

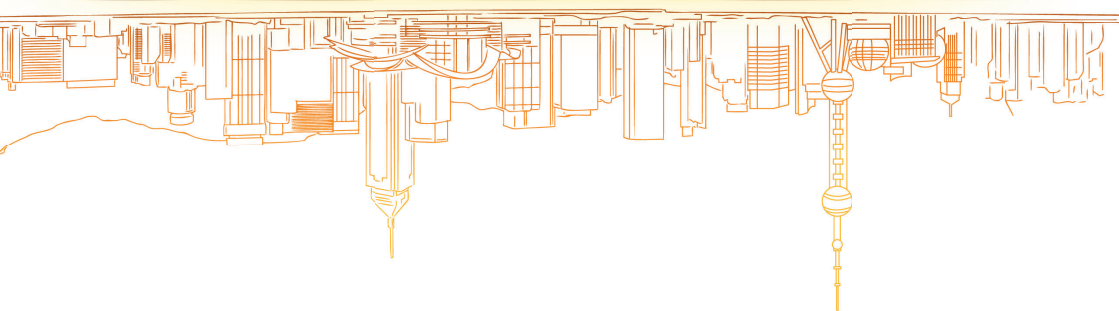


大家樂集團有限公司
CAFÉ DE CORAL HOLDINGS LIMITED

(於百慕達註冊成立之有限公司)
(Incorporated in Bermuda with limited liability)

股份代號 Stock Code : 341

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植根香港 持續發展大中華
Rooted in Hong Kong, Thriving in China

2012 中期報告 Interim Report



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2 Directors and Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Lo Hoi Kwong, Sunny
(Chief Executive Officer)
Ms. Lo Pik Ling, Anita
Mr. Lo Tak Shing, Peter

Non-executive Directors

Mr. Chan Yue Kwong, Michael
(Chairman)
Mr. Lo Ming Shing, Ian
Mr. Hui Tung Wah, Samuel
Mr. Choi Ngai Min, Michael*
Mr. Li Kwok Sing, Aubrey*
Mr. Kwok Lam Kwong, Larry*

* *Independent Non-executive Directors*

COMPANY SECRETARIES

Ms. Li Oi Chun, Helen
Mr. To Hon Fai, Alfred

REGISTERED OFFICE

Canon's Court
22 Victoria Street
Hamilton HM12, Bermuda

HEAD OFFICE

10th Floor, Café de Coral Centre
5 Wo Shui Street, Fo Tan
Shatin, New Territories, Hong Kong

AUDITORS

PricewaterhouseCoopers

SOLICITORS

Mayer Brown JSM

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
The Bank of Tokyo-Mitsubishi UFJ, Ltd.
BNP Paribas
Credit Agricole Corporate and Investment Bank
Hang Seng Bank Limited
The Hongkong and Shanghai Banking
Corporation Limited
Mizuho Corporate Bank, Ltd.
Standard Chartered Bank (Hong Kong) Ltd.

BERMUDA SHARE REGISTRARS

HSBC Securities Services (Bermuda)
Limited

HONG KONG BRANCH SHARE REGISTRARS

Computershare Hong Kong Investor
Services Limited

WEBSITE

<http://www.cafedecoral.com>

STOCK CODE

341



HIGHLIGHTS

- ◆ **Group's revenue for the half year increased by 8%, reaching HK\$3.14 billion.**
- ◆ **Profit recorded 16% increase to HK\$221 million, placing the Group back on track for continuous growth in profitability.**
- ◆ **The Group has successfully developed in the Hong Kong quick-service restaurant sector a multi-brand platform consisting of Café de Coral, Super Super Congee & Noodles and Oliver's Super Sandwiches.**
- ◆ **The Group is well-positioned with a sizable business platform comprising 129 operating units in the PRC market of tremendous potential.**
- ◆ **An interim dividend of 17 HK cents per share (2011: 17 HK cents per share) declared to shareholders, marking 26 years of uninterrupted dividend payments since listing.**



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INTRODUCTION

The period under review brought ongoing challenges to the Group, one of which was the continuation of persistent domestic inflationary pressures. In addition, an emerging slowdown in the PRC economy became a new issue that needs to be taken into account. Specific operating cost pressures that the Group had to face in the period under review included the cost of implementing the statutory minimum wage, and pressures from rising costs in raw materials and rent.

Facing these challenges head-on, the Group adjusted the way it operated its businesses and took appropriate initiatives for change in order to place itself back on track for continuous growth in profitability. As a result of these efforts, we achieved a turnover of HK\$3.14 billion in the period under review, a rise of 8% compared with last year. As for the half-year profit, we saw this climb to HK\$221 million, from last year's HK\$191 million.

In keeping with our commitment to delivering a steady return to shareholders, the Board resolved to distribute an interim dividend of 17 HK cents per share (2011: 17 HK cents per share) to shareholders whose names appear on the register of members of the Company on 14th December, 2012.

HONG KONG BUSINESS PLATFORM

The Group recorded a turnover of HK\$2.48 billion from its Hong Kong operations in the period under review, up approximately 7% as compared to HK\$2.32 billion for the same period last year. This Hong Kong segment result also grew by approximately 23% to HK\$343 million, from HK\$280 million. Comparable store sales of **Café de Coral** fast food restaurants increased by 7% over the same period last year.

Following the implementation of the statutory minimum wage in Hong Kong in May 2011, the Group faced a substantial increase in labour cost. In addition, rents continued to rise in the city, and raw materials prices also moved upwards during the period under review. In response to these developments, since May 2011, the Group has focused on changing certain aspects of its operations to achieve greater efficiency and enhance profitability. This has involved making adjustments in areas such as productivity, automation, menu design and location strategy. Despite the domestic inflationary environment, the Group was able to strike a balance between the interests of different stakeholders and maintain healthy growth for its business platform.



Among our quick-service restaurants, **Café de Coral** fast food remained the key contributor to the Group's revenue and profits. There were a total of 151 **Café de Coral** fast food outlets in operation at the end of the period. On the other hand, **Super Super Congee & Noodles** and **Oliver's Super Sandwiches** also grew well, achieving wide recognition among our customers. By 30th September, 2012 we were operating 26 **Super Super Congee & Noodles** shops and 18 **Oliver's Super Sandwiches** shops. Meanwhile, our mid-priced Western restaurants, led by **The Spaghetti House**, continued to provide the Group with a steady flow of revenue.

In the face of keen competition, our institutional catering businesses **Asia Pacific Catering** and **Luncheon Star** were able to enter into meaningful negotiations on contract terms with various clients in the review period, allowing us to maintain reasonable profitability. **Asia Pacific Catering** also expanded the scope of its operations by opening six new branches, attracting clients from hospitals, educational institutions and the commercial sector.

In furtherance of our multi-brand strategy, we introduced two new brands to our portfolio in the period. **PizzaStage**, an Italian pizza restaurant, opened its first restaurant in Hong Kong, and **85°C**, a Taiwanese-style bakery café, opened three outlets. **PizzaStage** is a casual dining restaurant targeting middle-income customers, while **85°C** is operated in Hong Kong under a joint venture between our Group and Gourmet Master Co. Ltd., a listed company in Taiwan which runs the 85°C brand globally with great success.

Our new central food processing plant, currently under development in Hong Kong's Tai Po Industrial Estate, is expected to be in operation by early next year. This plant will take us to a new level when it comes to further improving product quality, and will also give us the ability to implement cost control measures uniformly across all our brands.



6 Operational Review

PRC BUSINESS PLATFORM

The Group's substantial PRC platform comprised a total of 129 operating units at the end of the period, up approximately 8% from 120 operating units as at 31st March, 2012. Of these, 106 were **Café de Coral** shops, 15 were institutional catering units, and 8 were **The Spaghetti House** outlets.

While the recent economic slowdown in the PRC has hampered consumer spending there, a development which we expect to be a short-term one, our PRC business has also had to face a rise in operating costs and deal with the early stage under-utilization of our recently completed central food processing plant in Guangzhou. In view of the slowdown in the PRC economy, the Group has taken a more cautious approach to opening new stores.

While **Café de Coral** is already accepted and well-represented in the developed cities throughout Southern China, there is still room to fine-tune our business model there in response to the changing operating environment. On another front, we have 8 stores in Eastern China operated in full-service mode recently introduced. The initial response looks positive in terms of customer count and per head spending. All the business model adjustments described here, along with our spending on human resources development so as to provide more internal training and to recruit new high calibre staff, have involved investment that has affected our short-term profitability. This is also true of our investment in the central processing plant in the PRC, which is still under-utilized at this stage. However, we firmly believe that the PRC market holds tremendous potential for the catering industry, and our confidence in and commitment to this market is as strong as ever.

