

Forward

INTERIM REPORT 2001



E. BON
怡邦行



"The phenomena of life may be likened unto a dream, a phantasm, a bubble, a shadow, the glistening dew, or lightning flash, and thus they ought to be contemplated."



The directors present the interim report and unaudited condensed accounts of the Company and its subsidiaries (the "Group") for the six months ended 30th September 2001.

Interim dividend

As a result of losses sustained for the six months ended 30th September 2001, the directors do not recommend any interim dividend be paid to shareholders for this period.

Review of operations

For the six months ended 30th September 2001, the Group's unaudited turnover was HK\$78,934,000 and consolidated loss after tax was HK\$12,930,000 respectively. Representing a lowering of turnover by 49% as compared with the same period of last year. There was a change of the policy on Home Ownership Scheme during the period and the deflated economy in Hong Kong, which was discussed in detail in our annual report for the year ended 31st March 2001. The tragic event on 11th September in the United States this year has already radiated its effects to the world economy and Hong Kong is of no exception. Notably the worsening unemployment situation and the sluggish economy in this region has further limited the already constrained budgets of our customers for home refurbishing.

In view of this unprecedented difficult operating environment, the Group has taken a number of measures to improve the effectiveness of management control by differentiating the operations by product line and further increasing the utilization of its resources, resulting in an overall reduction in overhead expenses by 11% down to HK\$38 million for the period under review.

The loss per share for the period was HK\$0.06 (2000: earnings per share HK\$0.10). The Group's gross profit margin during the period dropped to 32% due to pricing pressure as a result of the keen competition in the shrinking market and the change in sales mix with more sales of lower profit margin items to our customers as a result of the uncertainty of the possible recovery of economy.

During the period, about 53% of the Group's turnover was generated from the sale of goods for property development projects. Despite the sluggish economy and no visible sign of any recovery of economy, the Group remains relatively strong in winning significant development contracts, which include 2-10A Minden Avenue Project, Tai Po 161 Phases 1 & 2 and MTRC Kowloon Station Site A during this period. Meanwhile, the Group's turnover from retail business has increased by approximately 26% in value as compared with that of the same period last year partly contributed by the additional outlets in Lockhart Road and Wong Nai Chung Road.

Although less than 10% of the Group's turnover and trading results were attributable to market outside Hong Kong, China's entry into the World Trade Organization further lends support to our policy in increasing emphasis in the China market and our effort in expanding the business network.

At 30th September 2001, the Group has employed about 122 employees. The Group is in the process of implementing programs to increase employees' productivity while keeping the remuneration packages in line with the prevailing market conditions.

Financial position

Despite the current operating environment, the Group remains relatively strong in its financial position. During the period, the Group has reduced its borrowing by 49% to HK\$22 million, the gearing ratio was about 15% as at 30th September 2001, which is calculated on the basis of the Group's total bank borrowings over shareholders' funds. As at 30th September 2001, the Group has HK\$43 million cash in hand with a current ratio of 4.8. The Group has no significant exposure to foreign currency fluctuations. No assets of the Group was held under charge as at 30th September 2001.

As part of the rationalization program during this period, the Group is in the process of remapping its current banking facilities for better utilization of its financial resources in the current low interest rate environment.

At 30th September 2001, the Group had capital commitments contracted but not provided for in respect of the purchase of computer software amounting to HK\$800,000.

In August 2001, a subsidiary of the Company sued one of its customers (the "Defendant") for recovery of an amount of approximately HK\$5,333,000 in respect of goods sold and delivered to the Defendant. In September 2001, the Defendant filed a counter-claim in a sum of approximately HK\$6,148,000 (the "Counter-claim") on that subsidiary for the alleged losses and damages as a result of the alleged breach of the supply agreement entered into between the Defendant and that subsidiary. The proceedings are still in an early pleading stage and the directors of the Company, on the basis of independent legal advice obtained, consider the subsidiary has a good arguable case against the defendant for the Counter-claim and accordingly no provision in respect of the amount of the Counter-claim has been made in the accounts of the Group.

