Notes on the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars)

1 Basis of preparation

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited ("Stock Exchange"), including compliance with Hong Kong Accounting Standard ("HKAS") 34, Interim Financial Reporting, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It was authorised for issuance on 29 November 2005.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2005 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2006 annual financial statements. Details of these changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2005 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs", which term collectively includes HKASs and Interpretations).

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Statement of Auditing Standards 700, Engagements to review interim financial reports, issued by the HKICPA. KPMG's independent review report to the Board of Directors is included on page 30.

The financial information relating to the financial year ended 31 March 2005 that is included in the interim financial report as being previously reported information does not constitute the Company's statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 March 2005 are available from the Company's registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 12 July 2005.

2 Changes in accounting policies

The HKICPA has issued a number of new and revised HKFRSs that are effective or available for early adoption for accounting periods beginning on or after 1 January 2005. The Board of Directors has determined the accounting policies to be adopted in the preparation of the Group's annual financial statements for the year ending 31 March 2006, on the basis of HKFRSs currently in issue.

The HKFRSs that will be effective or are available for voluntary early adoption in the annual financial statements for the year ending 31 March 2006 may be affected by the issue of additional interpretation(s) or other changes announced by the HKICPA subsequent to the date of issuance of this interim report. Therefore the policies that will be applied in the Group's financial statements for that period cannot be determined with certainty at the date of issuance of this interim financial report.

The following sets out further information on the changes in accounting policies for the annual accounting period beginning on 1 April 2005 which have been reflected in this interim financial report.

(a) Summary of the effect of changes in the accounting policies

(i) Effect on opening balance of total equity at 1 April 2005 (as adjusted)

The following table sets out the adjustments that have been made to the opening balances at 1 April 2005. These are the aggregate effect of retrospective adjustments to the net assets as at 31 March 2005 and the opening balance adjustments made as at 1 April 2005.

2 Changes in accounting policies *(Continued)*

(a) Summary of the effect of changes in the accounting policies (Continued)

(i) Effect on opening balance of total equity at 1 April 2005 (as adjusted) *(Continued)*

Effect of new policy (increase/(decrease))	*Note*	**Retained profits** *$'000*	**Capital and other reserves** *$'000*	**Total** *$'000*	**Minority interests** *$'000*	**Total equity** *$'000*
HKFRS 2						
Equity settled share-based transactions	*2(b)*	(1,493)	1,493	–	–	–
HKAS 40						
Investment properties	*2(c)*	422	–	422	–	422
Total increase/(decrease) in equity before opening balance adjustment		(1,071)	1,493	422	–	422
Opening balance adjustment:						
HKFRS 3						
Negative goodwill	*2(e)*	2,049	–	2,049	–	2,049
Total effect at 1 April 2005		978	1,493	2,471	–	2,471

(ii) Effect on opening balance of total equity at 1 April 2004 (as adjusted)

The following table sets out only those adjustments that have been made to the opening balances at 1 April 2004. As explained in notes 2(d), (e) and (f), certain of the changes in policy did not result in retrospective adjustments being made to the opening balances as at 1 April 2004 as this was prohibited by the relevant transitional provisions.

2 Changes in accounting policies *(Continued)*

(a) *Summary of the effect of changes in the accounting policies (Continued)*

(ii) Effect on opening balance of total equity at 1 April 2004 (as adjusted) *(Continued)*

Effect of new policy (increase/(decrease))	*Note*	**Retained profits** *$'000*	**Capital and other reserves** *$'000*	**Total** *$'000*	**Minority interests** *$'000*	**Total equity** *$'000*
HKFRS 2						
Equity settled share-based transactions	*2(b)*	(679)	679	–	–	–
HKAS 40						
Investment properties	*2(c)*	422	–	422	–	422
Total effect at 1 April 2004		(257)	679	422	–	422

(iii) Effect on profit after taxation for the six months ended 30 September 2005 (estimated) and 2004 (as adjusted)

In respect of the six months period ended 30 September 2005, the following table provides estimates of the extent to which the profits for that period are higher or lower than they would have been had the previous policies still been applied in the interim period, where it is practicable to make such estimates.