NORTH AMERICA BUSINESS PLATFORM

The Group operated a total of 143 **Manchu WOK** restaurants in North America. The Group achieved a positive cash-inflow from this business segment during the period under review. However, its performance was affected by weak consumer spending under the stagnant economic climate in the United States, along with rises in operational costs. We are confident that we can adjust appropriately to current conditions, and that **Manchu WOK** will continue to be a positive contributor to the Group in the long run. We will remain proactive in identifying new opportunities to enhance the value of this business. This may involve, for example, working more closely with our strategic master franchisees and with other catering operators.



LOOKING AHEAD

The global economy looks set to remain unstable in the immediate future. This will require us as a Group to remain highly proactive in terms of anticipating the effect of economic fluctuations on the catering industry and responding quickly and efficiently. Our aim is to maintain our leading position in the industry and achieve sustainable growth, regardless of different economic cycles.

To achieve growth within a weaker economic environment, we have developed a very strong package of strategies and initiatives for sustainable development. Facing pressures like rising costs, the Group has translated challenges into opportunities by adjusting its business model and adopting a multi-brand strategy. For instance, **Super Super Congee & Noodles** and **Oliver's Super Sandwiches** are successful business models that are making us more adaptable to the changing dining preferences and operating environment in Hong Kong. Ongoing efforts will be made to introduce new brands, such as **85°C** and **PizzaStage**, in order to capture greater market share.

We expect to make good use of the new central food processing plant in Hong Kong when it comes into operation next year to increase our production efficiency. The new plant will take over the majority of back-end food preparation from individual stores, creating economies of scale and freeing up extra space for dining.

The huge PRC market continues to change rapidly. The constantly changing dining habits and preferences there require our management to adjust not simply our product offerings, but even the way we run our businesses. With support from our central food processing plant in Guangzhou, our two distinct operational hubs (one in Southern China and the other in Eastern China) give us scope for tailoring changes to specific regional developments.

To further strengthen our footing in this industry, we will also be looking at the possibility of business co-operation and acquisitions if appropriate. Internally, we are undertaking various human resources development programmes to support sustainable business growth; these will provide us with a vigorous recruitment and screening process for identifying new talent.



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On behalf of the Board, I would like to thank our staff for all the effort they have put into the half-year, and for their excellent teamwork in the face of many challenges. I would also like to thank our customers, and our shareholders, for their unfailing support.

By order of the Board
Lo Hoi Kwong, Sunny
Chief Executive Officer

Hong Kong, 26th November, 2012



INTERIM DIVIDEND

To continuously return value to our shareholders, the Directors have declared the payment of an interim dividend of 17 HK cents per share (2011: 17 HK cents per share) in respect of the six months ended 30th September, 2012 payable on 28th December, 2012 to those persons registered as shareholders on 14th December, 2012.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determination of entitlement to the interim dividend, the Register of Members of the Company will be closed on 14th December, 2012 (Friday) on which no transfer of shares will be effected. In order to qualify for the interim dividend, all completed transfer forms accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong Branch Share Registrars, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 13th December, 2012.

HUMAN RESOURCES

As at 30th September, 2012, the Group (other than associated companies and jointly controlled entities) employed approximately 16,600 employees. Remuneration packages are generally structured by reference to market terms and individual qualifications and experience. With Share Option Schemes together with profit sharing bonus and performance incentive system, employees were entitled to share in the growth of the Group.

During the period, various training activities, such as training on operational safety, management skills as well as mentorship program, have been conducted to improve the front-end quality of services as well as to ensure the smooth and effective installation of the Group's business systems.

We have also instituted an Executive Development Program to enhance the depth and breadth of our management staff for the purpose of their future career development.



On employee benefits and welfare side, the Group provides all-round coverage to the employees as well as their families. These programs included medical plan, group life insurance plan, housing scheme, scholarship and education fund for children.

Apart from introduction of 5-day work week during the period under review, formalized recreational clubs were organized for our employees through the staff wellness plan, aiming to strike a work-life balance among our employees.

FINANCIAL REVIEW

The Group's financial position, as at 30th September, 2012, continues to be very strong, with a net cash of close to about HK\$703 million and available banking facilities of HK\$536 million.

As at 30th September, 2012, the Group did not have any external borrowing (31st March, 2012: Nil) and maintained a healthy gearing (being total borrowings over shareholders' funds) of Nil (31st March, 2012: Nil). There has been no material change in contingent liabilities or charges on assets since 31st March, 2012.

As at 30th September, 2012, the Company has given guarantees totaling approximately HK\$536 million (31st March, 2012: HK\$536 million) to financial institutions in connection with the banking facilities granted to its subsidiaries.

Regarding foreign exchange fluctuations, for the six months' period under review, the Group earned revenue and incurred costs and expenses mainly denominated in Hong Kong dollars, while those of our North America and PRC subsidiaries, associates and jointly controlled entities are denominated in United States dollars, Canadian dollars and Renminbi respectively. While foreign currency exposure did not pose significant risk for the Group, we will continue to take proactive measures and monitor closely our exposure to such currency movement.



DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30th September, 2012, the interests of each Director and Chief Executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register maintained by the Company under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

Interests in Shares and Underlying Shares of the Company

Name of Director	Notes	Number of ordinary shares/underlying shares (long positions)						% of total issued shares
		Personal interests	Family interests	Corporate interests	Trusts and similar interests	Equity derivatives (Note (e))	Total interests	
Mr. Lo Hoi Kwong, Sunny	(a)	17,832,000	-	-	37,383,394	3,100,000	58,315,394	10.195%
Mr. Lo Tak Shing, Peter	(b)	350,000	-	-	89,308,213	60,000	89,718,213	15.686%
Ms. Lo Pik Ling, Anita		13,550,339	-	-	-	450,000	14,000,339	2.448%
Mr. Chan Yue Kwong, Michael	(c)	5,821,407	4,096,000	-	-	1,340,000	11,257,407	1.968%
Mr. Li Kwok Sing, Aubrey	(d)	55,000	-	-	-	-	55,000	0.010%
Mr. Hui Tung Wah, Samuel		25,837	-	-	-	-	25,837	0.005%
Mr. Lo Ming Shing, Ian		40,000	-	-	-	-	40,000	0.007%
Mr. Choi Ngai Min, Michael		-	-	-	-	-	-	-
Mr. Kwok Lam Kwong, Larry		-	-	-	-	-	-	-



12 Other Information

Notes:

- (a) Mr. Lo Hoi Kwong, Sunny was deemed to be interested in 37,383,394 shares held under a family trust in the capacity of founder.
- (b) These shares were held by Wandels Investment Limited (“Wandels”). Wandels was 50% owned by Sky Bright International Limited (“Sky Bright”) and 50% owned by Verdant Success Holdings Limited (“Verdant Success”). Both of Sky Bright and Verdant Success were wholly-owned by RBC Trustees (CI) Limited which was the trustee of two discretionary family trusts. Mr. Lo Tak Shing, Peter was deemed to be interested by virtue of being beneficiary of one of the family trusts.
- (c) Mr. Chan Yue Kwong, Michael was deemed to be interested in 4,096,000 shares through interests of his spouse.
- (d) These shares were held by Mr. Li Kwok Sing, Aubrey jointly with his spouse.
- (e) The interests in equity derivatives represented interests in options granted to the Directors named above under the Company’s share option scheme(s) to subscribe for shares of the Company, further details of which are set out in the section headed “Share Option Schemes” below.

All the interests in shares and underlying shares of equity derivatives of the Company are long positions. None of the Directors held any short position in the shares, underlying shares or debentures of the Company.

Save as disclosed above and other than certain nominee shares in subsidiaries held by the Directors in trust for the Company, as at 30th September, 2012, none of the Directors, Chief Executives of the Company or their respective associates had or was deemed to have any interest or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed herein and the Company’s share option schemes as set out in the section headed “Share Option Schemes” below, at no time during the six months ended 30th September, 2012 was the Company or any of its subsidiaries, holding companies or fellow subsidiaries a party to any arrangements to enable the Directors or the Chief Executives of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate. Save as disclosed above, none of the Directors or the Chief Executives of the Company or their spouses or children under the age of 18, was granted any right to subscribe for the equity or debt securities of the Company or any other body corporate nor had exercised any such right during the six months ended 30th September, 2012.



SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 30th September, 2012, the interests and short positions of every persons, other than a Director or Chief Executive of the Company, in the shares and underlying shares of the Company, being 5% or more of the Company's issued share capital, as recorded in the register kept by the Company under Section 336 of the SFO were as follows:

Name of substantial shareholder	Notes	Number of ordinary shares/underlying shares (long positions)				Total interests	% of total issued shares
		Personal interests	Family interests	Corporate interests	Trusts and similar interests		
Wandels Investment Limited	(a)	-	-	-	89,308,213	89,308,213	15.61%
Sky Bright International Limited	(a)	-	-	-	89,308,213	89,308,213	15.61%
Verdant Success Holdings Limited	(a)	-	-	-	89,308,213	89,308,213	15.61%
RBC Trustees (CI) Limited	(a)	-	-	-	89,308,213	89,308,213	15.61%
Ms. Tso Po Ping	(b)	-	58,315,394	-	-	58,315,394	10.20%
Ardley Enterprises Limited	(c)	-	-	-	37,383,394	37,383,394	6.54%
Mr. Lo Hoi Chun	(d)	132,000	-	67,880,834	-	68,012,834	11.89%
Ms. Man Bo King	(e)	-	68,012,834	-	-	68,012,834	11.89%
LBK Holding Corporation	(f)	35,969,133	-	-	-	35,969,133	6.29%
MMW Holding Corporation	(g)	31,911,701	-	-	-	31,911,701	5.58%
Matthews International Capital Management, LLC	(h)	51,458,100	-	-	-	51,458,100	9.00%
Arisaig Asia Consumer Fund Limited	(i)	28,938,000	-	-	-	28,938,000	5.06%
Arisaig Partners (Mauritius) Limited	(i)	28,938,000	-	-	-	28,938,000	5.06%
Mr. Lindsay William Ernest Cooper	(i)	-	-	28,938,000	-	28,938,000	5.06%



14 Other Information

Notes:

- (a) These interests were held by Wandels Investment Limited (“Wandels”). Wandels was 50% owned by Sky Bright International Limited (“Sky Bright”) and 50% owned by Verdant Success Holdings Limited (“Verdant Success”). Both of Sky Bright and Verdant Success were wholly-owned by RBC Trustees (CI) Limited which was the trustee of two discretionary family trusts. Mr. Lo Tak Shing, Peter, a director of the Company, was deemed to be interested by virtue of being beneficiary of one of the family trusts.
- (b) Ms. Tso Po Ping was deemed to be interested in these shares through the interests of her spouse, Mr. Lo Hoi Kwong, Sunny (of which 3,100,000 shares were interests in underlying shares).
- (c) These interests were held by Ardley Enterprises Limited in the capacity of trustee. These interests represented part of the interests of Mr. Lo Hoi Kwong, Sunny, a director of the Company.
- (d) Mr. Lo Hoi Chun was deemed to be interested in 67,880,834 shares which were held, as to 35,969,133 shares, by LBK Holding Corporation (“LBK”) and, as to 31,911,701 shares, by MMW Holding Corporation (“MMW”). Both of LBK and MMW were wholly-owned by Mr. Lo Hoi Chun.
- (e) Ms. Man Bo King was deemed to be interested in these shares through the interests of her spouse, Mr. Lo Hoi Chun.
- (f) These interests were held by LBK Holding Corporation which was wholly-owned by Mr. Lo Hoi Chun.
- (g) These interests were held by MMW Holding Corporation which was wholly-owned by Mr. Lo Hoi Chun.
- (h) These interests were held in the capacity of investment manager.
- (i) These interests were held by Arisaig Asia Consumer Fund Limited (“Arisaig Asia”) of which Arisaig Partners (Mauritius) Limited (“Arisaig Partners”) was the investment manager. Arisaig Partners was wholly-owned by Arisaig Partners (Holdings) Limited which in turn was wholly-owned by Skype Partners Limited. Skype Partners Limited was owned as to 33.33% by Mr. Lindsay William Ernest Cooper.

All interests in the shares and underlying shares of the Company held by the above persons are long positions.



Save as disclosed above, as at 30th September, 2012, the Directors are not aware of any other persons (other than a Director or Chief Executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which were required to be recorded in the register kept by the Company under Section 336 of the SFO.

SHARE OPTION SCHEMES

Pursuant to a share option scheme adopted by the Company on 30th January, 1991 (the “1991 Scheme”), the Company has granted certain options to executives and employees of the Group including executive directors employed by the Group to subscribe for ordinary shares in the Company subject to the terms and conditions stipulated therein. The 1991 Scheme was terminated upon the passing of a shareholders’ resolution for adoption of another share option scheme on 19th September, 2000 (the “2000 Scheme”). Since then, no options can be granted under the 1991 Scheme. There were no outstanding options granted under the 1991 Scheme as at the date of this report. No options had been granted under the 2000 Scheme since its adoption.

On 24th September, 2003, the 2000 Scheme was terminated upon the passing of a shareholders’ resolution for adoption of a share option scheme (the “2003 Scheme”). Pursuant to the 2003 Scheme, the Company may grant options to executive and non-executive directors; employees; suppliers and customers of the Group; and consultants, advisors, managers, officers and corporations that provided research, development or other technical support to the Group (collectively the “Eligible Participants”) to subscribe for ordinary shares in the Company subject to the terms and conditions stipulated therein. The Company granted options to certain employees of the Group (including executive directors of the Company) pursuant to the 2003 Scheme.

A new share option scheme was adopted by the Company upon the passing of a shareholders’ resolution on 11th September, 2012 (the “2012 Scheme”). Pursuant to the 2012 Scheme, the Board may grant options to the Eligible Participants to subscribe for ordinary shares in the Company subject to the terms and conditions stipulated therein. No share options had been granted under the 2012 Scheme since its adoption.



16 Other Information

Details of the share options granted under the 1991 Scheme and the 2003 Scheme and movements in such holdings during the six months ended 30th September, 2012 were as follows:

Type of Grantees	Date of Grant	Exercise price per option HK\$	Exercise period	Number of Options			
				Outstanding at 1st April, 2012	Exercised during the period	Lapsed during the period	Outstanding at 30th September, 2012
Director & Substantial Shareholder							
Mr. Lo Tak Shing, Peter	2/10/2007 ^{(c)(d)}	14.748	30/3/2009 – 1/10/2017	200,000	(140,000)	-	60,000
Directors							
Mr. Chan Yue Kwong, Michael	2/10/2007 ^{(c)(d)}	14.268	30/3/2008 – 29/3/2017	1,480,000	(140,000)	-	1,340,000
Mr. Lo Hoi Kwong, Sunny	1/11/2005 ^{(c)(d)(e)}	8.800	1/1/2007 – 31/10/2015	1,600,000	-	-	1,600,000
	2/10/2007 ^{(c)(d)}	14.268	30/3/2008 – 29/3/2017	1,500,000	-	-	1,500,000
Ms. Lo Pik Ling, Anita	2/10/2007 ^{(c)(d)}	14.268	30/3/2008 – 29/3/2017	450,000	-	-	450,000
Continuous contract employees							
	4/11/1999 ^{(b)(d)}	2.950	1/4/2004 – 31/3/2013	30,000	(30,000)	-	-
	1/11/2005 ^{(c)(d)(e)}	8.750	1/1/2007 – 31/10/2015	991,000	(221,000)	-	770,000
	1/11/2005 ^{(c)(d)}	8.750	1/1/2008 – 31/10/2015	363,000	(70,000)	-	293,000
	2/10/2007 ^{(c)(d)}	14.748	30/3/2008 – 29/3/2017	6,370,000	(1,618,000)	(90,000)	4,662,000
	2/10/2007 ^{(c)(d)}	14.748	30/3/2009 – 1/10/2017	1,172,000	(200,000)	(124,000)	848,000
	28/10/2010 ^{(c)(d)(f)}	22.370	31/3/2011 – 30/3/2020	2,340,000	-	(40,000)	2,300,000
	28/10/2010 ^{(c)(d)(f)}	22.370	31/3/2012 – 27/10/2020	980,000	-	-	980,000
				<u>17,476,000</u>	<u>(2,419,000)</u>	<u>(254,000)</u>	<u>14,803,000</u>



Notes:

- (a) Number of options refers to the number of underlying shares of the Company covered by the options under the 1991 Scheme and the 2003 Scheme.
- (b) These options were granted under the 1991 Scheme.
- (c) These options were granted under the 2003 Scheme.
- (d) These options would vest in 5 equal tranches and were exercisable at HK\$2.950 per share during a five-year period commencing 1st April, 2004, 1st April, 2005, 1st April, 2006, 1st April, 2007 and 1st April, 2008 respectively.
- (e) These options would vest in 5 equal tranches. The first four tranches were exercisable at HK\$8.750 per share during a four-year period commencing 1st January, 2007, 1st January, 2008, 1st January, 2009 and 1st January, 2010 respectively. The last tranche was exercisable at HK\$8.750 per share from 1st January, 2011 to 31st October, 2015.
- (f) These options would vest in 5 equal tranches. The first four tranches were exercisable at HK\$8.750 per share during a four-year period commencing 1st January, 2008, 1st January, 2009, 1st January, 2010 and 1st January, 2011 respectively. The last tranche was exercisable at HK\$8.750 per share from 1st January, 2012 to 31st October, 2015.
- (g) These options would vest in 5 equal tranches. The first four tranches were exercisable at HK\$8.800 per share during a four-year period commencing 1st January, 2007, 1st January, 2008, 1st January, 2009 and 1st January, 2010 respectively. The last tranche was exercisable at HK\$8.800 per share from 1st January, 2011 to 31st October, 2015.
- (h) These options would vest in 5 tranches as follows: 10% on 30th March, 2008, 15% on 30th March, 2009, 20% on 30th March, 2010, 25% on 30th March, 2011 and 30% on 30th March, 2012 and were exercisable at HK\$14.268 per share during a five-year period commencing the respective date of vesting.
- (i) These options would vest in 5 tranches as follows: 10% on 30th March, 2008, 15% on 30th March, 2009, 20% on 30th March, 2010, 25% on 30th March, 2011 and 30% on 30th March, 2012 and were exercisable at HK\$14.748 per share during a five-year period commencing the respective date of vesting.
- (j) These options would vest in 5 tranches as follows: 10% on 30th March, 2009, 15% on 30th March, 2010, 20% on 30th March, 2011, 25% on 30th March, 2012 and 30% on 30th March, 2013. The first four tranches were exercisable at HK\$14.748 per share during a five-year period commencing the respective date of vesting. The last tranche was exercisable at HK\$14.748 per share from 30th March, 2013 to 1st October, 2017.



18 Other Information

- (k) These options would vest in 5 tranches as follows: 10% on 31st March, 2011, 15% on 31st March, 2012, 20% on 31st March, 2013, 25% on 31st March, 2014 and 30% on 31st March, 2015 and were exercisable at HK\$22.370 per share during a five-year period commencing the respective date of vesting.
- (l) These options would vest in 5 tranches as follows: 10% on 31st March, 2012, 15% on 31st March, 2013, 20% on 31st March, 2014, 25% on 31st March, 2015 and 30% on 31st March, 2016. The first four tranches were exercisable at HK\$22.370 per share during a five-year period commencing the respective date of vesting. The last tranche was exercisable at HK\$22.370 per share from 31st March, 2016 to 27th October, 2020.
- (m) Under the 1991 Scheme and in respect of the category of “Continuous contract employees”, the weighted average closing price of the Company’s shares immediately before the dates on which the share options were exercised during the period was HK\$22.60.
- (n) Under the 2003 Scheme and in respect of the category of “Continuous contract employees”, the weighted average closing price of the Company’s shares immediately before the dates on which the share options were exercised during the period was HK\$21.63.

Save as disclosed above, no share options were granted, exercised, lapsed or cancelled during the six months ended 30th September, 2012.



CORPORATE GOVERNANCE

During the six months period ended 30th September, 2012, the Company has complied with the code provisions as set out in the Code on Corporate Governance Practices (formerly set out in Appendix 14 of the Listing Rules) and the Corporate Governance Code and Corporate Governance Report (the “CG Code”) (the new edition of the Code on Corporate Governance Practices which is applicable to financial reports covering a period after 1st April, 2012) except for the following which is expected to be fully complied with during the financial year ending 31st March, 2013:

Code provision A.6.6

Code provision A.6.6 of the CG Code requires each Director to disclose to the Company at the time of his appointment, and in a timely manner for any change, the number and nature of offices held in public companies or organisations and other significant commitments. The Board has adopted a disclosure form for each Director to complete in order to comply with this code provision.

Code provision C.3.7

Code provision C.3.7 of the CG Code stipulates that the Audit Committee of the Company should review arrangements employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters and ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action. Such duties have been added to the terms of reference of the Audit Committee of the Company and relevant procedures have been adopted pending for inclusion in the employee handbook of the Group.

Code provision D.3.1

Code provisions D.3.1 (c) and (d) of the CG Code require the Board (i) to review and monitor the Company’s policies and practices on compliance with legal and regulatory requirements; and (ii) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors. With the Board’s approval, the terms of reference of the Audit Committee of the Company have been amended to include such duties. Formulation of the required policies and practices as well as the code of conduct is underway.



Code provision E.1.4

Code provision E.1.4 of the CG Code requires that the Board should establish a shareholders' communication policy and review it on a regular basis to ensure its effectiveness. A shareholders' communication policy was adopted by the Board in August 2012.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct for dealings in securities of the Company by the Directors. The Company, having made specific enquiry of all Directors, confirms that its Directors had complied with the required standard set out in the Model Code during the six months ended 30th September, 2012.

AUDIT COMMITTEE

The Company has established an audit committee which currently consists of three independent non-executive directors of the Company with written terms of reference which deal clearly with its authority and duties. Amongst the committee's principal duties is to review and supervise the Company's financial reporting process and internal controls (including the review of the unaudited interim financial statements for the six months ended 30th September, 2012).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30th September, 2012, neither the Company nor any of its subsidiaries had purchased, sold or redeemed the Company's listed securities.



CHANGES IN INFORMATION OF DIRECTORS

The changes in the information of Directors since the publication of 2012 Annual Report are set out below pursuant to Rule 13.51B(1) of the Listing Rules:-

Name of Director	Details of changes
Mr. Chan Yue Kwong, Michael	Mr. Chan resigned as an agent of the Company for accepting service of process and notices in Hong Kong under Part XI of the Companies Ordinance with effect from 18th October, 2012.
Mr. Lo Hoi Kwong, Sunny	<p>Mr. Lo was appointed as an agent of the Company for accepting service of process and notices in Hong Kong under Part XI of the Companies Ordinance with effect from 18th October, 2012.</p> <p>He has entered into a service contract with the Company for three years commencing 1st April, 2012. With effect from 1st April, 2012, he is entitled to (a) an annual salary of HK\$2,091,120 and an annual director's fee of HK\$50,000; and (b) annual profit sharing bonus, gratuity and incentive bonus of such sums by reference to the operating results of the Group, all of which are determined with reference to his qualification, experience, market benchmarks and the prevailing market conditions. His emoluments, except for the director's fee, are all covered under his service contract.</p>



Ms. Lo Pik Ling, Anita

Ms. Lo has entered into a service contract with the Company for two years commencing 26th October, 2012. She is entitled to (a) an annual salary and allowance of a total of HK\$936,000 and an annual director's fee of HK\$50,000; and (b) an annual profit sharing bonus of a sum by reference to the operating results of certain business units of the Group, all of which are determined with reference to her qualification, experience, market benchmarks and the prevailing market conditions. Her emoluments, except for the director's fee, are all covered under her service contract.

Mr. Lo Tak Shing, Peter

Mr. Lo resigned as a member of the Nomination Committee of the Company with effect from 11th September, 2012.

He has entered into a service contract with the Company with no specific term of appointment. With effect from 1st April, 2012, Mr. Lo is entitled to (a) an annual salary of HK\$580,200 and an annual director's fee of HK\$50,000; and (b) an annual profit sharing bonus of a sum by reference to the operating results of certain business units of the Group, all of which are determined with reference to his qualification, experience, market benchmarks and the prevailing market conditions. His emoluments, except for the director's fee, are all covered under his service contract.

Mr. Kwok Lam Kwong, Larry

Mr. Kwok was appointed as Chairman of the Audit Committee of the Company with effect from 11th September, 2012.

He was also appointed as Chairman of the Transport Advisory Committee in Hong Kong with effect from 1st October, 2012.