As at 30th September 2001, the Group had indemnities in respect of performance bonds amounting to approximately HK\$3,579,000 given to certain customers in respect of commitments for the supply of goods to such customers.

Apart from the above, the Group had no material contingent liabilities as at 30th September 2001.

Future prospects

As mentioned above, the tragic event on 11th September has further dampened the level of activities in the construction side of the property development in the private sector and this coupled with the change in the government policy on housing have resulted in an overall contraction of market size in project sales. While the Group retains its strength in this area, the expansion into the retail market has already yielded encouraging result during this period. Simultaneously the cautious effort of exploring the China market continues, China's entry into the World Trade Organization and the hosting of 2008 Olympic Games in Beijing have opened up ample opportunities for the Group especially in the building programs in China. With the ever increase in the number of affluent groups and their efforts in the improvement of living environment, the Group intends to expand its presence in China major cities with showrooms and representative offices while the further penetration into cities of inner provinces of China will probably lends its effort in the development of electronic commerce. Though the turnover from this market was relatively small in the past, the Group recognizes that the market potential with the Group has placed in the excellent strategic position for, among other things, both importing into China and the exporting of China products overseas utilizing the existing and future network.

Change of directors

As mentioned in our annual report, during the period, we are pleased to welcome Mr. Wong Tin Cheung, Ricky and Mr. Mak So who joined us as our executive directors and Mr. Wong Wah, Dominic as non-executive director. They were re-elected by our shareholders at the Annual General Meeting in October this year.

The board of directors regrettably accepts the resignation of Mr. Leung Ka Cheung with effect from 10th December 2001 as an executive director. The management sincerely thanks Mr. Leung for his support and contribution to the Group throughout his term of office.

Meanwhile, the board of directors is pleased to appoint Mr. Lau Shiu Sun, Terence as an executive director of the Company with effect from 10th December 2001.

Purchase, Sales or Redemption of Shares

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

Directors' interests in equity securities

At 30th September 2001, the interest of the directors in the shares of the Company and its associated corporations (within the meaning of the Securities (Disclosure of Interests) Ordinance ("SDI Ordinance")), as recorded in the register maintained by the Company under Section 29 of the SDI Ordinance or notified to the Company were as follows:

Interests in shares of the Company

Director	Personal interest	Number of ordinary shares held			Other interest
		Family interest	Corporate interest		
Mr TSE Sun Fat, Henry (Note 1)	-	-	-	140,000,000	
Mr TSE Sun Po, Tony (Note 2)	-	140,000,000	-	140,000,000	

Note 1: Bache Hill Group Limited ("BHGL") is holding these shares. BHGL is held as to approximately 60.98 per cent. by Tse Brothers Assets Management Limited which is the trustee of The Tse Brothers Unit Trust (which is in turn held by a discretionary trust, The Tse's Family Trust). Mr TSE Sun Fat, Henry is one of the objects of The Tse's Family Trust. The interest of Mr TSE Sun Fat, Henry are accordingly regarded as "other interest" as described in Practice Note 5 of the Rules Governing the Listing of Securities of the Stock Exchange ("Listing Rules").

Note 2: BHGL is holding these shares. BHGL is held as to approximately 60.98 per cent. by Tse Brothers Assets Management Limited which is the trustee of The Tse Brothers Unit Trust (which is in turn held by a discretionary trust, The Tse's Family Trust). The spouse and other family members of Mr TSE Sun Po, Tony are objects of The Tse's Family Trust. The interests of Mr TSE Sun Po, Tony are accordingly regarded as "family interest" and "other interest" as described in Practice Note 5 of the Listing Rules.

Interests in shares of associated corporations

(i) BHGL

Director	Personal interest	Number of ordinary shares held				Total
		Family interest	Corporate interest	Other interest		
Mr TSE Sun Fat, Henry (Note 3)	-	-	-	30,491	30,491	
Mr TSE Sun Po, Tony (Note 4)	-	30,491	-	30,491	30,491	
Mr TSE Sun Lung, Alan	3,025	-	-	-	3,025	
Mr LEE Chi Wah, Rhodes	965	-	-	-	965	
Mr LEUNG Ka Cheung	1,020	-	-	-	1,020	
Mr WONG Tin Cheung, Ricky	1,265	-	-	-	1,265	

Note 3: These shares are held by Tse Brothers Assets Management Limited which is the trustee of The Tse Brothers Unit Trust (which is in turn held by a discretionary trust, The Tse's Family Trust). Mr TSE Sun Fat, Henry is one of the objects of The Tse's Family Trust. The interests of Mr TSE Sun Fat, Henry are accordingly regarded as "other interest" as described in Practice Note 5 of the Listing Rules.