In respect of the six months period ended 30 September 2004, the table discloses the adjustments that have been made to the profits as previously reported for that period, in accordance with the transitional provisions of the respective HKFRSs. As retrospective adjustments have not been made for all changes in policies, as explained in note 2(d), (e) and (f), the amounts shown for the six months period ended 30 September 2004 may not be comparable to the amounts shown for the current interim period.

2 Changes in accounting policies *(Continued)*

(a) *Summary of the effect of changes in the accounting policies (Continued)*

(iii) Effect on profit after taxation for the six months ended 30 September 2005 (estimated) and 2004 (as adjusted) *(Continued)*

		Six months ended 30 September					
		2005			2004		
Effect of new policy (increase/(decrease))	*Note*	**Shareholders of the Company $'000**	**Minority interests $'000**	**Total $'000**	Shareholders of the Company $'000	Minority interests $'000	Total $'000
HKFRS 2							
Equity settled share-based transactions	2(b)	**(680)**	**–**	**(680)**	(283)	–	(283)
HKFRS 3							
Amortisation of goodwill	2(e)	**(118)**	**–**	**(118)**	–	–	–
		(798)	**–**	**(798)**	(283)	–	(283)

(iv) Effect on amounts recognised as capital transactions with owners for the six months ended 30 September 2005 (estimated) and 30 September 2004 (as adjusted)

In respect of the six month period ended 30 September 2005, the following table provides estimates of the extent to which the amounts recorded as capital transactions with owners are higher or lower than they would have been had the previous policies still been applied in the interim period, where it is practicable to make such estimates.

		Six months ended 30 September					
		2005			2004		
Effect of new policy (increase/(decrease))	*Note*	**Shareholders of the Company $'000**	**Minority interests $'000**	**Total $'000**	Shareholders of the Company $'000	Minority interests $'000	Total $'000
HKFRS 2							
Equity settled share-based transactions – effect recognised in capital reserve	2(b)	**680**	**–**	**680**	283	–	283

2 Changes in accounting policies *(Continued)*

(b) Employee share option scheme (HKFRS 2, Share-based payment)

In prior years, no amounts were recognised when employees (which term includes directors) were granted share options over shares in the Company. If the employees chose to exercise the options, the nominal amount of share capital and share premium were credited only to the extent of the option's exercise price receivable.

With effect from 1 April 2005, in order to comply with HKFRS 2, the Group recognises the fair value of such share options as an expense in the income statement. A corresponding increase is recognised in a capital reserve within equity.

Where the employees are required to meet vesting conditions before they become entitled to the options, the Group recognises the fair value of the options granted over the vesting period. Otherwise, the Group recognises the fair value in the period in which the options are granted.

If an employee chooses to exercise options, the related capital reserve is transferred to share capital and share premium, together with the exercise price. If the options lapse unexercised the related capital reserve is transferred directly to retained earnings.

The new accounting policy has been applied retrospectively with comparatives restated in accordance with HKFRS 2 except the Group has taken advantage of the transitional provisions set out in paragraph 53 of HKFRS 2 under which the new recognition and measurement policies have not been applied to the following grants of options:

(a) all options granted to employees on or before 7 November 2002; and

(b) all options granted to employees after 7 November 2002 but which had vested before 1 January 2005.

The amounts of prior period adjustments and the effects on the results for the six months ended 30 September 2004 and 2005, and the reserves as of those dates, are set out in note 2(a).

The amount charged to the consolidated income statement as a result of the change of policy increased cost of sales and administrative expenses for the six months ended 30 September 2005 by $255,000 and $425,000 respectively (six months ended 30 September 2004: $110,000 and $173,000 respectively), with the corresponding amounts credited to the capital reserve.

2 Changes in accounting policies *(Continued)*

(c) Investment properties (HKAS 40, Investment property, and HK(SIC) Interpretation 21, Income taxes – Recovery of revalued non-depreciable assets)

Changes in accounting policies relating to investment properties are as follows:

(i) Timing of recognition of movements in fair value in the income statement

In prior years movements in the fair value of the Group's investment properties were recognised directly in the investment properties revaluation reserve except when, on a portfolio basis, the reserve was insufficient to cover a deficit on the portfolio, or when a deficit previously recognised in the income statement had reversed, or when an individual investment property was disposed of. In these limited circumstances movements in the fair value were recognised in the income statement.