As at 30th September, 2012

	Note	As at 30th September, 2012 HK\$'000 (Unaudited)	As at 31st March, 2012 HK\$'000 (Audited) (Restated)
ASSETS			
Non-current assets			
Leasehold land and land use rights	5	95,634	97,143
Property, plant and equipment	5	1,609,394	1,482,562
Investment properties	5	326,200	326,200
Intangible assets	5	170,486	172,652
Investments in associates	7	16,074	18,505
Investments in jointly controlled entities	8	31,031	11,060
Deferred income tax assets		17,949	18,075
Available-for-sale financial assets	6	434,767	417,667
Non-current prepayments and deposits		219,110	229,505
Financial assets at fair value through profit or loss	11	22,874	14,745
		2,943,519	2,788,114
Current assets			
Inventories		183,216	172,099
Trade and other receivables	9	83,826	73,889
Prepayments and deposits		171,684	99,070
Financial assets at fair value through profit or loss	11	46,148	55,135
Bank deposits with maturity over three months		31,164	31,033
Cash and cash equivalents		702,825	854,417
		1,218,863	1,285,643
Total assets		4,162,382	4,073,757
EQUITY			
Capital and reserves attributable to the equity holders of the Company			
Share capital	12	57,198	56,956
Other reserves		1,111,795	1,057,413
Retained earnings			
– Proposed dividends		97,287	256,997
– Others		2,029,933	1,906,445
		3,296,213	3,277,811
Non-controlling interests		1,894	1,271
Total equity		3,298,107	3,279,082

24 Condensed Consolidated Statement of Financial Position (Unaudited) (Continued)

As at 30th September, 2012

	Note	As at 30th September, 2012 HK\$'000 (Unaudited)	As at 31st March, 2012 HK\$'000 (Audited) (Restated)
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		32,102	33,208
Provision for long service payments		10,028	9,872
Retirement benefit liabilities		10,636	12,328
		52,766	55,408
Current liabilities			
Trade payables	10	189,351	171,250
Other creditors and accrued liabilities		572,879	535,286
Current income tax liabilities		49,279	32,731
		811,509	739,267
Total liabilities		864,275	794,675
Total equity and liabilities		4,162,382	4,073,757
Net current assets		407,354	546,376
Total assets less current liabilities		3,350,873	3,334,490

The notes on pages 30 to 54 are an integral part of this condensed consolidated interim financial information.



For the six months ended 30th September, 2012

		Six months ended 30th September,	
		2012	2011
		<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>Note</i>		
Revenue	14	3,135,574	2,901,229
Cost of sales		(2,739,738)	(2,559,480)
Gross profit		395,836	341,749
Administrative expenses		(143,425)	(136,472)
Other gains, net	15	11,453	13,816
Operating profit	16	263,864	219,093
Finance income	17	4,934	3,717
Share of (loss)/profit of associates		(2,189)	1,262
Share of loss of jointly controlled entities		(3,028)	(29)
Profit before income tax		263,581	224,043
Income tax expense	18	(41,820)	(33,159)
Profit for the period		221,761	190,884
Allocated as:			
Profit attributable to non-controlling interest		623	4
Profit attributable to equity holders of the Company		221,138	190,880
Earnings per share for profit attributable to the equity holders of the Company			
– Basic	19	38.71 HK cents	33.82 HK cents
– Diluted	19	38.42 HK cents	33.51 HK cents
Dividend			
– Interim	20	97,287	96,231

The notes on pages 30 to 54 are an integral part of this condensed consolidated interim financial information.



26 Condensed Consolidated Statement of Comprehensive Income (Unaudited)

For the six months ended 30th September, 2012

	Six months ended 30th September,	
	2012	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit for the period	221,761	190,884
Other comprehensive income/(loss):		
Exchange differences arising from translation of foreign subsidiaries, associates and jointly controlled entities	2,482	2,273
Tax effect on actuarial gains of retirement benefit obligation recognised in reserve	–	3,933
Fair value gains/(losses) on available-for-sale financial assets	17,100	(19,593)
Reserve released upon disposal of available-for-sale financial assets	–	(3,249)
Total comprehensive income for the period	241,343	174,248
Attributable to:		
– Equity holders of the Company	240,720	174,244
– Non-controlling interests	623	4
	241,343	174,248

The notes on pages 30 to 54 are an integral part of this condensed consolidated interim financial information.



For the six months ended 30th September, 2012

	Attributable to equity holders of the Company				Non- controlling interests HK\$'000	Total equity HK\$'000
	Share capital HK\$'000	Other reserves HK\$'000	Retained earnings HK\$'000	Total HK\$'000		
Balance at 1st April, 2012, as previously reported as equity	56,956	1,057,413	2,134,629	3,248,998	1,271	3,250,269
Change in accounting policy – Adoption of HKAS 12 (Amendment)	–	–	28,813	28,813	–	28,813
Balance at 1st April, 2012, as restated	56,956	1,057,413	2,163,442	3,277,811	1,271	3,279,082
Profit for the period	–	–	221,138	221,138	623	221,761
Other comprehensive income:						
Exchange differences arising on translation of foreign subsidiaries, associates and jointly controlled entities	–	2,482	–	2,482	–	2,482
Fair value gains on available- for-sale financial assets	–	17,100	–	17,100	–	17,100
Total comprehensive income for the six months ended 30th September, 2012	–	19,582	221,138	240,720	623	241,343
Employees share option scheme – value of employee services	–	1,533	–	1,533	–	1,533
Proceeds from shares issued	242	33,267	–	33,509	–	33,509
Dividends	–	–	(257,360)	(257,360)	–	(257,360)
	242	34,800	(257,360)	(222,318)	–	(222,318)
Balance at 30th September, 2012	57,198	1,111,795	2,127,220	3,296,213	1,894	3,298,107



28 Condensed Consolidated Statement of Changes in Equity (Unaudited) (Continued)

For the six months ended 30th September, 2012

	Attributable to equity holders of the Company				Non- controlling interests HK\$'000	Total equity HK\$'000
	Share capital HK\$'000	Other reserves HK\$'000	Retained earnings HK\$'000	Total HK\$'000		
Balance at 1st April, 2011, as previously reported as equity	56,313	836,259	2,173,258	3,065,830	1,589	3,067,419
Change in accounting policy – Adoption of HKAS 12 (Amendment)	–	–	25,285	25,285	–	25,285
Balance at 1st April, 2011, as restated	<u>56,313</u>	<u>836,259</u>	<u>2,198,543</u>	<u>3,091,115</u>	<u>1,589</u>	<u>3,092,704</u>
Profit for the period	–	–	190,880	190,880	4	190,884
Other comprehensive income/(loss):						
Exchange differences arising on translation of foreign subsidiaries, associates and a jointly controlled entity	–	2,273	–	2,273	–	2,273
Tax effect on actuarial gains of retirement benefit obligation recognised in reserve	–	–	3,933	3,933	–	3,933
Fair value losses on available- for-sale financial assets	–	(19,593)	–	(19,593)	–	(19,593)
Reserve released upon disposal of available-for-sale financial assets	–	(3,249)	–	(3,249)	–	(3,249)
Total comprehensive (loss)/ income for the six months ended 30th September, 2011	<u>–</u>	<u>(20,569)</u>	<u>194,813</u>	<u>174,244</u>	<u>4</u>	<u>174,248</u>
Employees share option scheme – value of employee services	–	5,083	–	5,083	–	5,083
Proceeds from shares issued	247	31,169	–	31,416	–	31,416
	<u>247</u>	<u>36,252</u>	<u>–</u>	<u>36,499</u>	<u>–</u>	<u>36,499</u>
Balance at 30th September, 2011, as restated	<u>56,560</u>	<u>851,942</u>	<u>2,393,356</u>	<u>3,301,858</u>	<u>1,593</u>	<u>3,303,451</u>

The notes on pages 30 to 54 are an integral part of this condensed consolidated interim financial information.



	Six months ended 30th September,	
	2012	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net cash generated from operating activities	365,051	327,851
Net cash used in investing activities	(292,410)	(145,426)
Net cash (used in)/generated from financing activities	(223,851)	31,415
Net (decrease)/increase in cash and cash equivalents	(151,210)	213,840
Cash and cash equivalents at beginning of the period	854,417	993,333
Effect of foreign exchange rate changes	(382)	5,598
Cash and cash equivalents at end of the period	702,825	1,212,771

The notes on pages 30 to 54 are an integral part of this condensed consolidated interim financial information.