Note 4: These shares are held by Tse Brothers Assets Management Limited which is the trustee of The Tse Brothers Unit Trust (which is in turn held by a discretionary trust, The Tse's Family Trust). The spouse and other family members of Mr TSE Sun Po, Tony are objects of The Tse's Family Trust. The interests of Mr TSE Sun Po, Tony are accordingly regarded as "family interest" and "other interest" as described in Practice Note 5 of the Listing Rules.



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(ii) Negotiator Consultants Limited

Director	Number of ordinary shares held				Total
	Personal interest	Family interest	Corporate interest	Other interest	
Mr TSE Sun Fat, Henry (Note 5)	-	-	-	1	1
Mr TSE Sun Po, Tony (Note 6)	-	1	-	1	1

Note 5: Such share is held by BHGL. BHGL is held as to approximately 60.98 per cent. by Tse Brothers Assets Management Limited which is the trustee of The Tse Brothers Unit Trust (which is in turn held by a discretionary trust, The Tse's Family Trust). Mr TSE Sun Fat, Henry is one of the objects of The Tse's Family Trust. The interest of Mr TSE Sun Fat, Henry is accordingly regarded as "other interest" as described in Practice Note 5 of the Listing Rules.

Note 6: Such share is held by BHGL. BHGL is held as to approximately 60.98 per cent. by Tse Brothers Assets Management Limited which is the trustee of The Tse Brothers Unit Trust (which is in turn held by a discretionary trust, The Tse's Family Trust). The spouse and other family members of Mr TSE Sun Po, Tony are objects of The Tse's Family Trust. The interest of Mr TSE Sun Po, Tony is accordingly regarded as "family interest" and "other interest" as described in Practice Note 5 of the Listing Rules.

Directors' benefits from rights to acquire shares or debentures

Under the terms of the Company's share option scheme adopted on 22nd March 2000, the board of directors of the Company may, at their discretion, invite any full-time employees or executive directors of the Company or any of its subsidiaries to subscribe for ordinary shares of HK\$0.10 each in the Company. The maximum number of shares in respect of which options may be granted under the scheme may not exceed 10% of the issued share capital of the Company. No options have been granted to the directors up to the date of this report.

At no time during the period was the Company or any of its subsidiaries or holding companies a party to any arrangements to enable the directors of the Company to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

Substantial shareholders

The register of substantial shareholders maintained under section 16(1) of the SDI Ordinance shows that as at 30th September 2001, the Company had been notified of the following substantial shareholders' interests, being 10% 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 executive.

Name of shareholder	Number of shares
BHGL	140,000,000
Tse Brothers Assets Management Limited (Note 7)	140,000,000
HSBC Holdings plc (Note 8)	140,000,000
HSBC Finance (Netherlands) (Note 8)	140,000,000
HSBC Holdings B.V. (Note 8)	140,000,000
HSBC Investment Bank Holdings B.V. (Note 8)	140,000,000
HSBC International Trustee Limited (Note 8)	140,000,000

Note 7: BHGL is held as to approximately 60.98 per cent. by Tse Brothers Assets Management Limited. Tse Brothers Assets Management Limited is accordingly taken to be interested in these shares under Section 8(2) of the SDI Ordinance.

