



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



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

2013 中期報告 Interim Report

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## 2 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

#### Independent Non-executive Directors

Mr. Choi Ngai Min, Michael  
Mr. Li Kwok Sing, Aubrey  
Mr. Kwok Lam Kwong, Larry  
Mr. Au Siu Cheung, Albert

### AUDIT COMMITTEE

Mr. Au Siu Cheung, Albert (*Chairman*)  
Mr. Kwok Lam Kwong, Larry  
Mr. Choi Ngai Min, Michael  
Mr. Li Kwok Sing, Aubrey

### REMUNERATION COMMITTEE

Mr. Choi Ngai Min, Michael (*Chairman*)  
Mr. Li Kwok Sing, Aubrey  
Mr. Kwok Lam Kwong, Larry

### NOMINATION COMMITTEE

Mr. Li Kwok Sing, Aubrey (*Chairman*)  
Mr. Choi Ngai Min, Michael  
Mr. Kwok Lam Kwong, Larry  
Mr. Lo Hoi Kwong, Sunny  
Mr. Lo Ming Shing, Ian

### COMPANY SECRETARIES

Ms. Vera Leung  
Ms. Lee Hung

### 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

### AUDITOR

PricewaterhouseCoopers

### SOLICITOR

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 Bank, Ltd.  
Standard Chartered Bank (Hong Kong) Ltd.

### BERMUDA SHARE REGISTRAR

HSBC Securities Services (Bermuda)  
Limited

### HONG KONG BRANCH SHARE REGISTRAR

Computershare Hong Kong Investor  
Services Limited

### WEBSITE

<http://www.cafedecoral.com>

### STOCK CODE

341

## HIGHLIGHTS

- ◆ The year 2013 marks the Group's 45th anniversary. The Group continues to focus on serving our customers and the community and sustaining business growth.
- ◆ The Group's disciplined implementation of business plans and multi-branding initiatives brought solid growth in the interim period despite challenging operating environment.
- ◆ Revenue for the half year increased by 8.7%, reaching HK\$3.41 billion.
- ◆ Profit attributable to shareholders for the half year increased by 9.8% to HK\$243 million.
- ◆ Interim dividend of 17 HK cents per share (2012: 17 HK cents per share) was declared to shareholders.

## 4 Operational Review

### INTRODUCTION

The year 2013 marks the Café de Coral Group's 45<sup>th</sup> anniversary. Entering this milestone year, we have constantly reminded ourselves of the vision held by our founders when they first started the business, as well as the fine traditions and values that have kept us moving forward on this long journey.

The first six months of FY2013/14 witnessed continuous growth for the Group across its key business platforms. At the same time, however, we have faced constant pressure from rising rental costs and prices of raw materials. Although most of our employees are paid at rates higher than Hong Kong's statutory minimum hourly rate, labour shortages remain a constant challenge for our business. Economic uncertainties in the regions where we operate have brought additional challenges. However, these challenges have only fuelled our determination to continue strengthening our business, building up our brands, and exploring new revenue streams.

Knowing its niche and core strengths, the Group has a clear vision of who we always want to serve – the vast majority of the city's population. We aim to be an essential part of our customers' daily life by offering them affordable meals that meet their needs and satisfy their taste buds. Our business strategies have been tailored to capture the growth potential in this market.

Through disciplined implementation of its plans and targets, and constant fine-tuning against ever-changing market trends, the Group has achieved steady business growth. In the period under review, it achieved total turnover of HK\$3.41 billion, representing growth of 8.7% compared with the same period last year. The Group's half-year profit surged to HK\$243 million, rose by 9.8% over the same period in FY2012/13.

In view of the Group's encouraging financial performance during the first six months, the Board is pleased to declare the distribution of an interim dividend of 17 HK cents per share (2012: 17 HK cents) to shareholders whose names appear on the Register of Members of the Company on 18 December 2013.

## HONG KONG OPERATIONS

The Group's Hong Kong operations recorded solid turnover growth of 8%, to HK\$2.69 billion, during the first half of FY2013/14. Sales from comparable stores of **Café de Coral** fast food increased by approximately 7% over the same period in FY2012/13 despite fierce competition and an increasingly challenging business environment. While we are working to maintain the momentum of our business results by growing our business and upgrading our products and services, we have not lost sight of our core traditions and values. That involves remaining committed to staying abreast of our customers' needs, and constantly looking for ways to serve them better. For example, recognizing that our customers are facing the same inflationary pressures as we are, **Café de Coral** has launched a series of *Value Meals* to add value to their meal spending. Following an extensive marketing campaign, *Value Meals* have proven to be successful in generating sales, enhancing our brand, and fulfilling our corporate social responsibility.