Upon adoption of HKAS 40 as from 1 April 2005 all changes in the fair value of investment properties are recognised directly in the income statement in accordance with the fair value model in HKAS 40.

The new accounting policy has no significant impact on the interim financial report for the six months ended 30 September 2005 as a net revaluation deficit was recognised in the consolidated income statement in previous years.

(ii) Measurement of deferred tax on movements in fair value

In prior years the Group was required to apply the tax rate that would be applicable to the sale of investment properties to determine whether any amounts of deferred tax should be recognised on the revaluation of investment properties.

As from 1 April 2005, in accordance with HK(SIC) Interpretation 21, the Group recognises deferred tax on movements in the value of an investment property using tax rates that are applicable to property's use, if the Group has no intention to sell it and the property would have been depreciable had the Group not adopted the fair value model.

The change in accounting policy has been adopted retrospectively by increasing the opening balance of retained earnings as of 1 April 2005 by $422,000 (1 April 2004: $422,000) and reducing deferred tax liabilities by the same amount.

This new accounting policy has no impact on the Group's taxation expense for the six months ended 30 September 2004 and 2005.

2 Changes in accounting policies *(Continued)*

(d) *Financial instruments (HKAS 32, Financial instruments: Disclosure and presentation and HKAS 39, Financial instruments: Recognition and measurement)*

In prior years, derivative financial instruments entered into by management were recognised on a cash basis.

With effect from 1 April 2005, and in accordance with HKAS 39, all derivative financial instruments entered into by the Group are stated at fair value. Changes in the fair value of derivatives are recognised in the income statement.

This new accounting policy has no significant impact on the interim financial report for the six months ended 30 September 2005.

(e) *Amortisation of positive and negative goodwill (HKFRS 3, Business combinations and HKAS 36, Impairment of assets)*

In prior years:

– positive goodwill was amortised on a straight line basis over its useful life and was subject to impairment testing when there were indications of impairment; and

– negative goodwill was recognised over the weighted average useful life of the depreciable/amortisable non-monetary assets acquired, except to the extent it related to identified expected future losses as at the date of acquisition. In such cases, it was recognised in the income statement as those expected losses were incurred.

With effect from 1 April 2005, in accordance with HKFRS 3 and HKAS 36, the Group no longer amortises positive goodwill. Such goodwill is tested annually for impairment, including in the year of its initial recognition, as well as when there are indications of impairment. Impairment losses are recognised when the carrying amount of the cash generating unit to which the goodwill has been allocated exceeds its recoverable amount.

Also with effect from 1 April 2005 and in accordance with HKFRS 3, if the fair value of the net assets acquired in a business combination exceeds the consideration paid (i.e. an amount arises which would have been known as negative goodwill under the previous accounting policy), the excess is recognised immediately in the income statement as it arises.

2 Changes in accounting policies *(Continued)*

(e) Amortisation of positive and negative goodwill (HKFRS 3, Business combinations and HKAS 36, Impairment of assets) (Continued)

The new policy in respect of positive goodwill has been applied prospectively in accordance with the transitional arrangements under HKFRS 3. As a result, comparative amounts have not been restated, the cumulative amount of amortisation as at 1 April 2005 has been offset against the cost of the goodwill and no amortisation charge for goodwill has been recognised in the income statement for the six months ended 30 September 2005. This has increased the Group's profit after taxation by $102,000 for the six months ended 30 September 2005.

The new policy in respect of negative goodwill was adopted by way of an adjustment to the opening balance of the retained earnings as at 1 April 2005 of $2,049,000. As a result, no amortisation credit for negative goodwill has been recognised in the income statement for the six months ended 30 September 2005. This has reduced the Group's profit after taxation by $220,000 for the six months ended 30 September 2005.

(f) Retranslation of goodwill relating to a net investment in a foreign operation (HKAS 21, The effects of changes in foreign exchange rates)

In prior years, goodwill was recognised directly in equity or carried at cost less amortisation.

