



Notes to the Accounts

For the year ended 31st March 2002

1 Principal accounting policies

The principal accounting policies adopted in the preparation of these consolidated accounts are set out below:

(a) Basis of preparation

The accounts have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Society of Accountants (“HKSA”). The accounts have been prepared under the historical cost convention except that, as disclosed in the accounting policies below, certain leasehold properties and investment properties are stated at fair value.

In the current year, the Group adopted the following Statements of Standard Accounting Practice (“SSAPs”) issued by the HKSA which are effective for accounting periods commencing on or after 1st January 2001:

SSAP 14 (revised):	Leases (effective for periods commencing on or after 1st July 2000)
SSAP 26:	Segment reporting
SSAP 28:	Provisions, contingent liabilities and contingent assets
SSAP 30:	Business combinations
SSAP 31:	Impairment of assets
SSAP 32:	Consolidated financial statements and accounting for investments in subsidiaries

The effect of adopting these new standards is set out in the accounting policies below.

(b) Consolidation

The consolidated accounts include the accounts of the Company and its subsidiaries made up to 31st March. Subsidiaries are those entities in which the Group controls the composition of the board of directors, controls more than half of the voting power or holds more than half of the issued share capital.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated profit and loss account from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All significant intercompany transactions and balances within the Group are eliminated on consolidation.

The gain or loss on the disposal of a subsidiary represents the difference between the proceeds of the sale and the Group’s share of its net assets.

In the Company’s balance sheet, the investments in subsidiaries are stated at cost less provision for impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

(c) Associated companies

An associated company is a company, not being a subsidiary, in which an equity interest is held for the long-term and significant influence is exercised in its management.

The consolidated profit and loss account includes the Group’s share of the results of associated companies for the year, and the consolidated balance sheet includes the Group’s share of the net assets of the associated companies.

Equity accounting is discontinued when the carrying amount of the investment in an associated company reaches zero, unless the Group has incurred obligations or guaranteed obligations in respect of the associated company.



Notes to the Accounts *(continued)*

For the year ended 31st March 2002

1 Principal accounting policies *(continued)*

(d) Fixed assets

(i) *Investment properties*

Investment properties are interests in land and buildings in respect of which construction work and development have been completed and which are held for their investment potential, any rental income being negotiated at arm's length.

Investment properties held on leases with unexpired periods greater than 20 years are valued at intervals of not more than three years by independent valuers. The valuations are on an open market value basis related to individual properties and separate values are not attributed to land and buildings. The valuations are incorporated in the annual accounts. Increases in valuation are credited to the investment properties revaluation reserve. Decreases in valuation are first set off against increases on earlier valuations on a portfolio basis and thereafter are debited to operating profit. Any subsequent increases are credited to operating profit up to the amount previously debited. Investment properties held on leases with unexpired periods of 20 years or less are depreciated over the remaining portion of the leases.

Upon the disposal of an investment property, the relevant portion of the revaluation reserve realised in respect of previous valuations is released from the investment properties revaluation reserve to the profit and loss account.

(ii) *Other fixed assets*

Other properties are interests in land and buildings other than investment properties and are stated at fair value which is determined by the directors based on independent valuations which are performed every three years. It is the Group's policy to review regularly the fair value of fixed assets on an individual basis. If it is considered appropriate, independent professional valuations are obtained in the intervening years. Increases in valuation are credited to the other properties revaluation reserve. Decreases in valuation are first offset against increases on earlier valuations in respect of the same property and are thereafter debited to operating profit. Any subsequent increases are credited to operating profit up to the amount previously debited.

Other tangible fixed assets other than cutlery, utensils, table-linen and uniforms are stated at cost less accumulated depreciation and impairment losses.

Leasehold land is depreciated over the period of the lease while other tangible assets are depreciated at rates sufficient to write off their cost less accumulated impairment losses or valuation over their expected useful lives on a straight-line basis. The principal annual rates are as follows:

Buildings	2.5%
Furniture and fixtures	20%
Motor vehicles	20%

No depreciation is provided against the initial purchase cost of cutlery, utensils, table-linen and uniforms. Costs of subsequent replacements for these assets are charged directly to the profit and loss account.

Improvements are capitalised and depreciated over their expected useful lives to the Group.