The Group has continued to use multi-branding initiatives to drive its business growth and achieve further market penetration in our focused market sectors. **Super Super Congee & Noodles**, stemmed from our multi-branding effort, has been successful in capturing greater market share for the Group. This business achieved encouraging half-year results, recording growth of 16% in sales and a surge of comparable store sales of 11% over the same period last year. Our market penetration initiatives have also borne fruit through the Group's institutional catering brands, **Asia Pacific Catering** and **Luncheon Star**, which have become key revenue and profit contributors. Institutional catering market-leader **Asia Pacific Catering**, and Hong Kong's biggest school lunch provider **Luncheon Star**, both recorded significant growth in sales and profit during the period.

**The Spaghetti House**, the Group's scalable specialty restaurant chain and a key pillar of our mid-end lifestyle dining portfolio, performed satisfactorily during the period. Meanwhile, our **Oliver's Super Sandwiches**, **MIX**, **Espressamente illy** and **85°C** brands have striven to capture opportunities arising from the increasing popularity of café and bakery-style eateries, especially among the young generation looking for new delicacies and new dining styles. These restaurants are reaching out to our target customers by offering a wider variety of affordable lifestyle dining experiences.

## 6 Operational Review

We have continued to maintain our focus on maintaining the Group's competitive edge. Phased renovations and face-lifts to our existing shops and outlets have progressed satisfactorily, helping enhance customer experience and boost sales. Our new central food processing plant in Tai Po has also helped enhance the Group's overall business efficiency.

### PRC OPERATIONS

The Group's China business continues to be an important business platform. Both our South China Fast Food operation and Eastern China chain performed positively, tracking targets during the period. The South China Fast Food chain recorded comparable sales growth of approximately 3% during the first half of FY2013/14, and results for the Eastern China chain also improved compared with the same period last year. These improvements can be attributed to the positive response from customers to our marketing initiatives and efforts in menu design. Our investment in the central food processing centre in Guangdong is gradually resulting in contributions, as the centre helps improve our business efficiencies.

We did see some impact on the fine dining sector in the PRC from the government's measures during the year. These tightening policies, however, have not affected our business and our first-half results are encouraging. We are monitoring the country's changing dining reception habits closely to determine if they will lead to increasing sales for our mid-priced restaurants, but we remain cautious due to current economic conditions and surging operating costs in China. However, the Group is determined to persevere with the process of growing and expanding its business in China, albeit with prudence and patience.

### NORTH AMERICA OPERATIONS

As of 30 September 2013, the Group operated a total of 143 **Manchu WOK** outlets in the United States and Canada. Despite signs of gradual recovery in the US economy, consumer confidence and customer spending remain weak and this has affected our business. This is a challenging situation that is likely to persist for at least the rest of the year. Also in the period, sales at a number of our high-volume stores were temporarily affected by renovation and construction work taking place in the malls where they are located. The Group is focusing on improving the results of **Manchu WOK** by implementing a series of strategic near-term and long-term growth initiatives for the business.

## OUTLOOK

The Group has experienced a challenging first half, as the global economy remains short on momentum. We have continued to feel the pressure of inflation on all the key components of our operating costs. In the face of these challenges, the Group has been proactive in formulating and implementing plans and strategies to maintain its competitive edge and to grow its business. We are striving to constantly improve our business efficiencies in ways that will drive sales and sustain the Group's commitment to creating customer value, in turn increasing shareholder value.

Multi-branding remains a vital part of the Group's strategy. We are using it to drive growth and market penetration in the Group's focused segments. As for our long-term business growth plans, we are eyeing on expanding our share in the mid-end dining sector, through both organic and inorganic growth.

People are our greatest asset, and are key to the Group's ongoing growth and business sustainability. We are continuing to invest in our people to retain and acquire talents. We are also proactively preparing for contingencies by strengthening our IT systems further to ensure smooth business operations.

The Group is making careful plans to maintain and grow its business, both near-term and in the long run, and we are confident that results will continue to be strong. We are looking forward to the second half of the current financial year, when we expect to see our business plans for the year bear fruit.

On behalf of the Board, I would like to express our gratitude to our staff for the dedication and loyalty they have shown, which has underpinned the Group's growth over past decades. We are also grateful for the support from our customers, business partners and shareholders, all of whom have helped make the Café de Coral dream of 45 years ago a reality today.

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

Hong Kong, 29 November 2013



## 8 Other Information

### **INTERIM DIVIDEND**

The Board has declared the payment of an interim dividend of 17 HK cents per share (2012: 17 HK cents per share) in respect of the six months ended 30 September 2013 payable on 30 December 2013 to the shareholders whose names appear on the Register of Members of the Company on 18 December 2013.

### **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 18 December 2013 (Wednesday) 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 Registrar, 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 17 December 2013 (Tuesday).