With effect from 1 April 2005, in order to comply with HKAS 21, any goodwill arising on the acquisition of a foreign operation is treated as an asset of the foreign operation. Thus it is expressed in the functional currency of that foreign operation and is retranslated at the closing rate at each balance sheet date. Any resulting exchange difference is taken directly to the exchange fluctuation reserves, together with any other differences arising from the re-translation of the net assets of the foreign operation.

In accordance with the transitional provisions in HKAS 21, this new policy has not been adopted retrospectively and will only be applied to acquisitions occurring on or after 1 April 2005. As the Group has not acquired any significant new foreign operations since that date, the change in policy has had no significant impact on the interim financial report for the six months ended 30 September 2005.

2 Changes in accounting policies *(Continued)*

(g) Minority interests (HKAS 1, Presentation of financial statements and HKAS 27, Consolidated and separate financial statements)

In prior years, minority interests at the balance sheet date were presented in the consolidated balance sheet separately from liabilities and as deduction from net assets. Minority interests in the results of the Group for the year were also separately presented in the income statement as a deduction before arriving at the profit attributable to shareholders.

With effect from 1 April 2005, in order to comply with HKAS 1 and HKAS 27, minority interests at the balance sheet date are presented in the consolidated balance sheet within equity, separately from the equity attributable to the equity holders of the parent, and minority interests in the results of the Group for the period are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the period between the minority interests and the equity holders of the parent.

The presentation of minority interests in the consolidated balance sheet, income statement and statement of changes in equity for the comparative period has been restated accordingly.

3 Segment reporting

Segment information is presented in respect of the Group's business segments. Business segment information is chosen as the primary reporting format because this is more relevant to the Group's internal financial reporting.

Business segments

The Group's main business segments comprise:

Restaurants operation : Selling of food and beverages in restaurants.

Property leasing : Leasing of premises to generate rental income.

	Restaurants operation		Property leasing		Inter-segment elimination		Consolidated	
	2005	2004 (restated)	**2005**	2004	**2005**	2004	**2005**	2004 (restated)
	$'000	*$'000*	***$'000***	*$'000*	***$'000***	*$'000*	***$'000***	*$'000*
Revenue from external customers	**462,438**	405,796	**8,653**	7,964	**–**	–	**471,091**	413,760
Inter-segment revenue	**–**	–	**3,766**	3,882	**(3,766)**	(3,882)	**–**	–
Total	**462,438**	405,796	**12,419**	11,846	**(3,766)**	(3,882)	**471,091**	413,760
Segment result	**18,523**	7,150	**22,343**	14,859	**–**	–	**40,866**	22,009
Unallocated operating income and expenses							**1,198**	(2)
Profit from operations							**42,064**	22,007
Finance costs							**(356)**	(367)
Income tax							**(613)**	(391)
Profit after taxation							**41,095**	21,249

4 Profit before taxation

Profit before taxation is arrived at after charging/ (crediting):

	Six months ended 30 September	
	2005	2004
	$'000	*$'000*
Cost of inventories	**122,644**	110,889
Interest on borrowings	**356**	367
Depreciation	**18,136**	13,664
Interest income	**(1,649)**	(461)
Net (profit)/loss on disposal of fixed assets		
– leasehold land and buildings *(note 8(a))*	**(16,947)**	(9,299)
– leasehold improvements and other assets	**887**	455
Amortisation of goodwill	**–**	(118)

5 Income tax

	Six months ended 30 September	
	2005	2004
	$'000	*$'000*
Current tax		
Provision for Hong Kong Profits Tax	**298**	110
Overseas taxation	**468**	368
	766	478
Deferred tax		
Origination and reversal of temporary differences	**(153)**	(87)
Total income tax expense	**613**	391

The provision for Hong Kong Profits Tax is calculated at 17.5% (2004: 17.5%) of the estimated assessable profits for the six months ended 30 September 2005. Overseas taxation represents the overseas withholding tax for the period, and is charged at the appropriate current rates of taxation ruling in the relevant countries.