Notes to the Accounts *(continued)*

For the year ended 31st March 2002

1 Principal accounting policies *(continued)*

(d) Fixed assets

(iii) Impairment and gain or loss on sale

At each balance sheet date, both internal and external sources of information are considered to assess whether there is any indication that assets included in other properties and other fixed assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated and where relevant, an impairment loss is recognised to reduce the asset to its recoverable amount. Such impairment losses are recognised in the profit and loss except where the asset is carried at valuation and the impairment loss does not exceed the revaluation surplus for that same asset, in which case it is treated as a revaluation decrease.

The gain or loss on disposal of a fixed asset other than investment properties and other properties is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the profit and loss account. Any revaluation reserve balance remaining attributable to the relevant asset is transferred to retained earnings and is shown as a movement in reserves.

(e) Convertible note

Convertible note is stated at cost less any provision for impairment loss.

The carrying amount of convertible note is reviewed at the balance sheet date in order to assess the credit risk and whether the carrying amount is expected to be recovered. Provision is made when carrying amount is not expected to be recovered and is recognised in the profit and loss account.

(f) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated on the first-in, first-out basis on the purchase prices of inventories including direct expenses. Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

(g) Accounts receivable

Provision is made against accounts receivable to the extent they are considered to be doubtful. Accounts receivable in the balance sheet are stated net of such provision.

(h) Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, cash investments with a maturity of three months or less from date of investment and bank overdrafts.

(i) Deferred taxation

Deferred taxation is accounted for at the current taxation rate in respect of timing differences between profit as computed for taxation purposes and profit as stated in the accounts to the extent that a liability or an asset is expected to be payable or recoverable in the foreseeable future.



Notes to the Accounts *(continued)*

For the year ended 31st March 2002

1 Principal accounting policies *(continued)*

(j) Translation of foreign currencies

Transactions in foreign currencies are translated at exchange rates ruling at the transaction dates. Monetary assets and liabilities expressed in foreign currencies at the balance sheet date are translated at rates of exchange ruling at the balance sheet date. Exchange differences arising in these cases are dealt with in the profit and loss account.

The accounts of subsidiaries expressed in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Exchange differences are dealt with as a movement in reserves.

(k) Revenue recognition

Revenue from restaurant operations is recognised when food and beverages are sold and services are provided.

Management fee income is recognised when the services are rendered.

Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.

Operating lease rental income is recognised on a straight-line basis.

(l) Retirement benefit costs

The Group contributes to a defined contribution retirement scheme which is available to all employees. Contributions to the scheme by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to the profit and loss account represents contributions payable by the company to the fund.

The Group's contributions to the defined contribution retirement scheme are expensed as incurred and are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions.

The assets of the scheme are held separately from those of the Group in an independently administered fund.

(m) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset.

All other borrowing costs are charged to the profit and loss account in the year in which they are incurred.

(n) Operating leases

Leases where substantially all the risks and rewards of ownership of assets remain with the leasing company are accounted for as operating leases. Payments made under operating leases net of any incentives received from the leasing company are charged to the profit and loss account on a straight-line basis over the lease periods.



Notes to the Accounts *(continued)*

For the year ended 31st March 2002

1 Principal accounting policies *(continued)*

(o) Segment reporting

In accordance with the Group's internal financial reporting the Group has determined that business segments be presented as the primary reporting format and geographical as the secondary reporting format.

Unallocated costs represent corporate expenses. Segment assets consist primarily of fixed assets, inventories and receivables, and mainly exclude bank balances and cash. Segment liabilities comprise operating liabilities and exclude items such as taxation and certain corporate borrowings. Capital expenditure comprises additions to fixed assets (note 10).

In respect of geographical segment reporting, sales are based on the country in which the customer is located. Total assets and capital expenditure are where the assets are located.

2 Turnover, revenue and segmental information

The Group is principally engaged in restaurant operations and property investment. With effect from 1st April 2001, the directors regard property investment to be one of the principal activities of the Group. Certain comparative figures have been reclassified accordingly. The Group's restaurant operation in Mainland China was terminated since 22nd June 2001. The revenues recognised relating to this operation from 1st April 2001 until 22nd June 2001 were HK\$1,398,162 (year ended 31st March 2001: HK\$10,502,569) and the operating loss were HK\$1,906,561 (year ended 31st March 2001: HK\$1,120,080).