### **FINANCIAL REVIEW**

As at 30 September 2013, the Group's financial position was strong, with net cash of close to HK\$752 million and available banking facilities of HK\$536 million. The Group had no external borrowing (31 March 2013: Nil) and gearing (total borrowings over shareholders' funds) of Nil (31 March 2013: Nil). No material changes in contingent liabilities or charges on assets have occurred since 31 March 2013.

As at 30 September 2013, the Company had given guarantees of approximately HK\$536 million (31 March 2013: 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 and joint ventures are denominated in United States dollars, Canadian dollars and Renminbi respectively. While foreign currency exposure did not pose a significant risk for the Group, we will continue to be proactive and closely monitor our exposure to currency movements.

## HUMAN RESOURCES AND TRAINING

As of 30 September 2013, the Group (excluding associated companies and joint ventures) employed approximately 17,300 employees. Remuneration packages including those of Directors are generally structured by reference to market benchmarks, individual qualifications, experience, duties and responsibilities. Employees share results of the Group's growth through share option schemes together with profit-sharing bonus and performance incentive programmes. During the period, the Company adopted a share award scheme to recognize and reward selected participants for their contributions to the business and development of the Group.

During the period, the Company continued to enrich its training programs for its staff. Employees are provided with regular trainings in areas such as occupational health and safety and management skills. A Mentorship Programme and an Executive Development Programme have been conducted to help our executives progress and excel in their career development. The Group also provides employees and their families with comprehensive employee benefits, including medical and group life insurance plans, housing scheme, and scholarship and education fund.

## SHARE OPTION SCHEMES

Pursuant to a share option scheme adopted by the Company on 24 September 2003 (the "2003 Scheme"), the Company may grant options to 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. The 2003 Scheme was expired on 23 September 2013.

A new share option scheme was adopted by the Company upon the passing of a shareholders' resolution on 11 September 2012 (the "2012 Scheme"). Pursuant to the 2012 Scheme, the Company 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 by the Company under the 2012 Scheme since its adoption.

## 10 Other Information

Details of the share options granted under the 2003 Scheme and movements of the share options during the six months ended 30 September 2013 were as follows:

Grantees	Date of grant	Exercise price per option HK\$	Exercise period	Number of options <sup>(a)</sup>			
				Outstanding at 1 April 2013	Exercised during the period	Lapsed during the period	Outstanding at 30 September 2013
<b>Directors &amp; Substantial Shareholders</b>							
Mr. Lo Hoi Kwong, Sunny	1/11/2005 <sup>(d)</sup>	8.800	1/1/2007–31/10/2015	1,200,000	–	–	1,200,000
	2/10/2007 <sup>(d)</sup>	14.268	30/3/2008–29/3/2017	1,350,000	–	–	1,350,000
Mr. Lo Tak Shing, Peter	2/10/2007 <sup>(d)</sup>	14.748	30/3/2009–1/10/2017	60,000	–	–	60,000
<b>Directors</b>							
Ms. Lo Pik Ling, Anita	2/10/2007 <sup>(d)</sup>	14.268	30/3/2008–29/3/2017	405,000	–	–	405,000
Mr. Chan Yue Kwong, Michael	2/10/2007 <sup>(d)</sup>	14.268	30/3/2008–29/3/2017	1,340,000	(515,000) <sup>(b)</sup>	–	825,000
<b>Continuous contract employees</b>							
	1/11/2005 <sup>(d)</sup>	8.750	1/1/2007–31/10/2015	644,000	(118,000) <sup>(b)</sup>	–	526,000
	1/11/2005 <sup>(d)</sup>	8.750	1/1/2008–31/10/2015	270,000	(30,000) <sup>(b)</sup>	–	240,000
	2/10/2007 <sup>(b)</sup>	14.748	30/3/2008–29/3/2017	3,553,000	(707,000) <sup>(b)</sup>	–	2,846,000
	2/10/2007 <sup>(d)</sup>	14.748	30/3/2009–1/10/2017	712,000	(110,000) <sup>(b)</sup>	–	602,000
	28/10/2010 <sup>(d)</sup>	22.370	31/3/2011–30/3/2020	2,110,000	(183,000) <sup>(b)</sup>	–	1,927,000
	28/10/2010 <sup>(d)</sup>	22.370	31/3/2012–27/10/2020	804,000	(30,000) <sup>(b)</sup>	–	774,000
				<u>12,448,000</u>	<u>(1,693,000)</u>	<u>–</u>	<u>10,755,000</u>