6 Dividend distribution

(a) Dividend distribution

	Six months ended 30 September 2005	2004
	2005	2004
	$'000	*$'000*
Interim dividend distribution declared and payable after the interim period of 10.0 cents (2004: 8.8 cents) per share	**12,487**	10,893
Special dividend distribution declared and payable after the interim period of 8.0 cents (2004: Nil) per share	**9,989**	–
	22,476	10,893

In respect of the interim dividend distribution declared and paid for the six months ended 30 September 2004, a difference of $16,000 between the interim dividend distribution proposed in the interim period and amount approved and paid during the year represents the additional dividend distribution to the holders of shares which were issued upon the exercise of share options before the closing date of the register of members.

The interim and special dividend distribution have not been recognised as a liability at the balance sheet date.

(b) Dividend distribution attributable to the previous financial year, approved and paid during the interim period/year

	At 30 September 2005	At 31 March 2005
	$'000	*$'000*
Final dividend distribution in respect of the previous financial year ended 31 March 2005, approved and paid during the following interim period/year, of 9.2 cents (year ended 31 March 2005: Nil) per share	**11,448**	–

6 Dividend distribution *(Continued)*

(b) *Dividend distribution attributable to the previous financial year, approved and paid during the interim period/year: (Continued)*

In respect of the final dividend distribution declared and paid for the year ended 31 March 2005, a difference of $28,000 between the final dividend distribution proposed in the 2005 annual report and amount approved and paid during the period represents the additional dividend distribution to the holders of shares which were issued upon the exercise of share options before the closing date of the register of members.

(c) All dividend distribution is paid or to be paid out of the Company's contributed surplus.

7 Earnings per share

(a) *Basic earnings per share*

The calculation of basic earnings per share is based on the profit attributable to shareholders of $41,095,000 (2004: $21,249,000 (restated)) and the weighted average of 124,046,000 shares (2004: 123,929,000 shares) in issue during the period.

(b) *Diluted earning per share*

The calculation of diluted earnings per share for the period ended 30 September 2005 is based on the profit attributable to ordinary shareholders of $41,095,000 (2004: $21,249,000 (restated)) and the weighted average number of ordinary shares of 127,187,000 shares (2004: 126,113,000 shares) after adjusting for the effects of all potential ordinary shares.

(c) *Reconciliation*

	Six months ended 30 September	
	2005	2004
	Number of shares	Number of shares
	'000	*'000*
Weighted average number of ordinary shares used in calculating basic earnings per share	**124,046**	123,929
Deemed issued of ordinary shares for no consideration	**3,141**	2,184
Weighted average number of ordinary shares used in calculating diluted earnings per share	**127,187**	126,113

8 Fixed assets

(a) During the six months ended 30 September 2005, the Group disposed of a property with a net book value of $10,443,000 (six months ended 30 September 2004: $46,110,000) to a related party, resulting in a gain on disposal of $16,947,000 (six months ended 30 September 2004: $9,299,000). The gain on disposal of the property has been included in "Other net income" in the consolidated income statement.

(b) During the six months ended 30 September 2005, there were several under-performing branches that caused the Group to assess the recoverable amount of the fixed assets of those branches. The management consider closing down several of these branches upon termination of lease terms. Based on this assessment, the carrying amount of those fixed assets was written down by $4,586,000 (six months ended 30 September 2004: $400,000). The estimates of recoverable amount were based on the fixed assets' value in use, determined using a discount rate of 8% (six months ended 30 September 2004: 4%).

(c) The investment properties of the Group were revalued as at 30 September 2005 by RHL Appraisal Limited, independent professional valuers, on an open market value basis. As a result of the update, a gain of $370,000 (2004: Nil) has been included in the consolidated income statement.

(d) At 30 September 2005, the net book value of properties pledged as security for liabilities amounted to $58,263,000 (31 March 2005: $67,965,000).

9 Trade and other receivables

Included in trade and other receivables are trade debtors (net of impairment losses) with the following ageing analysis:

	At 30 September 2005 **$'000**	At 31 March 2005 $'000
Current to 30 days	**2,286**	2,184
31 to 90 days	**159**	92
91 to 180 days	**132**	2
181 to 360 days	**3**	–
	2,580	2,278

The Group's sales to customers are mainly on a cash basis. The Group also grants certain customers of the Group's catering services with credit terms of between 30 to 90 days.