Revenues recognised during the year are as follows:

	Group	
	2002	As restated 2001
	<i>HK\$</i>	<i>HK\$</i>
Turnover		
Sales of food and beverages from restaurant operations	36,388,338	65,039,273
Gross rental income from investment properties	2,225,000	766,850
	<u>38,613,338</u>	<u>65,806,123</u>
Other revenues		
Management fee income	982,216	686,708
Interest income from convertible note	67,097	3,051,508
Bank and other interest income	95,997	697,682
	<u>1,145,310</u>	<u>4,435,898</u>
Total revenues	<u>39,758,648</u>	<u>70,242,021</u>



Notes to the Accounts *(continued)*

For the year ended 31st March 2002

2 Turnover, revenue and segmental information *(continued)*

An analysis of the Group's business segment for the year ended 31st March 2002 is set out as follows:

	Restaurant operations 2002 HK\$	Property investment 2002 HK\$	Total 2002 HK\$
Turnover	36,388,338	2,225,000	38,613,338
Segment results	(1,303,726)	1,387,404	83,678
Interest income from convertible note			67,097
Unallocated costs			(1,861,223)
Operating loss			(1,710,448)
Finance costs			(1,384,579)
Loss before taxation			(3,095,027)
Taxation charge			(103,002)
Loss attributable to shareholders			<u>(3,198,029)</u>
Segment assets	77,868,147	74,017,133	151,885,280
Unallocated assets			1,553,588
Total assets			<u>153,438,868</u>
Segment liabilities	(10,241,402)	(1,821,044)	(12,062,446)
Unallocated liabilities			(1,695,381)
Total liabilities			<u>(13,757,827)</u>
Capital expenditure	85,523	–	85,523
Unallocated capital expenditure			194,200
			<u>279,723</u>
Depreciation	1,729,980	–	1,729,980
Unallocated depreciation			143,243
			<u>1,872,223</u>



Notes to the Accounts *(continued)*

For the year ended 31st March 2002

2 Turnover, revenue and segmental information *(continued)*

An analysis of the Group's business segment for the year ended 31st March 2001 is set out as follows:

	Restaurant operations 2001 HK\$	Property investment 2001 HK\$	Total 2001 HK\$
Turnover	65,039,273	766,850	65,806,123
Segment results	(5,358,791)	(373,892)	(5,732,683)
Interest from convertible note			3,051,508
Unallocated costs			(823,087)
Operating loss			(3,504,262)
Provision for convertible note			(78,000,000)
Finance costs			(1,778,886)
Loss before taxation			(83,283,148)
Taxation credit			34,540
Loss attributable to shareholders			<u>(83,248,608)</u>
Segment assets	135,499,553	46,727,400	182,226,953
Unallocated assets			8,472,672
Total assets			<u>190,699,625</u>
Segment liabilities	(12,023,529)	(479,170)	(12,502,699)
Unallocated liabilities			(19,644,576)
Total liabilities			<u>(32,147,275)</u>
Capital expenditure	706,132	–	706,132
Unallocated capital expenditure			17,648
			<u>723,780</u>
Depreciation	4,341,923	–	4,341,923
Unallocated depreciation			109,634
			<u>4,451,557</u>



Notes to the Accounts *(continued)*

For the year ended 31st March 2002

2 Turnover, revenue and segmental information *(continued)*

An analysis of the Group's segment information by geographical segment is set out as follows:

	Turnover 2002 <i>HK\$</i>	Segment results 2002 <i>HK\$</i>	Total assets 2002 <i>HK\$</i>	Capital expenditure 2002 <i>HK\$</i>
Hong Kong	37,215,176	196,113	153,520,997	279,723
Mainland China	1,398,162	(1,906,561)	–	–
	<u>38,613,338</u>	<u>(1,710,448)</u>	<u>153,520,997</u>	<u>279,723</u>

	Turnover 2001 <i>HK\$</i>	Segment results 2001 <i>HK\$</i>	Total assets 2001 <i>HK\$</i>	Capital expenditure 2001 <i>HK\$</i>
Hong Kong	55,303,554	(2,384,182)	188,184,985	723,780
Mainland China	10,502,569	(1,120,080)	2,514,640	–
	<u>65,806,123</u>	<u>(3,504,262)</u>	<u>190,699,625</u>	<u>723,780</u>

3 Operating loss from operations

Operating loss from operations is stated after crediting and charging the following:

	2002 <i>HK\$</i>	Group 2001 <i>HK\$</i>
Crediting		
Gain on disposal of investment properties	27,200	–
Charging		
Deficit on revaluation of other properties	173,600	–
Depreciation of fixed assets	1,872,223	4,451,557
Staff costs (excluding directors' emoluments)	9,598,458	17,712,013
Operating lease rentals in respect of land and buildings	509,870	1,236,878
Auditors' remuneration	400,000	500,000
Provision for doubtful debts	–	91,442
Loss on disposal of other fixed assets	266,948	822,052
Provision for closure costs of certain restaurant operations	2,022,746	2,286,757
Non-recurring project cost	854,032	–

Provision for closure costs of certain restaurant operations included fixed assets written off amounted to HK\$568,381 (2001: HK\$653,226).



Notes to the Accounts *(continued)*

For the year ended 31st March 2002

4 Finance costs

	2002 <i>HK\$</i>	Group 2001 <i>HK\$</i>
Interest on bank loans and overdrafts	<u>1,384,579</u>	<u>1,778,886</u>

5 Taxation

No Hong Kong profits tax has been provided in the accounts as the Group has no assessable profits for the current year. Hong Kong profits tax has been provided at the rate of 16% on the estimated assessable profit for the previous year.

The amount of taxation (charge)/credit accounted for in the consolidated profit and loss account represents:

	2002 <i>HK\$</i>	Group 2001 <i>HK\$</i>
Hong Kong profits tax	–	(7,845)
(Under)/overprovision in prior years	<u>(103,002)</u>	<u>42,385</u>
	<u>(103,002)</u>	<u>34,540</u>

The Group's subsidiaries in the People's Republic of China ("PRC") have not made any assessable income and accordingly no provision for PRC taxation has been made in the accounts.

As at 31st March 2002, deferred tax asset has not been accounted for in respect of the following:

	2002 <i>HK\$</i>	Group 2001 <i>HK\$</i>
Timing difference on depreciation allowances	218,000	1,295,975
Tax losses and other timing differences	<u>21,788,600</u>	<u>7,131,025</u>
	<u>22,006,600</u>	<u>8,427,000</u>

No provision for deferred tax asset has been made in the accounts as it is uncertain whether the asset will crystallise in the foreseeable future. Save for the above, there was no material unprovided deferred taxation for the year ended as at 31st March 2002.

6 Loss attributable to shareholders

The loss attributable to shareholders is dealt with in the accounts of the Company to extent of HK\$15,310,641 (2001: HK\$77,027,716).



Notes to the Accounts *(continued)*

For the year ended 31st March 2002

7 Loss per share

The calculation of basic loss per share are based on the Group's loss attributable to shareholders of HK\$3,198,029 (2001: HK\$83,248,608) and the weighted average of 1,094,603,912 (2001: 1,094,000,000) ordinary shares in issue during the year.

No diluted loss per share is disclosed as the exercise of the Company's share options would not have a dilutive effect on the loss per share.

8 Retirement benefit costs

The Group did not provide retirement benefits for its employees in Hong Kong before 1st December 2000. With effect from 1st December 2000, mandatory provident fund scheme has been set up for all the eligible employees of the Group in Hong Kong. The mandatory provident fund scheme is a defined contribution retirement scheme and the contributions to the fund by the Group and the employees are calculated based on a percentage of employees' basic salaries.

The Group's total contributions paid for the above scheme during the year were HK\$595,823 (2001: HK\$218,660).

9 Directors' and senior management's emoluments

(a) Directors' emoluments

The aggregate amounts of emoluments payable to directors of the Company during the year are as follows:

	Group	
	2002	2001
	<i>HK\$</i>	<i>HK\$</i>
Fees	192,000	—
Other emoluments:		
Basic salaries, housing allowances, other allowances and benefits in kind	1,661,434	993,525
	<u>1,853,434</u>	<u>993,525</u>

No directors waived their emoluments in respect of the year ended 31st March 2002 (2001: HK\$Nil). Directors' fees disclosed above include HK\$192,000 (2001: HK\$Nil) paid to independent non-executive directors.

During the year, no share options were granted to and exercised by directors. 15,000,000 share options issued to a former director were lapsed upon his resignation of office. Details of the options are set out in Directors' Report, under Share Options.