## Notes:

- (a) Number of options refers to the number of underlying shares of the Company covered by the options under the 2003 Scheme.
- (b) 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 1 January 2007, 1 January 2008, 1 January 2009 and 1 January 2010 respectively. The last tranche was exercisable at HK\$8.750 per share from 1 January 2011 to 31 October 2015.
- (c) 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 1 January 2008, 1 January 2009, 1 January 2010 and 1 January 2011 respectively. The last tranche was exercisable at HK\$8.750 per share from 1 January 2012 to 31 October 2015.
- (d) 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 1 January 2007, 1 January 2008, 1 January 2009 and 1 January 2010 respectively. The last tranche was exercisable at HK\$8.800 per share from 1 January 2011 to 31 October 2015.
- (e) These options would vest in 5 tranches as follows: 10% on 30 March 2008, 15% on 30 March 2009, 20% on 30 March 2010, 25% on 30 March 2011 and 30% on 30 March 2012 and were exercisable at HK\$14.268 per share during a five-year period commencing the respective dates of vesting.
- (f) These options would vest in 5 tranches as follows: 10% on 30 March 2008, 15% on 30 March 2009, 20% on 30 March 2010, 25% on 30 March 2011 and 30% on 30 March 2012 and were exercisable at HK\$14.748 per share during a five-year period commencing the respective dates of vesting.
- (g) These options would vest in 5 tranches as follows: 10% on 30 March 2009, 15% on 30 March 2010, 20% on 30 March 2011, 25% on 30 March 2012 and 30% on 30 March 2013. The first four tranches were exercisable at HK\$14.748 per share during a five-year period commencing the respective dates of vesting. The last tranche was exercisable at HK\$14.748 per share from 30 March 2013 to 1 October 2017.
- (h) These options would vest in 5 tranches as follows: 10% on 31 March 2011, 15% on 31 March 2012, 20% on 31 March 2013, 25% on 31 March 2014 and 30% on 31 March 2015 and were exercisable at HK\$22.370 per share during a five-year period commencing the respective dates of vesting.

## 12 Other Information

- (i) These options would vest in 5 tranches as follows: 10% on 31 March 2012, 15% on 31 March 2013, 20% on 31 March 2014, 25% on 31 March 2015 and 30% on 31 March 2016. The first four tranches were exercisable at HK\$22.370 per share during a five-year period commencing the respective dates of vesting. The last tranche was exercisable at HK\$22.370 per share from 31 March 2016 to 27 October 2020.
- (j) The closing price of the Company's shares immediately before the date on which the share options were exercised during the period was HK\$24.55.
- (k) 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\$24.40.

Save as disclosed above, no share options were granted, exercised, lapsed or cancelled during the six months ended 30 September 2013.

### **SHARE AWARD SCHEME**

On 27 August 2013 (the "Adoption Date"), the Company adopted a share award scheme (the "Scheme") which any individual being an existing director, employee, officer, supplier, customer, consultant, adviser or manager of any member of the Group is entitled to participate in, to recognize and reward selected participants for their contributions to the business and development of the Group. The Scheme also aims to provide a competitive remuneration and/or incentive package in order to attract and retain talent for the development of the Group's business, and to promote long term success of the Group by aligning the interests of selected participants and shareholders, through the award of the Company's shares to selected participants. The scheme shall be valid and effective for a term of 15 years from the Adoption Date and is administrated by the Board and the trustee of the Scheme.

The total number of shares to be awarded under the Scheme shall not exceed 5% of the total number of issued shares of the Company from time to time. The maximum number of shares which may be awarded to a selected participant but unvested under the Scheme shall not exceed 1% of the total number of issued shares of the Company from time to time.

No shares have been awarded by the Company under the Scheme since its adoption.

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

As at 30 September 2013, 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)	18,382,000	-	-	37,383,394	2,550,000	58,315,394	10.128%
Ms. Lo Pik Ling, Anita		13,595,339	-	-	-	405,000	14,000,339	2.432%
Mr. Lo Tak Shing, Peter	(b)	350,000	-	-	89,308,213	60,000	89,718,213	15.583%
Mr. Chan Yue Kwong, Michael	(c)	6,336,407	4,096,000	-	-	825,000	11,257,407	1.955%
Mr. Lo Ming Shing, Ian		40,000	-	-	-	-	40,000	0.007%
Mr. Hui Tung Wah, Samuel		25,837	-	-	-	-	25,837	0.004%
Mr. Li Kwok Sing, Aubrey	(d)	55,000	-	-	-	-	55,000	0.010%

\* The percentage has been calculated based on 575,760,033 shares in issue as at 30 September 2013.

## 14 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 his 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" on pages 9 to 12 of this interim report.

All the above interests in shares and underlying shares of equity derivatives of the Company were long positions.