10 Cash and cash equivalents

	At 30 September 2005 $'000	At 31 March 2005 $'000
Deposits with banks	**132,682**	91,544
Cash at bank and in hand	**13,259**	8,522
Cash and cash equivalents in the balance sheet	**145,941**	100,066
Secured bank overdraft	**(598)**	(712)
Cash and cash equivalents in the cash flow statement	**145,343**	99,354

Included in cash and cash equivalents are time deposits of $70,660,000 (31 March 2005: $50,700,000) which can be withdrawn by the Group on demand with insignificant penalty.

11 Trade and other payables

Included in trade and other payables are trade creditors with the following ageing analysis:

	At 30 September 2005 $'000	At 31 March 2005 $'000
Current to 30 days	**27,456**	22,538
31 to 90 days	**7,171**	5,756
91 to 180 days	**83**	160
181 to 360 days	**1**	122
Over 360 days	**686**	602
	35,397	29,178

12 Capital and reserves

	Note	Share capital $'000	Share premium $'000	Contribution surplus $'000	Capital reserve $'000	Properties revaluation reserve $'000	Exchange fluctuation reserve $'000	(Accumulated losses)/ retained profits $'000	Total $'000	Minority interests $'000	Total equity $'000
		Attributable to shareholders of the Company									
At 1 April 2004											
– as previously reported		124,081	429,505	712	–	550	(7,961)	(331,932)	214,955	–	214,955
– prior period adjustments in respect of											
– equity settled share-based transactions	2(b)	–	182	–	497	–	–	(679)	–	–	–
– investment properties	2(c)	–	–	–	–	–	–	422	422	–	422
– as restated		124,081	429,687	712	497	550	(7,961)	(332,189)	215,377	–	215,377
Shares issued under share option scheme	12(a)	146	–	–	–	–	–	–	146	–	146
Shares repurchased		(622)	–	–	–	–	–	–	(622)	–	(622)
Premium paid on repurchase of own shares		–	–	(380)	–	–	–	–	(380)	–	(380)
Expenses incurred in connection with the repurchase of own shares		–	–	(4)	–	–	–	–	(4)	–	(4)
Profit for the period (as restated)		–	–	–	–	–	–	21,249	21,249	–	21,249
Equity settled share-based transactions		–	24	–	259	–	–	–	283	–	283
Capital reduction		–	(429,505)	68,830	–	–	–	360,675	–	–	–
At 30 September 2004 (as restated)		123,605	206	69,158	756	550	(7,961)	49,735	236,049	–	236,049

12 Capital and reserves *(Continued)*

	Note	Share capital $'000	Share premium $'000	Contribution surplus $'000	Capital reserve $'000	Properties revaluation reserve $'000	Exchange fluctuation reserve $'000	(Accumulated losses)/ retained profits $'000	Total $'000	Minority interests $'000	Total equity $'000
		Attributable to shareholders of the Company									
At 1 September 2004 (as restated)		123,605	206	69,158	756	550	(7,961)	49,735	236,049	–	236,049
Shares issued under share option scheme		669	–	–	–	–	–	–	669	–	669
Shares repurchased		(264)	–	–	–	–	–	–	(264)	–	(264)
Premium paid on repurchase of own shares		–	–	(659)	–	–	–	–	(659)	–	(659)
Expenses incurred in connection with the repurchase of own shares		–	–	(4)	–	–	–	–	(4)	–	(4)
Profit for the period (as restated)		–	–	–	–	–	–	16,217	16,217	–	16,217
Equity settled share-based transactions		–	174	–	357	–	–	–	531	–	531
Dividend distribution declared and paid in respect of the current year	6(a)	–	–	(10,893)	–	–	–	–	(10,893)	–	(10,893)
At 31 March 2005 (as restated)		124,010	380	57,602	1,113	550	(7,961)	65,952	241,646	–	241,646
At 1 April 2005											
– as previously reported		124,010	–	57,602	–	550	(7,961)	67,023	241,224	–	241,224
– prior period adjustments in respect of											
– equity settled share-based transactions	2(b)	–	380	–	1,113	–	–	(1,493)	–	–	–
– investment properties	2(c)	–	–	–	–	–	–	422	422	–	422
– as restated, before opening balance adjustments		124,010	380	57,602	1,113	550	(7,961)	65,952	241,646	–	241,646
– opening balance adjustment in respect of negative goodwill	2(e)	–	–	–	–	–	–	2,049	2,049	–	2,049
– as restated, after opening balance adjustment		124,010	380	57,602	1,113	550	(7,961)	68,001	243,695	–	243,695
Dividend distribution approved in respect of the previous year	6(b)	–	–	(11,448)	–	–	–	–	(11,448)	–	(11,448)
Profit for the period		–	–	–	–	–	–	41,095	41,095	–	41,095
Shares issued under share option scheme	12(a)	457	–	–	–	–	–	–	457	–	457
Equity settled share-based transactions		–	121	–	559	–	–	–	680	–	680
At 30 September 2005		**124,467**	**501**	**46,154**	**1,672**	**550**	**(7,961)**	**109,096**	**274,479**	**–**	**274,479**