1 GENERAL INFORMATION

Café de Coral Holdings Limited (the “Company”) was incorporated in Bermuda as an exempted company under the Companies Act 1981 of Bermuda with limited liability on 1st October, 1990. The address of its registered office is Canon’s Court, 22 Victoria Street, Hamilton HM 12, Bermuda.

The principal activity of the Company is investment holding. The Company’s subsidiaries are principally engaged in the operation of quick service restaurants, fast casual dining, institutional catering and specialty restaurant chains, and the food processing and distribution business.

The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

The condensed consolidated interim financial information is presented in thousands of units of Hong Kong dollars (HK\$’000) unless otherwise stated and has been approved for issue by the Board of Directors on 26th November, 2012.

2 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30th September, 2012 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants.

This condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31st March, 2012, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

3 ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31st March, 2012, as described in those annual financial statements.



3 ACCOUNTING POLICIES (Continued)

In December 2010, the HKICPA amended HKAS 12, 'Income taxes', to introduce an exception to the principle for the measurement of deferred tax assets or liabilities arising on an investment property measured at fair value. HKAS 12 requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. The amendment introduces a rebuttable presumption that an investment property measured at fair value is recovered entirely by sale. The amendment is applicable retrospectively to annual periods beginning on or after 1st January, 2012 with early adoption permitted.

The Group has adopted this amendment retrospectively for the financial period ended 30th September, 2012 and the effects of adoption are disclosed as follows.

Effect on condensed consolidated statement of financial position

	30th September, 2012 HK\$'000	31st March, 2012 HK\$'000
Decreased in deferred tax liabilities	28,813	28,813
Increase in retained earnings	28,813	28,813

Effect on condensed consolidated income statement

	For six months ended 30th September, 2012 HK\$'000	For year ended 31st March, 2012 HK\$'000
Decrease in income tax expense	–	3,528
Increase in net profit attributable to equity holders of the Company	–	3,528
Increase in basic EPS	–	HK 0.62 cents
Increase in diluted EPS	–	HK 0.62 cents



3 ACCOUNTING POLICIES (*Continued*)

Taxation on income in the interim period is accrued using the tax rate that would be applicable to expected total annual earnings.

The following new standards, amendments to standards and interpretations have been issued, but are not effective for the financial year beginning 1st April, 2012 and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
New or revised standards, interpretations and amendments		
HKAS 1 (Amendment)	Presentation of Financial Statements	1st July, 2012
HKAS 19 (Amendment)	Employee Benefits (2011)	1st January, 2013
HKAS 27 (Amendment)	Separate Financial Statements (2011)	1st January, 2013
HKAS 28 (Amendment)	Investment in Associates and Joint Ventures (2011)	1st January, 2013
HKAS 32 (Amendment)	Financial Instruments: Presentation	1st January, 2014
HKFRS 7 (Amendment)	Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities	1st January, 2013
HKFRS 7 and HKFRS 9 (Amendment)	Mandatory Effective Date and Transition Disclosures	1st January, 2015
HKFRS 9	Financial Instruments	1st January, 2015
HKFRS 10	Consolidated Financial Statements	1st January, 2013
HKFRS 11	Joint Arrangements	1st January, 2013
HKFRS 12	Disclosure of Interests in Other Entities	1st January, 2013
HKFRS 13	Fair Value Measurements	1st January, 2013
HK(IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine	1st January, 2013



4 SEGMENT INFORMATION

The Group is principally engaged in the operation of quick service restaurants, fast casual dining, institutional catering and specialty restaurant chains, and the food processing and distribution business.

The Chief Executive Officer of the Group reviews the Group's internal reporting in order to allocate resources and to assess the business principally from a geographic perspective including Hong Kong, Mainland China and North America.

Segment information of the Group for the current period and the comparative figures are as follows:

	Hong Kong HK\$'000 (Unaudited)	Mainland China HK\$'000 (Unaudited)	North America HK\$'000 (Unaudited)	Group HK\$'000 (Unaudited)
Six months ended				
30th September 2012				
Total segment revenue	2,480,453	612,460	95,646	3,188,559
Inter-segment revenue (Note i)	(1,358)	(51,627)	-	(52,985)
	<u>2,479,095</u>	<u>560,833</u>	<u>95,646</u>	<u>3,135,574</u>
Revenue (from external revenue) (Note ii)	2,479,095	560,833	95,646	3,135,574
	<u>342,869</u>	<u>44,569</u>	<u>2,409</u>	<u>389,847</u>
Segment results (Note iii)	342,869	44,569	2,409	389,847
Depreciation and amortisation	86,554	31,241	8,188	125,983
Finance income	3,421	1,488	25	4,934
Share of profit/(loss) of associates	385	(2,713)	139	(2,189)
Share of loss of jointly controlled entities	(3,002)	(26)	-	(3,028)
Income tax expense/(credit)	38,607	5,916	(2,703)	41,820



4 SEGMENT INFORMATION (*Continued*)

	Hong Kong HK\$'000 (Unaudited)	Mainland China HK\$'000 (Unaudited)	North America HK\$'000 (Unaudited)	Group HK\$'000 (Unaudited)
Six months ended				
30th September 2011				
Total segment revenue	2,319,242	529,425	105,020	2,953,687
Inter-segment revenue (<i>Note i</i>)	(1,597)	(50,861)	–	(52,458)
Revenue (from external revenue) (<i>Note ii</i>)	<u>2,317,645</u>	<u>478,564</u>	<u>105,020</u>	<u>2,901,229</u>
Segment results (<i>Note iii</i>)	<u>279,728</u>	<u>52,821</u>	<u>8,803</u>	<u>341,352</u>
Depreciation and amortisation	85,067	28,952	8,240	122,259
Finance income	2,644	971	102	3,717
Share of profit/(loss) of associates	952	(32)	342	1,262
Share of loss of a jointly controlled entity	–	(29)	–	(29)
Income tax expense/(credit)	<u>25,495</u>	<u>8,690</u>	<u>(1,026)</u>	<u>33,159</u>

- (i) Inter-segment transactions were entered into in the normal course of business.
- (ii) The Group has a large number of customers. For the period ended 30th September, 2012, no revenue derived from transactions with a single external customer represented 10% or more of the Group's total revenue.



4 SEGMENT INFORMATION (Continued)

- (iii) Reconciliation of total segment results to total profit before income tax is provided as follows:

	Six months ended 30th September,	
	2012	2011
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Segment results	389,847	341,352
Depreciation and amortisation	(125,983)	(122,259)
Operating profit	263,864	219,093
Finance income	4,934	3,717
Share of (loss)/profit of associates	(2,189)	1,262
Share of loss of jointly controlled entities	(3,028)	(29)
Profit before income tax	263,581	224,043



4 SEGMENT INFORMATION (Continued)

	Hong Kong HK\$'000 (Unaudited)	Mainland China HK\$'000 (Unaudited)	North America HK\$'000 (Unaudited)	Group HK\$'000 (Unaudited)
As at 30th September, 2012				
Segment assets	2,531,758	835,065	273,821	3,640,644
Segment assets include:				
Investments in associates	2,134	12,689	1,251	16,074
Investments in jointly controlled entities	26,719	4,312	-	31,031
Additions to non-current assets (other than financial instruments, deferred tax assets and retirement benefit assets)	275,740	64,553	2,918	343,211
As at 31st March, 2012				
Segment assets	2,470,971	822,554	274,610	3,568,135
Segment assets include:				
Investments in associates	1,869	15,402	1,234	18,505
Investments in jointly controlled entities	6,721	4,339	-	11,060
Additions to non-current assets (other than financial instruments, deferred tax assets and retirement benefit assets)	513,954	129,442	16,381	659,777

As at 30th September, 2012, the total non-current assets (other than financial instruments, deferred tax assets and retirement benefit assets) located in Hong Kong is HK\$1,750,056,000 (As at 31st March, 2012: HK\$1,631,799,000), in Mainland China is HK\$511,220,000 (As at 31st March, 2012: HK\$497,023,000) and in North America is HK\$206,653,000 (As at 31st March, 2012: HK\$208,805,000).