Save as disclosed above, as at 30 September 2013, 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) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Save as disclosed above, during the six months ended 30 September 2013, none of the Directors or the Chief Executives of the Company or their spouses or children under the age of 18, had any interest in, or had been granted, or had exercised, any right to subscribe for shares or debentures of the Company or its associated corporation required to be disclosed pursuant to the SFO.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 30 September 2013, the interests and short positions of every person, 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)					% of total issued shares*
		Personal interests	Family interests	Corporate interests	Trusts and similar interests	Total interests	
Wandels Investment Limited	(a)	-	-	-	89,308,213	89,308,213	15.511%
Sky Bright International Limited	(a)	-	-	-	89,308,213	89,308,213	15.511%
Verdant Success Holdings Limited	(a)	-	-	-	89,308,213	89,308,213	15.511%
RBC Trustees (CI) Limited	(a)	-	-	-	89,308,213	89,308,213	15.511%
Ms. Tso Po Ping	(b)	-	58,315,394	-	-	58,315,394	10.128%
Ardley Enterprises Limited	(c)	-	-	-	37,383,394	37,383,394	6.493%
Mr. Lo Hoi Chun	(d)	132,000	-	67,880,834	-	68,012,834	11.813%
Ms. Man Bo King	(e)	-	68,012,834	-	-	68,012,834	11.813%
LBK Holding Corporation	(f)	35,969,133	-	-	-	35,969,133	6.247%
MMW Holding Corporation	(g)	31,911,701	-	-	-	31,911,701	5.543%
Matthews International Capital Management, LLC	(h)	63,078,100	-	-	-	63,078,100	10.956%
Arisaig Asia Consumer Fund Limited	(i)	28,938,000	-	-	-	28,938,000	5.026%
Arisaig Partners (Mauritius) Limited	(i)	28,938,000	-	-	-	28,938,000	5.026%
Mr. Lindsay William Ernest Cooper	(i)	-	-	28,938,000	-	28,938,000	5.026%

\* The percentage has been calculated based on 575,760,033 shares in issue as at 30 September 2013.



## 16 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, being a Director of the Company, was deemed to be interested by virtue of his 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 2,550,000 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, being 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 Skye Partners Limited. Skye Partners Limited was owned as to 33.33% by Mr. Lindsay William Ernest Cooper.

All the above interests in the shares and underlying shares of the Company were long positions.

Save as disclosed above, as at 30 September 2013, 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.

## **CORPORATE GOVERNANCE**

The Board and management of the Group are committed to maintaining a high standard of corporate governance and striving for a transparent, responsible and value-driven management focused on enhancing and safeguarding shareholder value and interest. The Board continuously reviews, with a view to improving, the Group's corporate governance practices and maintaining its ethical corporate culture.

The corporate governance principles and practices adopted by the Group during the six months period ended 30 September 2013 are in line with the corporate governance statements set out in the Company's 2013 Annual Report. During the period, the management streamlined the Company's policy and practices on compliance with legal and regulatory requirements and the said policy was reviewed by the Audit Committee in June 2013. With the said review of the policy, the Company's corporate governance practices have complied with all the code provisions as set out in the Corporate Governance Code ("CG Code") under Appendix 14 of the Listing Rules. The Company also adheres to the recommended best practices of the CG Code insofar as they are relevant and practicable.

## **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 regarding Directors' securities transactions. Having made specific enquiry of all the Directors of the Company, the Directors have confirmed that they had complied with the required standard set out in the Model Code during the six months ended 30 September 2013.

## **AUDIT COMMITTEE**

The Audit Committee of the Company, which consists of the four Independent Non-executive Directors of the Company, has reviewed the Group's unaudited interim results for the six months ended 30 September 2013.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 September 2013, 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 information of Directors since publication of the Company's 2013 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	<p>Mr. Chan has been appointed as Board of Governors of Canadian International School of Hong Kong with effect from 1 August 2013.</p> <p>Mr. Chan completed the service term as Member of the Hong Kong Tourism Board with effect from 31 October 2013.</p>
Mr. Choi Ngai Min, Michael	<p>Mr. Choi ceased to act as President of the Advisory Council of and has been appointed as Vice-President of the Hong Kong Real Property Federation (formerly known as Hong Kong Real Estate Association) with effect from 25 September 2013.</p> <p>Mr. Choi has been appointed as Director of Henderson (China) Investment Company Limited with effect from 14 November 2013.</p>
Mr. Au Siu Cheung, Albert	<p>Mr. Au retired as a member of the General Committee of the Federation of Hong Kong Industries with effect from 5 July 2013.</p>