Note 8: BHGL is held as to approximately 60.98 per cent. by Tse Brothers Assets Management Limited, the entire issued share capital of which is in turn held by HSBC International Trustee Limited (which is the trustee of the Tse's Family Trust). HSBC International Trustee Limited is accordingly taken to be interested in these shares under Section 8(2) of the SDI Ordinance. The shares in which HSBC International Trustee Limited is interested formed part of the shares in which HSBC Investment Bank Holdings B.V. is interested formed part of the shares in which HSBC Holdings B.V. is interested; the shares in which HSBC Investment Bank Holdings B.V. is interested; the shares in which HSBC Holdings B.V. is interested are the shares in which HSBC Finance (Netherlands) is interested and the shares in which HSBC Finance (Netherlands) is interested formed part of the shares in which HSBC Holdings plc is interested.



Information pursuant to Practice Note 19 of the Listing Rules

As at the date of this report, as a condition of the general banking facilities granted to the Group by a banker, the major beneficial shareholders of BHGL (being The Tse Brothers Unit Trust and The Tse's Family Trust) are required to maintain not less than 35% of their beneficial shareholding in the Company.

Save as disclosed above, the directors of the Company are not aware of any circumstances which would give rise to any disclosure obligations under Practice Note 19 of the Listing Rules as at the date of this report.

Compliance with the Code of Best Practice of the Listing Rules

None of the directors of the Company is aware of any information which would indicate that the Group is not, or was not, in compliance with the Code of Best Practice as set out in Appendix 14 in the Listing Rules of The Stock Exchange of Hong Kong Limited at any time during the six months ended 30th September 2001.

Audit Committee

The Audit Committee has reviewed with management the accounting principles and practices adapted by the Group and discussed auditing, internal controls and financial reporting matters including a review of the unaudited interim accounts for the six months ended 30th September 2001.

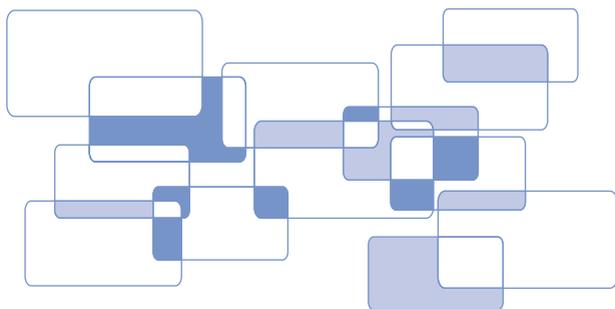


CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2001

	Note	Unaudited	
		Six months ended 30th September	
		2001	2000
		HK\$'000	HK\$'000
Turnover	2	78,934	156,086
Cost of sales		(53,878)	(90,117)
Gross profit		25,056	65,969
Other revenue - interest income		655	1,990
Selling and distribution expenses		(21,882)	(26,577)
Administrative expenses		(16,149)	(16,184)
Operating (loss)/profit	3	(12,320)	25,198
Finance costs	4	(610)	(1,767)
(Loss)/profit before taxation		(12,930)	23,431
Taxation	5	-	(3,916)
(Loss)/profit attributable to shareholders		(12,930)	19,515
Interim dividend	6	-	6,000
Basic (loss)/earnings per share	7	(HK6 cents)	HK10 cents

The (loss)/profit attributable to shareholders is the only component of the statement of recognised gains and losses for the periods and accordingly no separate statement has been prepared.



CONDENSED CONSOLIDATED BALANCE SHEET

AS AT 30TH SEPTEMBER 2001

		Unaudited 30th September 2001 HK\$'000	Audited 31st March 2001 HK\$'000
	Note		
Fixed assets	8	25,539	25,487
Current assets			
Inventories		33,835	37,865
Trade receivables, other receivables, deposits and prepayments	9	77,215	86,208
Tax recoverable		2,794	2,794
Cash and bank balances		43,419	65,427
		<u>157,263</u>	<u>192,294</u>
Current liabilities			
Trade payables, accruals and deposits received	10	13,764	12,541
Bills payable		-	1,480
Trust receipt loans		17,418	34,077
Current portion of non-current liabilities	11	1,616	5,924
		<u>32,798</u>	<u>54,022</u>
Net current assets		<u>124,465</u>	<u>138,272</u>
Total assets less current liabilities		<u>150,004</u>	<u>163,759</u>
Financed by:			
Share capital	12	20,000	20,000
Reserves	13	126,353	137,283
Proposed dividend		-	2,000
		<u>126,353</u>	<u>139,283</u>
Shareholders' funds		146,353	159,283
Non-current liabilities	11	3,651	4,476
		<u>150,004</u>	<u>163,759</u>