The emoluments of the directors fell within the following bands:

Emolument bands	Number of directors	
	2002	2001
HK\$Nil – HK\$1,000,000	6	7
HK\$1,000,001 – HK\$1,500,000	1	—



Notes to the Accounts *(continued)*

For the year ended 31st March 2002

9 Directors' and senior management's emoluments *(continued)*

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include one director (2001: two directors). The emoluments payable to the five highest paid individuals during the year are as follows:

	2002 HK\$	Group 2001 HK\$
Basic salaries, housing allowances, other allowances and benefits in kind	<u>3,410,080</u>	<u>3,694,038</u>

The emoluments fell within the following bands:

Emolument bands	Number of individuals 2002	2001
HK\$Nil – HK\$1,000,000	4	4
HK\$1,000,001 – HK\$1,500,000	<u>1</u>	<u>1</u>

10 Fixed assets

	Group					
	Investment properties HK\$	Leasehold land and buildings HK\$	Furniture and fixtures HK\$	Motor vehicles HK\$	Cutlery, utensils, table-linen and uniforms HK\$	Total HK\$
Cost or valuation						
At 1st April 2001	45,400,000	126,200,000	39,643,265	619,672	568,081	212,431,018
Additions	–	–	279,723	–	–	279,723
Transfers	50,000,000	(50,000,000)	–	–	–	–
Deficit on revaluation	(14,000,000)	(4,200,000)	–	–	–	(18,200,000)
Write offs/disposals	(7,400,000)	–	(1,703,258)	(619,672)	(568,081)	(10,291,011)
At 31st March 2002	<u>74,000,000</u>	<u>72,000,000</u>	<u>38,219,730</u>	<u>–</u>	<u>–</u>	<u>184,219,730</u>
Accumulated depreciation						
At 1st April 2001	–	–	36,390,694	562,530	–	36,953,224
Charge for the year	–	1,676,400	179,491	16,332	–	1,872,223
Deficit on revaluation	–	(1,676,400)	–	–	–	(1,676,400)
Write offs/disposals	–	–	(1,549,256)	(578,862)	–	(2,128,118)
At 31st March 2002	<u>–</u>	<u>–</u>	<u>35,020,929</u>	<u>–</u>	<u>–</u>	<u>35,020,929</u>
Net book value						
At 31st March 2002	<u>74,000,000</u>	<u>72,000,000</u>	<u>3,198,801</u>	<u>–</u>	<u>–</u>	<u>149,198,801</u>
At 31st March 2001	<u>45,400,000</u>	<u>126,200,000</u>	<u>3,252,571</u>	<u>57,142</u>	<u>568,081</u>	<u>175,477,794</u>



Notes to the Accounts *(continued)*

For the year ended 31st March 2002

10 Fixed assets

The analysis of the cost or valuation at 31st March 2002 of the above assets is as follows:

	Group					Total HK\$
	Investment properties HK\$	Leasehold land and buildings HK\$	Furniture and fixtures HK\$	Motor vehicles HK\$	Cutlery, utensils, table- linen and uniforms HK\$	
At cost	–	–	38,219,730	–	–	38,219,730
At 2002 professional valuation	74,000,000	72,000,000	–	–	–	146,000,000
	<u>74,000,000</u>	<u>72,000,000</u>	<u>38,219,730</u>	<u>–</u>	<u>–</u>	<u>184,219,730</u>

The analysis of the cost or valuation at 31st March 2001 of the above assets is as follows:

At cost	–	–	39,643,265	619,672	568,081	40,831,018
At 2001 professional valuation	45,400,000	126,200,000	–	–	–	171,600,000
	<u>45,400,000</u>	<u>126,200,000</u>	<u>39,643,265</u>	<u>619,672</u>	<u>568,081</u>	<u>212,431,018</u>

	Company			Total HK\$
	Investment properties HK\$	Leasehold land and buildings HK\$	Furniture and fixtures HK\$	
Cost or valuation				
At 1st April 2001	–	51,200,000	77,900	51,277,900
Additions	–	–	398,000	398,000
Transfer	50,000,000	(50,000,000)	–	–
Revaluation	(1,000,000)	(200,000)	–	(1,200,000)
Write offs/disposals	–	–	(77,900)	(77,900)
At 31st March 2002	<u>49,000,000</u>	<u>1,000,000</u>	<u>398,000</u>	<u>50,398,000</u>
Accumulated depreciation				
At 1st April 2001	–	–	49,818	49,818
Charge for the year	–	26,400	36,325	62,725
Revaluation	–	(26,400)	–	(26,400)
Write offs/disposals	–	–	(56,310)	(56,310)
At 31st March 2002	<u>–</u>	<u>–</u>	<u>29,833</u>	<u>29,833</u>
Net book value				
At 31st March 2002	<u>49,000,000</u>	<u>1,000,000</u>	<u>368,167</u>	<u>50,368,167</u>
At 31st March 2001	<u>–</u>	<u>51,200,000</u>	<u>28,082</u>	<u>51,228,082</u>