# Condensed Consolidated Statement of Financial Position (Unaudited)

As at 30 September 2013

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	Note	As at 30 September 2013 HK\$'000 (Unaudited)	As at 31 March 2013 HK\$'000 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Leasehold land and land use rights	6	93,207	94,411
Property, plant and equipment	6	1,710,552	1,672,430
Investment properties	6	385,000	385,000
Intangible assets	6	105,668	111,579
Investments in associates	8	1,218	11,780
Investments in joint ventures	9	22,178	24,372
Deferred income tax assets		25,113	24,320
Available-for-sale financial assets	7	572,523	451,087
Non-current prepayments and deposits		264,229	268,633
Financial assets at fair value through profit or loss	12	7,706	33,094
		<b>3,187,394</b>	<b>3,076,706</b>
<b>Current assets</b>			
Inventories		246,756	204,548
Trade and other receivables	10	136,148	147,671
Prepayments and deposits		108,246	124,966
Financial assets at fair value through profit or loss	12	31,330	56,077
Bank deposits with maturity over three months		31,035	31,076
Cash and cash equivalents		751,766	772,694
		<b>1,305,281</b>	<b>1,337,032</b>
<b>Total assets</b>		<b>4,492,675</b>	<b>4,413,738</b>
<b>EQUITY</b>			
<b>Capital and reserves attributable to the equity holders of the Company</b>			
Share capital	13	57,576	57,407
Other reserves		1,319,029	1,164,384
Retained earnings			
– Proposed dividends		97,910	419,790
– Others		2,052,237	1,907,793
		<b>3,526,752</b>	<b>3,549,374</b>
<b>Non-controlling interests</b>		<b>2,645</b>	<b>2,271</b>
<b>Total equity</b>		<b>3,529,397</b>	<b>3,551,645</b>

20 **Condensed Consolidated Statement of Financial Position (Unaudited) (Continued)**  
*As at 30 September 2013*

	Note	As at 30 September 2013 HK\$'000 (Unaudited)	As at 31 March 2013 HK\$'000 (Audited)
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred income tax liabilities		29,991	31,616
Provision for long service payments		20,048	19,680
Retirement benefit liabilities		23,881	25,670
		<u>73,920</u>	<u>76,966</u>
<b>Current liabilities</b>			
Trade payables	11	221,495	179,103
Other creditors and accrued liabilities		605,733	563,216
Current income tax liabilities		62,130	42,808
		<u>889,358</u>	<u>785,127</u>
<b>Total liabilities</b>		<u>963,278</u>	<u>862,093</u>
<b>Total equity and liabilities</b>		<u>4,492,675</u>	<u>4,413,738</u>
<b>Net current assets</b>		<u>415,923</u>	<u>551,905</u>
<b>Total assets less current liabilities</b>		<u>3,603,317</u>	<u>3,628,611</u>

The notes on pages 26 to 54 are an integral part of this condensed consolidated interim financial information.

# Condensed Consolidated Income Statement (Unaudited) 21

For the six months ended 30 September 2013

		Six months ended 30 September	
	Note	2013 HK\$'000	2012 HK\$'000
<b>Revenue</b>	15	<b>3,408,505</b>	3,135,574
Cost of sales		<b>(2,977,635)</b>	(2,739,738)
Gross profit		<b>430,870</b>	395,836
Administrative expenses		<b>(158,266)</b>	(143,425)
Other gains, net	16	<b>12,633</b>	11,453
<b>Operating profit</b>	17	<b>285,237</b>	263,864
Finance income	18	<b>6,326</b>	4,934
Share of profit/(loss) of associates		<b>98</b>	(2,189)
Share of loss of joint ventures		<b>(2,194)</b>	(3,028)
<b>Profit before income tax</b>		<b>289,467</b>	263,581
Income tax expense	19	<b>(46,224)</b>	(41,820)
<b>Profit for the period</b>		<b>243,243</b>	221,761
Allocated as:			
Profit attributable to non-controlling interest		<b>374</b>	623
<b>Profit attributable to equity holders of the Company</b>		<b>242,869</b>	221,138
Earnings per share for profit attributable to the equity holders of the Company			
– Basic	20	<b>42.23 HK cents</b>	38.71 HK cents
– Diluted	20	<b>41.96 HK cents</b>	38.42 HK cents
Dividend			
– Interim	21	<b>97,910</b>	97,287

The notes on pages 26 to 54 are an integral part of this condensed consolidated interim financial information.

## 22 Condensed Consolidated Statement of Comprehensive Income (Unaudited)

For the six months ended 30 September 2013

	Six months ended 30 September	
	2013 HK\$'000	2012 HK\$'000
Profit for the period	<b>243,243</b>	221,761
<b>Other comprehensive income:</b>		
Items that may be reclassified to profit or loss:		
Exchange differences arising from translation of foreign subsidiaries, associates and joint ventures	<b>6,846</b>	2,482
Fair value gains on available-for-sale financial assets	<b>121,444</b>	17,100
Reserve released upon disposal of available-for-sale financial assets	<b>(3)</b>	–
<b>Total comprehensive income for the period</b>	<b>371,530</b>	241,343
<b>Attributable to:</b>		
– Equity holders of the Company	<b>371,156</b>	240,720
– Non-controlling interests	<b>374</b>	623
	<b>371,530</b>	241,343

The notes on pages 26 to 54 are an integral part of this condensed consolidated interim financial information.