4 SEGMENT INFORMATION (*Continued*)

Reconciliation of total segment assets to total assets is provided as follows:

	30th September, 2012 HK\$'000 (Unaudited)	31st March, 2012 HK\$'000 (Audited)
Total segment assets	3,640,644	3,568,135
Deferred income tax assets	17,949	18,075
Available-for-sale financial assets	434,767	417,667
Financial assets at fair value through profit or loss	69,022	69,880
	<hr/>	<hr/>
Total assets	<u>4,162,382</u>	<u>4,073,757</u>



5 CAPITAL EXPENDITURE

	Intangible assets						
	Other		Total	Investment	Property,	Leasehold	Total
	Goodwill	intangible	intangible	properties	plant and	land and	
HK\$'000	assets	assets	assets	equipment	land use	rights	
(Unaudited)	HK\$'000	(Unaudited)	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Period ended							
30th September, 2012							
Opening net book amount	101,311	71,341	172,652	326,200	1,482,562	97,143	2,078,557
Additions	-	-	-	-	249,858	-	249,858
Depreciation/amortisation expense	-	(5,171)	(5,171)	-	(119,303)	(1,509)	(125,983)
Disposals	-	-	-	-	(4,294)	-	(4,294)
Exchange differences	1,787	1,218	3,005	-	571	-	3,576
Closing net book amount	<u>103,098</u>	<u>67,388</u>	<u>170,486</u>	<u>326,200</u>	<u>1,609,394</u>	<u>95,634</u>	<u>2,201,714</u>
At 30th September, 2012							
Cost/valuation	121,189	200,678	321,867	326,200	3,349,257	124,037	4,121,361
Accumulated depreciation/amortisation	(18,091)	(133,290)	(151,381)	-	(1,739,863)	(28,403)	(1,919,647)
Net book amount	<u>103,098</u>	<u>67,388</u>	<u>170,486</u>	<u>326,200</u>	<u>1,609,394</u>	<u>95,634</u>	<u>2,201,714</u>



5 CAPITAL EXPENDITURE (Continued)

	Intangible assets						Total
	Goodwill	Other intangible assets	Total intangible assets	Investment properties	Property, plant and equipment	Leasehold	
						land and land use rights	
HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	
Period ended							
30th September, 2011							
Opening net book amount	104,521	86,155	190,676	316,200	1,175,764	67,810	1,750,450
Additions	-	-	-	-	284,619	31,349	315,968
Depreciation/amortisation expense	-	(5,787)	(5,787)	-	(115,109)	(1,363)	(122,259)
Disposals	(203)	-	(203)	(35,000)	(3,978)	-	(39,181)
Exchange differences	(7,152)	(5,519)	(12,671)	-	7,389	544	(4,738)
Closing net book amount	<u>97,166</u>	<u>74,849</u>	<u>172,015</u>	<u>281,200</u>	<u>1,348,685</u>	<u>98,340</u>	<u>1,900,240</u>
At 30th September, 2011							
Cost/valuation	114,207	193,031	307,238	281,200	2,960,060	123,798	3,672,296
Accumulated depreciation/amortisation	(17,041)	(118,182)	(135,223)	-	(1,611,375)	(25,458)	(1,772,056)
Net book amount	<u>97,166</u>	<u>74,849</u>	<u>172,015</u>	<u>281,200</u>	<u>1,348,685</u>	<u>98,340</u>	<u>1,900,240</u>



6 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	30th September, 2012 <i>HK\$'000</i> (Unaudited)	31st March, 2012 <i>HK\$'000</i> (Audited)
Listed investments	434,767	417,667

7 INVESTMENTS IN ASSOCIATES

	30th September, 2012 <i>HK\$'000</i> (Unaudited)	31st March, 2012 <i>HK\$'000</i> (Audited)
Share of net assets	13,212	15,643
Goodwill	2,802	2,802
Amounts due from associates	60	60
	16,074	18,505

The amounts due from associates are unsecured, non-interest bearing and are not repayable within the next twelve months.

8 INVESTMENTS IN JOINTLY CONTROLLED ENTITIES

	30th September, 2012 <i>HK\$'000</i> (Unaudited)	31st March, 2012 <i>HK\$'000</i> (Audited)
Share of net assets	31,031	11,060



9 TRADE AND OTHER RECEIVABLES

	30th September, 2012 HK\$'000 (Unaudited)	31st March, 2012 HK\$'000 (Audited)
Trade receivables	37,711	35,969
Less: provision for impairment of receivables	(136)	(595)
Trade receivables – net	37,575	35,374
Other receivables	46,251	38,515
	83,826	73,889

The Group's sales to customers are mainly on a cash basis. The Group also grants a credit period between 30 to 90 days to certain customers for the provision of the Group's institutional catering services, sale of merchandise for the Group's food manufacturing businesses and its franchisees.

The ageing analysis of trade receivables is as follows:

	30th September, 2012 HK\$'000 (Unaudited)	31st March, 2012 HK\$'000 (Audited)
0 – 30 days	29,668	25,176
31 – 60 days	5,578	6,319
61 – 90 days	516	1,458
Over 90 days	1,949	3,016
	37,711	35,969



10 TRADE PAYABLES

The ageing analysis of trade payables is as follows:

	30th September, 2012 <i>HK\$'000</i> (Unaudited)	31st March, 2012 <i>HK\$'000</i> (Audited)
0 – 30 days	174,453	153,201
31 – 60 days	7,967	10,348
61 – 90 days	2,544	2,260
Over 90 days	4,387	5,441
	<hr/> 189,351 <hr/>	<hr/> 171,250 <hr/>

11 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30th September, 2012 <i>HK\$'000</i> (Unaudited)	31st March, 2012 <i>HK\$'000</i> (Audited)
Non-current financial assets at fair value through profit or loss:		
Derivative financial instruments (<i>Note a</i>)	22,874	14,745
	<hr/>	<hr/>
Current financial assets at fair value through profit or loss:		
Investment portfolio (<i>Note b</i>)	46,148	39,953
Derivative financial instruments:		
– Others	–	15,182
	<hr/>	<hr/>
	46,148	55,135
	<hr/>	<hr/>
Total	69,022	69,880
	<hr/> 69,022 <hr/>	<hr/> 69,880 <hr/>



11 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

- (a) As at 30th September, 2012, the derivative financial instruments include three (31st March, 2012: three) guaranteed deposit notes with maturity dates ranging from two to five years. These notes are unsecured and bear interests at fixed or variable interest rates during the terms of the notes. One (31st March, 2012: nil) of the guaranteed participation notes bear interest at 0% to maximum 200% of CNY performance of the notional amount. The remaining two (31st March, 2012: two) notes bear interest at 3-month LIBOR plus 0.75% to 3.05% per annum with an interest cap ranging from 7% to 8.5% and interest floor ranging from 2.5% to 3.5%.
- (b) As at 30th September, 2012, investment portfolio mainly comprises debt securities of HK\$14 million (31st March, 2012: HK\$17 million) and equity securities of HK\$32 million (31st March, 2012: HK\$22 million).

12 SHARE CAPITAL

	(Unaudited)		(Audited)	
	30th September 2012		31st March 2012	
	Number of shares '000	Nominal value HK\$'000	Number of shares '000	Nominal value HK\$'000
Authorised:				
Ordinary shares of HK\$0.10 each				
Beginning and end of the period/year	<u>1,000,000</u>	<u>100,000</u>	<u>1,000,000</u>	<u>100,000</u>
Issued and fully paid:				
Beginning of the period/year	<u>569,557</u>	<u>56,956</u>	563,127	56,313
Shares issued under share option scheme (Note 13)	<u>2,419</u>	<u>242</u>	6,430	643
End of the period/year	<u>571,976</u>	<u>57,198</u>	<u>569,557</u>	<u>56,956</u>



13 SHARE OPTIONS

Pursuant to a share option scheme adopted by the Company on 30th January, 1991 (the “1991 Scheme”), the Company has granted certain options to executives and employees of the Group, including executive directors employed by the Group to subscribe for ordinary shares in the Company subject to the terms and conditions stipulated therein. The 1991 Scheme was terminated upon the passing of a shareholders’ resolution for adoption of another share option scheme on 19th September, 2000 (the “2000 Scheme”). Since then, no options can be granted under the 1991 Scheme. There were no outstanding options granted under the 1991 Scheme as at the date of this report. No options had been granted under the 2000 Scheme since its adoption.

On 24th September, 2003, the 2000 Scheme was terminated upon the passing of a shareholders’ resolution for adoption of a share option scheme (the “2003 Scheme”). Pursuant to the 2003 Scheme, the Company may grant options to executive and non-executive directors; employees; suppliers and customers of the Group; and consultants, advisors, managers, officers and corporations that provided research, development or other technical support to the Group (collectively the “Eligible Participants”) to subscribe for ordinary shares in the Company subject to the terms and conditions stipulated therein. The Company granted options to certain employees of the Group (including executive directors of the Company) pursuant to the 2003 Scheme.

