

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2001

	(unaudited) HK\$'000
Net cash outflow from operating activities	(18,266)
Net cash inflow from returns on investments and servicing of finance	5,145
Net cash outflow from investing activities	(684)
Decrease in cash and cash equivalents	(13,805)
Cash and cash equivalents at beginning of period	231,146
Cash and cash equivalents at end of period	<u>217,341</u>

The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") permit the omission of comparative figures for the cash flow statement to be included in the first interim financial report relating to accounting periods ended on or after 1 July 2000.

NOTES TO INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The unaudited interim financial statements have been prepared in accordance with Statement of Standard Accounting Practice 2.125, "Interim Financial Reporting", issued by the Hong Kong Society of Accountants ("HKSA") and the disclosure requirements set out in Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The accounting policies and methods of computation used in the preparation of the interim financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2000.

Comparative figures in the condensed consolidated profit and loss account have been restated to conform with requirements of the revised Statement of Standard Accounting Practice 2.101 "Presentation of Financial Statements" issued by the HKSA.

2. SEGMENT INFORMATION

An analysis of the Group's turnover and operating loss before tax by principal activities is as follows:

	Turnover		Operating profit/(loss) before tax	
	2001 <i>HK\$'000</i>	2000 <i>HK\$'000</i>	2001 <i>HK\$'000</i>	2000 <i>HK\$'000</i>
Restaurant operations and related activities	47,224	47,845	(13,732)	(7,214)
Property investment and related activities	2,291	2,129	1,786	1,693
Investment and others	2,945	3,575	(1,060)	744
	<u>52,460</u>	<u>53,549</u>	<u>(13,006)</u>	<u>(4,777)</u>

The Group's principal operations are located in Hong Kong.

3. TAX

No Hong Kong profits tax has been provided (2000: 16%) as no assessable profit was earned during the period.

4. LOSS PER SHARE

The calculation of basic loss per share is based on the net loss from ordinary activities attributable to shareholders for the period of HK\$11,205,000 (2000: HK\$3,861,000) and 121,087,134 (2000: 121,087,134) ordinary shares in issue throughout the period.

5. DIVIDEND

The directors do not recommend the payment of any interim dividend in respect of the six months ended 30 June 2001 (2000: Nil).

6. ACCOUNTS RECEIVABLE

The age of the accounts receivable is summarised as follows:

	30 June 2001 <i>HK\$'000</i>	31 December 2000 <i>HK\$'000</i>
Outstanding balances with ages:		
Within 30 days	1,561	2,449
31 to 60 days	1,191	1,309
61 to 180 days	218	294
Over 180 days	7	8
	<u>2,977</u>	<u>4,060</u>

The Group's restaurant and property leasing operations are largely operated on cash on delivery or payment in advance terms, except for those well-established customers to whom credit terms are granted. The Group generally allows normal terms of credit of 30 to 60 days to its well-established customers.

7. ACCOUNTS PAYABLE

The age of the accounts payable is summarised as follows:

	30 June	31 December
	2001	2000
	<i>HK\$'000</i>	<i>HK\$'000</i>
Outstanding balances with ages:		
Within 30 days	2,408	4,982
Over 30 days	7	6
	<u>2,415</u>	<u>4,988</u>

8. PLEDGE OF ASSETS

As at 30 June 2001, the Group's short term bank deposits amounting to HK\$911,000 (31 December 2000: HK\$911,000) were pledged to secure a letter of guarantee of HK\$911,000 (31 December 2000: HK\$911,000) granted by a bank for the Group's electricity deposits.

9. COMMITMENTS

Neither the Company nor the Group had any significant commitment at 30 June 2001.

10. RELATED PARTY TRANSACTIONS

The Group had the following material transactions with related parties during the six months ended 30 June 2001:

	2001 <i>HK\$'000</i>	2000 <i>HK\$'000</i>
Catering income received from directors and related companies	1,607	1,607
Insurance premiums paid to a related company	846	1,007
Disposal of vessels to a related company	<u> -</u>	<u> 62,200</u>

The above transactions were conducted in accordance with the terms as disclosed in the last annual report.