# Condensed Consolidated Statement of Changes in Equity (Unaudited)

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For the six months ended 30 September 2013

	Attributable to equity holders of the Company				Non-controlling interests	Total equity
	Share capital	Other reserves	Retained earnings	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Balance at 1 April 2013</b>	57,407	1,164,384	2,327,583	3,549,374	2,271	3,551,645
Profit for the period	–	–	242,869	242,869	374	243,243
Other comprehensive income:						
Exchange differences arising on translation of foreign subsidiaries, associates and joint ventures	–	6,846	–	6,846	–	6,846
Fair value gains on available-for-sale financial assets	–	121,444	–	121,444	–	121,444
Reserve released upon disposal of available-for-sale financial assets	–	(3)	–	(3)	–	(3)
<b>Total comprehensive income for the six months ended 30 September 2013</b>	–	128,287	242,869	371,156	374	371,530
Employees share option scheme						
– value of employee services	–	1,483	–	1,483	–	1,483
Proceeds from shares issued	169	25,288	–	25,457	–	25,457
Transfer upon lapse of share options	–	(413)	–	(413)	–	(413)
Dividends	–	–	(420,305)	(420,305)	–	(420,305)
	169	26,358	(420,305)	(393,778)	–	(393,778)
<b>Balance at 30 September 2013</b>	57,576	1,319,029	2,150,147	3,526,752	2,645	3,529,397



# 24 Condensed Consolidated Statement of Changes in Equity (Unaudited) (Continued)

For the six months ended 30 September 2013

	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		
<b>Balance at 1 April 2012, as previously reported as equity</b>	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
<b>Balance at 1 April 2012, as restated</b>	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 joint ventures	–	2,482	–	2,482	–	2,482
Fair value gains on available-for-sale financial assets	–	17,100	–	17,100	–	17,100
<b>Total comprehensive income for the six months ended 30 September 2012</b>	–	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)
<b>Balance at 30 September 2012</b>	<u>57,198</u>	<u>1,111,795</u>	<u>2,127,220</u>	<u>3,296,213</u>	<u>1,894</u>	<u>3,298,107</u>

The notes on pages 26 to 54 are an integral part of this condensed consolidated interim financial information.

# Condensed Consolidated Statement of Cash Flows (Unaudited)

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For the six months ended 30 September 2013

	Six months ended 30 September	
	2013 HK\$'000	2012 HK\$'000
Net cash generated from operating activities	<b>459,848</b>	365,051
Net cash used in investing activities	<b>(87,749)</b>	(292,410)
Net cash used in financing activities	<b>(394,848)</b>	(223,851)
Net decrease in cash and cash equivalents	<b>(22,749)</b>	(151,210)
Cash and cash equivalents at beginning of the period	<b>772,694</b>	854,417
Effect of foreign exchange rate changes	<b>1,821</b>	(382)
Cash and cash equivalents at end of the period	<b>751,766</b>	702,825

The notes on pages 26 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 1 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 Hong Kong dollars (HK\$’000) unless otherwise stated and has been approved for issue by the Board of Directors on 29 November 2013.

## 2 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 September 2013 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 31 March 2013, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

### 3 ACCOUNTING POLICIES

- (i) New standards, new interpretation and amendments to existing standards adopted by the Group.

The following new standards, new interpretation and amendments to existing standards are mandatory for accounting period beginning on or after 1 April 2013.

		Effective for accounting periods beginning on or after
HKAS 1 (Amendment)	Presentation of financial statements	1 January 2013
HKFRS 1 (Amendment)	Government loans	1 January 2013
HKAS 19 (Revised 2011)	Employee benefits	1 January 2013
HKAS 27 (Revised 2011)	Separate financial statements	1 January 2013
HKAS 28 (Revised 2011)	Investment in associates and joint ventures	1 January 2013
HKFRS 7 (Amendment)	Financial instruments: Disclosures – Offsetting financial assets and liabilities	1 January 2013
HKFRS 10	Consolidated financial statements	1 January 2013
HKFRS 11	Joint arrangements	1 January 2013
HKFRS 12	Disclosure of interests in other entities	1 January 2013
HKFRS 13	Fair value measurement	1 January 2013
Annual improvement Projects	Improvements to HKASs and HKFRSs 2011	1 January 2013
HK(IFRIC) – Int 20	Stripping costs in the production phase of a surface mine	1 January 2013