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2001

	Unaudited Six months ended 30th September 2001 HK\$'000		2000 HK\$'000
Net cash inflow from operating activities		1,356	25,921
Net cash inflow/(outflow) from returns on investments and servicing of finance		45	(1,777)
Total taxation paid		-	(1,573)
Net cash (outflow)/inflow from investing activities		(1,618)	3,577
Net cash (outflow)/inflow from financing		(21,791)	42,127
(Decrease)/increase in cash and cash equivalents		(22,008)	68,275
Cash and cash equivalents at 1st April		65,427	3,777
Cash and cash equivalents at 30th September		<u>43,419</u>	<u>72,052</u>

Cash and cash equivalents represent cash and bank balances at the respective period end dates.

NOTES TO THE UNAUDITED CONDENSED INTERIM ACCOUNTS

1 Basis of preparation and accounting policies

These unaudited consolidated condensed interim accounts are prepared in accordance with Hong Kong Statement of Standard Accounting Practice ("SSAP") 25, Interim Financial Reporting, issued by the Hong Kong Society of Accountants ("HKSA"), and Appendix 16 of the Listing Rules of the Stock Exchange of Hong Kong Limited

These condensed interim accounts should be read in conjunction with the 2001 annual financial statements.

The accounting policies and methods of computation used in the preparation of these condensed interim accounts are consistent with those used in the annual accounts for the year ended 31st March 2001 except that the Group has changed its accounting policy following its adoption of SSAP 14 (revised) on leases, issued by the HKSA which is effective for accounting periods commencing on or after 1st July 2000.

In accordance with revised SSAP 14, the Group is required to disclose the aggregate future minimum lease payments, analysed into the periods on which the payment is to be made. This is a change from previous SSAP 14 which only required disclosure of the minimum lease payments payable in the next twelve months, analysed into periods in which the lease expires. Comparative information has also been restated to conform with the changed policy.



2 Revenues and turnover

The Group is principally engaged in the importing and sale of architectural builders hardware and bathroom collection in Hong Kong.

All of the turnover and operating (loss)/profit of the Group for the period are contributed by importing and sales of architectural builders hardware and bathroom collection.

No geographical analysis of turnover and operating profit is provided as less than 10% of the consolidated turnover and less than 10% of the consolidated trading results of the Group are attributable to markets outside Hong Kong.

3. Operating (loss)/profit

	Unaudited	
	Six months ended 30th September	
	2001	2000
	HK\$'000	HK\$'000
Operating (loss)/profit is stated after charging/(crediting) the following:		
Cost of inventories	53,878	90,117
Depreciation:		
Owned fixed assets	1,322	1,133
Leased fixed assets	244	221
Net exchange gain	(371)	(960)
Payments under operating leases for leasehold land and buildings	5,547	4,614
Provision for slow-moving inventories, included in cost of inventories	4,582	1,322
Retirement benefit costs	1,045	1,004
Staff costs, inclusive of directors' emoluments	19,694	23,435

4 Finance costs

	Unaudited	
	Six months ended 30th September	
	2001	2000
	HK\$'000	HK\$'000
Interest on bank borrowings	603	1,753
Interest element of finance leases	6	14



5 Taxation

- No provision for Hong Kong profits tax has been made in the accounts as the Group has no estimated assessable profits for the period. (Six months ended 30th September 2000: 16% on estimated assessable profits).
- The deferred taxation as referred to in note 11 below is provided for in respect of accelerated depreciation allowances. There is no material potential deferred taxation not provided for in the accounts.

6 Interim dividend

	Unaudited	
	Six months ended 30th September	
	2001	2000
	HK\$'000	HK\$'000
2001: HK\$ Nil (2000: paid of HK\$0.03) per ordinary share	-	6,000

7 (Loss)/earnings per share

The calculation of basic (loss)/earnings per share are based on the Group's loss attributable to shareholders of HK\$12,930,000 (six month ended 30th September 2000: profit of HK\$19,515,000) and 200,000,000 (2000: weighted average number of 197,704,918) shares in issue during the period. Diluted earnings per share for the periods were not disclosed as there were no dilutive potential ordinary shares.