Notes to the Accounts *(continued)*

For the year ended 31st March 2002

10 Fixed assets *(continued)*

The analysis of the cost or valuation at 31st March 2002 of the above assets is as follows:

	Investment properties <i>HK\$</i>	Leasehold land and buildings <i>HK\$</i>	Company Furniture and fixtures <i>HK\$</i>	Total <i>HK\$</i>
At cost	–	–	398,000	398,000
At 2002 professional valuation	49,000,000	1,000,000	–	50,000,000
	<u>49,000,000</u>	<u>1,000,000</u>	<u>398,000</u>	<u>50,398,000</u>

The analysis of the cost or valuation at 31st March 2001 of the above assets is as follows:

At cost	–	–	77,900	77,900
At 2001 professional valuation	–	51,200,000	–	51,200,000
	<u>–</u>	<u>51,200,000</u>	<u>77,900</u>	<u>51,277,900</u>

The Group's and Company's interests in investment properties and leasehold land and buildings which are all located in Hong Kong, are analysed at their net book values as follows:

	Group		Company	
	2002 <i>HK\$</i>	2001 <i>HK\$</i>	2002 <i>HK\$</i>	2001 <i>HK\$</i>
Leases over 50 years	120,000,000	132,400,000	49,000,000	50,000,000
Leases between 10 to 50 years	26,000,000	39,200,000	1,000,000	1,200,000
	<u>146,000,000</u>	<u>171,600,000</u>	<u>50,000,000</u>	<u>51,200,000</u>

All properties were revalued at 31st March 2002 on the basis of their open market value by Vigers Hong Kong Ltd., an independent firm of professional valuers. The deficits arising from revaluation have been taken directly to the investment properties revaluation reserve and other properties revaluation reserve respectively (note 19).

The carrying amount of leasehold land and buildings of the Group and the Company would have been HK\$22,977,116 (2001: HK\$63,988,878) and HK\$2,259,499 (2001: HK\$42,609,830) respectively had they been stated at cost less accumulated depreciation.

At 31st March 2002, the net book value of leasehold land and buildings pledged as security for the Group's and Company's banking facilities amounted to HK\$145,000,000 (2001: HK\$125,000,000) and HK\$49,000,000 (2001: HK\$50,000,000) respectively.



Notes to the Accounts *(continued)*

For the year ended 31st March 2002

11 Investments in subsidiaries

	Company	
	2002 HK\$	2001 HK\$
Unlisted investments, at cost	53,291,828	53,291,828
Less: provision for impairment loss	(1,200,000)	(1,200,000)
	52,091,828	52,091,828
Amounts due from subsidiaries	323,141,957	331,744,395
Less: provision for doubtful debts	(285,097,146)	(270,101,426)
	38,044,811	61,642,969
Amounts due to subsidiaries	(7,298,287)	(2,799)
	82,838,352	113,731,998

The amounts due from/to subsidiaries are unsecured, interest free and have no fixed terms of repayment.

The following is a list of the principal subsidiaries at 31st March 2002:

Name	Place of incorporation/ establishment	Principal activities and place of operation	Particulars of issued/registered share capital	Percentage of equity interest held	
				2002	2001
<i>Held directly:</i>					
* Athenian Investments Limited	The British Virgin Islands	Investment holding in Hong Kong	1 ordinary share of US\$1 each	100	100
Golden Island Bird's Nest Chiu Chau Restaurant (Star House) Limited	Hong Kong	Property holding in Hong Kong	100 ordinary shares of HK\$100 each and 240,000 deferred shares of HK\$100 each	100	100
Golden Island Catering Group Company Limited	Hong Kong	Restaurant operations in Hong Kong	2 ordinary shares of HK\$1 each	100	100
Golden Island (Chine Pax) Limited	Hong Kong	Investment holding in Hong Kong	2 ordinary shares of HK\$1 each	100	100