A new share option scheme was adopted by the Company upon the passing of a shareholders’ resolution on 11th September, 2012 (the “2012 Scheme”). Pursuant to the 2012 Scheme, the Board may grant options to the Eligible Participants to subscribe for ordinary shares in the Company subject to the terms and conditions stipulated therein. No share options had been granted under the 2012 Scheme since its adoption.



13 SHARE OPTIONS (*Continued*)

For options granted under the 1991 Scheme, the exercise price in relation to each option was determined by the board of directors of the Company, but in any event would be the higher of (i) the nominal value of the shares of the Company or (ii) an amount which is not less than 80% nor more than 100% of the average of the closing price of the shares as stated in the The Stock Exchange of Hong Kong Limited (the "Stock Exchange") daily quotations sheet for the five business days immediately preceding the date of offer of the option. The exercisable period and the vesting period of the options were also determined by the board of directors and the options shall expire at the end of a 5-year period after the options become exercisable.

For options granted under the 2003 Scheme, the exercise price in relation to each option was determined by the board of directors of the Company, but in any event would not be less than the highest of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day or (ii) the average of the closing prices of the shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of grant or (iii) the nominal value of a share. The exercisable period and the vesting period of the options were also determined by the board of directors and the options, unless otherwise specified in the offer document, shall expire at the end of a 5-year period after the options become exercisable save that such period shall not expire later than 10 years from the date of grant.

No options had been granted under the 2003 Scheme during the period (31st March, 2012: Nil). For these options granted in prior year, the weighted average fair value of options granted was determined using the Binomial option pricing model of HK\$4.51 per option. The significant inputs into the model were weighted average share price of HK\$22.15 at the grant date, exercise price shown above, volatility of 27%, dividend yield of 3.5%, an expected option life of eight years, and an annual risk-free interest rate of 1.9%. The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily share prices over the last three years.



13 SHARE OPTIONS (Continued)

The movements in share options are as follows:

Grant date	Exercise period	Exercise price	Beginning	Granted	Exercised	Forfeited	End of
		of the year	of the year				the period
		HK\$	'000	'000	'000	'000	'000
4th November, 1999	1st April, 2003 to 31st March, 2013	2.950	30	-	(30)	-	-
1st November, 2005	1st January, 2007 to 31st October, 2015	8.800	1,600	-	-	-	1,600
1st November, 2005	1st January, 2007 to 31st October, 2015	8.750	1,354	-	(291)	-	1,063
2nd October, 2007	30th March, 2008 to 29th March, 2017	14.268	3,430	-	(140)	-	3,290
2nd October, 2007	30th March, 2008 to 1st October, 2017	14.748	7,742	-	(1,958)	(214)	5,570
28th October, 2010	31st March, 2011 to 30th March, 2020	22.370	2,340	-	-	(40)	2,300
28th October, 2010	31st March, 2012 to 27th October, 2020	22.370	980	-	-	-	980
			<u>17,476</u>	<u>-</u>	<u>(2,419)</u>	<u>(254)</u>	<u>14,803</u>

Out of the 14,803,000 outstanding options (31st March, 2012: 17,476,000), 11,728,000 options (31st March, 2012: 14,392,000) were exercisable as at 30th September, 2012.



14 REVENUE

	Six months ended 30th September,	
	2012	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Sales of food and beverages	3,069,046	2,820,730
Rental income	16,065	20,149
Royalty income	18,913	21,282
Management and service fee income	5,393	6,495
Sundry income	26,157	32,573
	3,135,574	2,901,229

15 OTHER GAINS, NET

	Six months ended 30th September,	
	2012	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Gain/(loss) on disposals of financial assets at fair value through profit or loss	263	(558)
Gain on disposals of available-for-sale financial assets	–	3,249
Dividend income from listed investments	13,106	13,585
Fair value gains/(losses) on financial assets at fair value through profit or loss	885	(6,001)
Gain on disposal of investment properties	–	6,142
Others	(2,801)	(2,601)
	11,453	13,816



16 OPERATING PROFIT

The following items have been charged to the operating profit during the interim period:

	Six months ended 30th September,	
	2012 HK\$'000 (Unaudited)	2011 HK\$'000 (Unaudited)
Cost of raw materials and consumables used	1,020,920	962,137
Staff costs	815,536	752,748
Operating lease rentals in respect of rented premises	346,939	326,102
Depreciation of property, plant and equipment	119,303	115,109
Amortisation of leasehold land and land use rights	1,509	1,363
Amortisation of trademarks and franchise rights	5,171	5,787
Loss on disposal of property, plant and equipment	3,944	3,793
	<u>3,944</u>	<u>3,793</u>

17 FINANCE INCOME

	Six months ended 30th September,	
	2012 HK\$'000 (Unaudited)	2011 HK\$'000 (Unaudited)
Interest income	4,934	3,717
	<u>4,934</u>	<u>3,717</u>



18 INCOME TAX EXPENSE

The Company is exempted from taxation in Bermuda until 2016. Hong Kong profits tax has been provided for at the rate of 16.5% (2011: 16.5%) on the estimated assessable profit for the period. Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group operates.

The amount of taxation charged/(credited) to the condensed consolidated income statement represents:

	Six months ended 30th September,	
	2012	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Current income tax:		
– Hong Kong profits tax	38,049	27,782
– Overseas taxation	4,870	9,296
Deferred income tax relating to the origination and reversal of temporary differences	(1,099)	(3,919)
	41,820	33,159



19 EARNINGS PER SHARE***Basic***

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30th September,	
	2012 (Unaudited)	2011 (Unaudited)
Profit attributable to equity holders of the Company (<i>HK\$'000</i>)	<u>221,138</u>	<u>190,880</u>
Weighted average number of ordinary shares in issue (<i>'000</i>)	<u>571,222</u>	<u>564,432</u>
Basic earnings per share (<i>HK cents per share</i>)	<u>38.71 HK cents</u>	<u>33.82 HK cents</u>



19 EARNINGS PER SHARE (Continued)**Diluted**

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company's dilutive potential ordinary shares are share options. For the share options, a calculation is prepared to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	Six months ended 30th September,	
	2012 (Unaudited)	2011 (Unaudited)
Profit attributable to equity holders of the Company (HK\$'000)	221,138	190,880
Weighted average number of ordinary shares in issue ('000)	571,222	564,432
Adjustment to share options ('000)	4,382	5,145
	575,604	569,577
Diluted earnings per share (HK cents per share)	38.42 HK cents	33.51 HK cents



20 DIVIDEND

	Six months ended 30th September,	
	2012	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Dividend proposed		
– Interim dividend, 17 HK cents (2011: 17 HK cents) per ordinary share	97,287	96,231

The interim dividend was declared on 26th November, 2012. This condensed consolidated interim financial information does not reflect this dividend payable.

21 CAPITAL COMMITMENTS

	30th September, 2012	31st March, 2012
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Acquisition of property, plant and equipment		
Authorised and contracted for	16,877	85,361
Authorised but not contracted for	391,526	519,023
	408,403	604,384



22 RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

Particulars of significant transactions between the Group and related parties are summarised as follows:

	Six months ended 30th September,	
	2012	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Operating lease rentals paid to a related party:		
– Tinway Investments Limited (Note i)	1,074	960
Franchise and development fees paid to a related party:		
– illycaffè SpA (Note ii)	216	229
	1,290	1,189

- (i) Tinway Investments Limited is a company jointly owned by Ms. Lo Pik Ling, Anita, a director of the Company, an associate of Mr. Chan Yue Kwong, Michael, the Chairman of the Company and Ardley Enterprises Limited, a company wholly and beneficially owned by the family members of Mr. Lo Hoi Kwong, Sunny, a director of the Company.
- (ii) illycaffè SpA is an associate of a minority shareholder of Café de Esspressamente illy (HK) Limited, a 70% owned subsidiary of the Group.

The above transactions were carried out in accordance with the terms of the contracts entered into by the Group and the related parties.



22 RELATED PARTY TRANSACTIONS (*Continued*)**(b) Key management compensation**

	Six months ended 30th September,	
	2012	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Salaries and allowances	5,363	6,482
Others	10,066	6,820
	15,429	13,302

23 COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current period's presentation.





大家樂集團有限公司
CAFÉ DE CORAL HOLDINGS LIMITED

