shareholders made similar advances in proportion to their shareholdings in Reli-a-bo. Reli-a-bo carries on the business of talent management in the entertainment industry.
- (b) On 25 May 2005, the Company issued 219,176,800 shares to its major shareholder pursuant to a top-up placing entered into on 11 May 2005 and announced on 12 May 2005. The net proceeds from the issue of shares were approximately HK\$128.4 million.
- (c) On 3 and 6 June 2005, the Company’s wholly owned subsidiary, Worldaim Enterprises Limited (“Worldaim”), subscribed for 51 shares in Wellprecise Limited (“Wellprecise”), representing 51% equity interest in Wellprecise, for a consideration of HK\$51. Pursuant to a shareholders’ agreement dated 18 June 2005, Worldaim advanced an interest-free loan of HK\$2,039,949 to Wellprecise, and the minority shareholders made similar advances in proportion to their shareholdings in Wellprecise. Wellprecise will be engaged in the operation of a Japanese restaurant.
- (d) On 12 July, 2005, the Company’s wholly owned subsidiary, Winkler Profits Limited (“Winkler”), subscribed for 51 shares in Witty Ventures Limited (“Witty”), representing 51% equity interest in Witty, for a consideration of HK\$51. Pursuant to a shareholders’ agreement dated 12 July 2005, Winkler advanced an interest-free loan of HK\$8,160,000 to Witty, and the minority shareholder made a similar advance in proportion to his shareholding in Witty. Witty is engaged in the retail trading of watches.



Notes to the Financial Statements *(continued)*

For the year ended 31 March 2005

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28. ULTIMATE HOLDING COMPANY

The directors consider the ultimate holding company at 31 March 2005 to be World Possession Assets Limited, a company incorporated in the British Virgin Islands.

29. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 28 July 2005.