

NOTES TO CONDENSED FINANCIAL STATEMENTS

30 September 2000

1. ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements are prepared in accordance with Hong Kong Statement of Standard Accounting Practice ("SSAP") No. 25 "Interim Financial Reporting" except that the comparative figures of the condensed consolidated cash flow statement have not been prepared as the Company has taken advantage of the transitional provisions set out in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The accounting policies and basis of preparation are the same as those used in the annual financial statements for the year ended 31 March 2000.

The Group has adopted revised SSAP 1 "Presentation of Financial Statements" for the first time in this interim reporting period. As a result, the comparative figures for the six months ended 30 September 1999 have been reclassified to conform with the current period's presentation.

2. SEGMENT INFORMATION

	Turnover		Contribution to loss from operating activities	
	For the six months ended 30 September		For the six months ended 30 September	
	2000 (Unaudited) HK\$'000	1999 (Unaudited) HK\$'000	2000 (Unaudited) HK\$'000	1999 (Unaudited) HK\$'000
By activity:				
Restaurant operations	185,024	174,386	(7,252)	(17,278)
Property investment	902	8,310	10	(5,005)
	<u>185,926</u>	<u>182,696</u>	<u>(7,242)</u>	<u>(22,283)</u>
By geographical area:				
The People's Republic of China:				
Hong Kong	185,926	163,352	(7,287)	(19,071)
Macau	-	19,344	-	(2,019)
Elsewhere	-	-	45	(1,193)
	<u>185,926</u>	<u>182,696</u>	<u>(7,242)</u>	<u>(22,283)</u>

3. FINANCE COSTS

	For the six months ended 30 September	
	2000 (Unaudited) HK\$'000	1999 (Unaudited) HK\$'000
Interest on bank loans, overdrafts and other borrowings wholly repayable within five years	10,766	13,737
Interest on finance lease and hire purchase contracts	33	-
	<u>10,799</u>	<u>13,737</u>

4. TAX

	For the six months ended 30 September	
	2000 (Unaudited) HK\$'000	1999 (Unaudited) HK\$'000
Group:		
Hong Kong	(277)	(29)
Prior year's underprovision	(31)	-
Deferred tax	-	250
	<u>(308)</u>	<u>221</u>
Share of tax attributable to an associate	(103)	-
	<u>(411)</u>	<u>221</u>

Hong Kong profits tax has been provided at the rate of 16% (1999: 16%) on the estimated assessable profits arising in Hong Kong during the period.

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5. LOSS PER SHARE

The calculation of basic loss per share is based on the loss attributable to shareholders for the period of HK\$18,269,000 (1999: HK\$35,350,000) and 300,052,800 ordinary shares of the Company in issue during the period.

Diluted loss per share for both periods has not been calculated because no diluting events existed during these periods.

6. DIVIDEND

At a meeting of the board of directors held on 20 December 2000, the directors resolved not to pay any interim dividend (1999: Nil).

7. TRADE RECEIVABLES

	30 September 2000 (Unaudited) HK\$'000	31 March 2000 (Unaudited) HK\$'000
Current to 3 months	1,356	825
4 - 6 months	705	134
7 - 12 months	301	341
Over 1 year	328	30
Total	<u>2,690</u>	<u>1,330</u>

The Group generally allows an average credit period of 2 months to certain of its trade customers.

8. BANK BORROWINGS, SECURED

At 30 September 2000, the bank borrowings were secured by certain of the Group's leasehold land and buildings, investment properties and bank deposits with a carrying value of HK\$186,559,000 (31 March 2000: HK\$187,995,000), HK\$47,000,000 (31 March 2000: HK\$47,000,000) and HK\$6,297,000 (31 March 2000: HK\$6,135,000), respectively.

9. TRADE PAYABLES

	30 September 2000 (Unaudited) HK\$'000	31 March 2000 (Unaudited) HK\$'000
Current to 3 months	20,293	18,720
4 - 6 months	785	663
	<u>21,078</u>	<u>19,383</u>

10. RESERVES

	Share premium account HK\$'000	Contributed surplus HK\$'000	Investment property revaluation reserve HK\$'000	Total HK\$'000
At 31 March 2000 (audited) and 30 September 2000 (unaudited)	<u>37,271</u>	<u>23,282</u>	<u>6,037</u>	<u>66,590</u>

The contributed surplus of the Group represents the excess of the nominal value of the shares and the share premium account of the subsidiaries acquired over the nominal value of the Company's shares issued in exchange therefor.

11. CONTINGENT LIABILITIES

Certain of the Group's employees had completed the required number of years of service under the Hong Kong Employment Ordinance (the "Ordinance") to be eligible for long service payments on termination of their employment. The Group is only liable to make such payments if the termination of employment meets the circumstances specified in the Ordinance. Had the employment of all these eligible employees been terminated under the circumstances specified by the Ordinance, the Group's liability at 30 September 2000, which has not been provided for in the financial statements, would have been approximately HK\$13,313,000 (31 March 2000: HK\$13,187,000).

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12. COMMITMENTS

- (a) The Group had commitments under non-cancellable operating leases in respect of land and buildings to make payments in the following 12 months as follows:

	30 September 2000 (Unaudited) HK\$'000	31 March 2000 (Audited) HK\$'000
Leases expiring:		
Within one year	1,439	496
In the second to fifth years, inclusive	19,969	13,847
Beyond five years	-	6,780
	<u>21,408</u>	<u>21,123</u>
Lease expiring in the second to fifth years, inclusive:		
Share of a jointly controlled entity	538	462
	<u>21,946</u>	<u>21,585</u>
	30 September 2000 (Unaudited) HK\$'000	31 March 2000 (Audited) HK\$'000
(b) Capital commitment, contracted for	<u>1,590</u>	<u>-</u>

13. RELATED PARTY TRANSACTIONS

- (a) During the period, the Group received interest income of HK\$104,000 (1999: HK\$92,000) from a jointly controlled entity on a loan which bore interest at 12% per annum.
- (b) During the period, the Group paid rental expenses of HK\$750,000 (1999: Nil) to companies in which certain directors of the Company have beneficial interests. The rentals were determined with reference to open market rentals.
14. These condensed interim financial statements were approved by the board of directors on 20 December 2000.