8 Capital expenditure

	Fixed assets HK\$'000
Six months ended 30th September 2001	
Opening net book amount	25,487
Additions	1,618
Depreciation	(1,566)
Closing net book amount	<u>25,539</u>

9 Trade receivables, other receivables, deposits and prepayments

Included in the balance are trade receivables and their aging analysis is as follows:

	0-30 days HK\$'000	31-60 days HK\$'000	61-90 days HK\$'000	Over 91 days HK\$'000	Total HK\$'000
Balance at					
30th September 2001	<u>7,430</u>	<u>7,493</u>	<u>10,222</u>	<u>51,004</u>	<u>76,149</u>
Balance at					
31st March 2001	<u>22,149</u>	<u>16,793</u>	<u>7,465</u>	<u>37,306</u>	<u>83,713</u>

The majority of the Group's sales are with credit terms of 30 to 90 days. The remaining amounts are on letter of credit or documents against payment.

10 Trade payables, accruals and deposits received

Included in the balance are trade payables and their aging analysis is as follows:

	0-30 days HK\$'000	31-60 days HK\$'000	61-90 days HK\$'000	Over 91 days HK\$'000	Total HK\$'000
Balance at					
30th September 2001	<u>2,375</u>	<u>3,884</u>	<u>3,762</u>	<u>2,056</u>	<u>12,077</u>
Balance at					
31st March 2001	<u>3,337</u>	<u>2,545</u>	<u>155</u>	<u>3,375</u>	<u>9,412</u>

11 Non-current liabilities

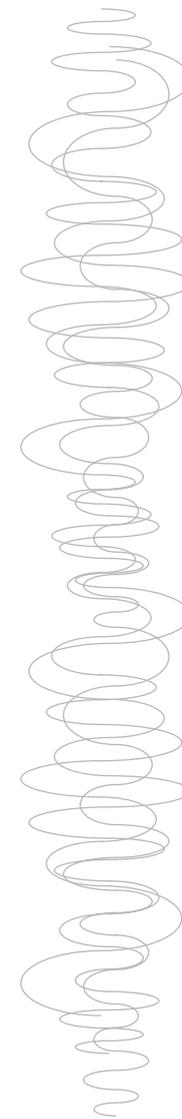
	Unaudited 30th September 2001 HK\$'000	Audited 31st March 2001 HK\$'000
Bank loans	4,673	9,764
Obligations under finance leases	202	244
	<u>4,875</u>	<u>10,008</u>
Current portion of non-current liabilities	(1,616)	(5,924)
	<u>3,259</u>	<u>4,084</u>
Deferred taxation (note 5(b))	392	392
	<u>3,651</u>	<u>4,476</u>

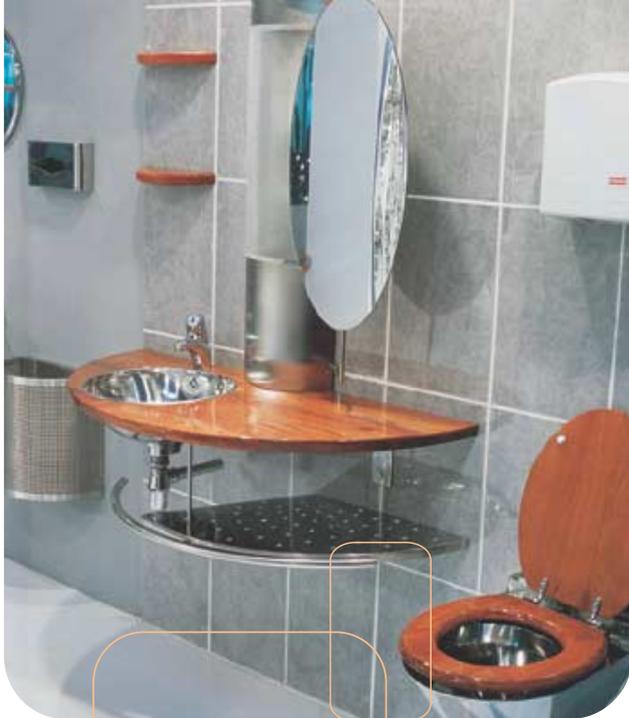
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13 Reserves