12 Capital and reserves *(Continued)*

(a) During the period, options were exercised to subscribe for 457,000 ordinary shares (six months ended 30 September 2004: 146,000 ordinary shares) in the Company at a consideration of $457,000 (six months ended 30 September 2004: $146,000), which was credited to share capital.

13 Capital commitments

(a) Capital commitments outstanding at 30 September 2005 not provided for in the Group's interim financial report were as follows:

	At 30 September 2005 *$'000*	At 31 March 2005 *$'000*
Authorised and contracted for	**131**	2,823
Authorised but not contracted for	**3,200**	2,491
	3,331	5,314

(b) At 30 September 2005, the Group had outstanding other commitments of $2,394,000 (31 March 2005: $2,908,000) in respect of the contracting fee for operation of a fast food restaurant not provided for in the Group's interim financial report.

14 Contingent liabilities

At 30 September 2005, the Company had contingent liabilities in respect of guarantees given to banks in respect of banking facilities extended to certain subsidiaries amounting to $174,850,000 (31 March 2005: $146,000,000).

15 Material related party transactions

Except for the transactions noted below, the Group and the Company have not been a party to any material related party transaction during the period ended 30 September 2005.

(a) During the period, a subsidiary leased a property from New Champion International Limited ("New Champion"). New Champion is wholly beneficially owned by Pengto International Limited, a company beneficially owned by a trust of which Mr. Dennis Lo Hoi Yeung is a discretionary object. In addition, Mr. Dennis Lo Hoi Yeung and his wife, Madam Cindy Lau Shuk Ching are directors of New Champion. Rental expenses incurred during the period amounted to \$623,000 (2004: \$623,000) and rental deposit at 30 September 2005 amounted to \$330,000 (2004: \$330,000).

(b) During the period, New Champion agreed to grant a licence to a subsidiary to use a storeroom in Hong Kong. License fee paid by the subsidiary during the period relating to the storeroom amounted to \$90,000 (2004: \$90,000).

(c) During the period, a subsidiary of the Group entered into an agreement with Front Land Properties Limited ("Front Land") for the sale of one of the Group's properties at a consideration of \$28,000,000. The ultimate beneficial owners of Front Land are Mr. Lo Hoi Chun, who is a cousin of Mr. Dennis Lo Hoi Yeung, and his associate. Profit on disposal of the property is \$16,947,000, which has been reflected in the interim financial report for the six months ended 30 September 2005.

Upon the completion of the aforesaid agreement, the Group entered into a tenancy agreement with Front Land to lease back the property at a monthly rental of \$163,800 for a term of two years and six months. Under the tenancy agreement, the Group is granted two options to renew the tenancy for an aggregate term of three years and six months after the expiry of the initial term. Rental expenses incurred during the period amounted to \$327,600 (2004: Nil) and rental deposit at 30 September 2005 amounted to \$491,400 (2004: Nil).