	Share premium HK\$'000	Revaluation reserve HK\$'000	Merger reserve HK\$'000	Capital reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
At 1st April 2000 previously reported	-	9,947	6,979	2,896	68,995	88,817
Prior year adjustment on adopting SSAP 9 (revised)	-	-	-	-	2,000	2,000
At 1st April 2000 as restated	-	9,947	6,979	2,896	70,995	90,817
Issue of shares	66,000	-	-	-	-	66,000
Capitalisation of new issue	(13,900)	-	-	-	-	(13,900)
Issuing expenses	(10,839)	-	-	-	-	(10,839)
Profit attributable to shareholders	-	-	-	-	15,205	15,205
1999/2000 final dividend paid	-	-	-	-	(2,000)	(2,000)
2000/2001 interim dividend paid	-	-	-	-	(6,000)	(6,000)
Reserves	41,261	9,947	6,979	2,896	76,200	137,283
2000/2001 proposed final dividend	-	-	-	-	2,000	2,000
At 31st March 2001	41,261	9,947	6,979	2,896	78,200	139,283
At 1st April 2001	41,261	9,947	6,979	2,896	78,200	139,283
Loss attributable to shareholders	-	-	-	-	(12,930)	(12,930)
At 30th September 2001	41,261	9,947	6,979	2,896	65,270	126,353





14 Contingent liabilities

- (a) In August 2001, a subsidiary of the Company sued one of its customers (the "Defendant") for recovery of an amount of approximately HK\$5,333,000 in respect of goods sold and delivered to the Defendant. In September 2001, the Defendant filed a counter-claim in a sum of approximately HK\$6,148,000 (the "Counter-claim") on that subsidiary for the alleged losses and damages as a result of the alleged breach of the supply agreement entered into between the Defendant and that subsidiary. The proceedings are still in an early pleading stage and the directors of the Company, on the basis of independent legal advice obtained, consider the subsidiary has a good arguable case against the Defendant for the Counter-claim and accordingly no provision in respect of the amount of the Counter-claim has been made in the accounts.
- (b) As at 30th September 2001, the Group had indemnities in respect of performance bonds amounting to approximately HK\$3,579,000 (31st March 2001: HK\$2,926,000) given to certain customers in respect of commitments for the supply of goods to such customers.

Apart from the above, the Group had no material litigation or contingent liabilities as at 30th September 2001 and up to the date of the approval of these condensed interim accounts.

15 Commitments

- (a) At 30th September 2001, the Group had capital commitments contracted but not provided for in respect of plant and equipment amounting to HK\$800,000 (31st March 2001: HK\$900,000).

- (b) Commitments under operating leases

At 30th September 2001, the Group had total future aggregate minimum lease payments in respect of land and buildings under non-cancellable operating leases as follows:

	Unaudited 30th September 2001 HK\$'000	Restated 31st March 2001 HK\$'000
Within one year	10,718	11,094
In the second to fifth years inclusive	7,704	12,875
	<u>18,422</u>	<u>23,969</u>

16 Related party transactions

Significant related party transaction, which were carried out in the normal course of the Group's business at terms mutually agreed between the Group and the counter parties are as follows:

	Unaudited Six months ended 30th September	
	2001 HK\$'000	2000 HK\$'000
Rental paid to Negotiator Consultants Limited	<u>1,368</u>	<u>1,368</u>

Negotiator Consultants Limited is a fellow subsidiary of the Company in which all the executive directors of the Company have beneficial interests.

17 Ultimate holding company

The directors regard Bache Hill Group Limited, a company incorporated in the British Virgin Islands, as being the ultimate holding company.

On behalf of the Board

TSE Sun Fat, Henry

Chairman

Hong Kong, 10th December 2001