**3 ACCOUNTING POLICIES** *(Continued)*(i) *(Continued)*

Management of the Group has assessed the impact of the above new standards or amendments to standards and considered that they do not have any impact on the Group's current year's financial statements, except for HKAS 19 (Revised 2011) "Employee benefits" which the Group has applied the standard retrospectively in accordance with the transition provisions of the standard. Such new standard replaces the interest cost on the defined benefit obligation and the expected return on plan assets with a net interest cost based on the net defined benefit asset or liability and the discount rate, resulting in an increase in income statement charge as the discount rate applied to assets under the new standard would be lower than the expected return on assets as previously adopted. This has no effect on total comprehensive income as the increased charge in profit or loss would be offset by a credit in other comprehensive income. In addition, the new standard also introduced a new term called "remeasurement", which is made up of actuarial gains and losses as the difference between actual investment returns and the return implied by the net interest cost.

The impact of this new accounting standard has not been reflected in the accompanying interim condensed consolidated financial information as it is not considered material to the Group's results of operations as a whole. Also, the adoption of revised standard has no impact on the amount of retirement benefit assets/liabilities recognised in the condensed consolidated statement of financial position, as well as the condensed consolidated statement of cash flows.

**3 ACCOUNTING POLICIES** *(Continued)*

- (ii) New standards and amendments have been issued but are not effective for the financial year beginning 1 April 2013 and have not been early adopted.

		Effective for accounting periods beginning on or after
HKAS 32 (Amendment)	Financial instruments: Presentation – Offsetting financial assets and liabilities	1 January 2014
HKFRS 7 and HKFRS 9 (Amendments)	Financial instruments: Disclosures – Mandatory effective date of HKFRS 9 and transition disclosures	1 January 2015
HKFRS 9	Financial instruments	1 January 2015
HKFRS 10, HKFRS 12 and HKAS 27 (2011) (Amendment)	Investment entities	1 January 2014

The Group has commenced an assessment of the impact of these new, amended and revised HKFRSs but is not yet in a position to state whether they would have a significant impact of its results of operations and financial position.

## 4 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

### 4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. There have been no changes in any risk management policies since the year end.

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 March 2013.

### 4.2 Liquidity risk

Compared to year end, there was no material change in the contractual undiscounted cash out flows for financial liabilities.

### 4.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

## 4 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS *(Continued)*

### 4.3 Fair value estimation *(Continued)*

The following table presents the Group's assets that are measured at fair value at 30 September 2013:

	Level 1 HK\$'000 (Unaudited)	Level 2 HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
<b>Assets</b>			
Available-for-sale financial assets			
– Listed investments	572,523	–	572,523
Derivatives financial instruments	–	32,945	32,945
Investment portfolio			
– Equity investments	6,091	–	6,091
Total financial assets measured at fair value	<u>578,614</u>	<u>32,945</u>	<u>611,559</u>



## 4 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS *(Continued)*

### 4.3 Fair value estimation *(Continued)*

The following table presents the Group's assets that are measured at fair value at 31 March 2013:

	Level 1 HK\$'000 (Audited)	Level 2 HK\$'000 (Audited)	Total HK\$'000 (Audited)
<b>Assets</b>			
Available-for-sale financial assets			
– Listed investments	451,087	–	451,087
Derivatives financial instruments	–	39,278	39,278
Investment portfolio			
– Debt investments	–	8,644	8,644
– Equity investments	40,770	–	40,770
– Others	–	479	479
	<hr/>	<hr/>	<hr/>
Total financial assets measured at fair value	<u>491,857</u>	<u>48,401</u>	<u>540,258</u>

There were no transfers between Levels 1 and 2 during the period.

### 4.4 Valuation techniques for deriving level 2 fair values

Level 2 financial assets comprise deposit notes.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

## 4 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS *(Continued)*

### 4.5 Valuation process

The Group adopted the fair value of the financial instruments provided by reputable financial institutions who are using advanced financial valuation technique.

### 4.6 Fair value of financial assets and liabilities measured at amortised cost

The fair values of the following financial assets and liabilities approximate their carrying amounts:

- Trade and other receivables
- Fixed deposits, cash and cash equivalents
- Trade and other payables
- Other current liabilities

## 5 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.

**5 SEGMENT INFORMATION** *(Continued)*

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)
<b>Six months ended</b>				
<b>30 September 2013</b>				
Total segment revenue	2,687,614	692,639	82,598	3,462,851
Inter-segment revenue <i>(Note i)</i>	(1,576)	(52,770)	–	(54,346)
<b>Revenue (from external revenue) <i>(Note ii)</i></b>	<b>2,686,038</b>	<b>639,869</b>	<b>82,598</b>	<b>3,408,505</b>
<b>Segment results <i>(Note iii)</i></b>	<b>357,129</b>	<b>64,637</b>	<b>(659)</b>	<b>421,107</b>
Depreciation and amortisation	94,125	33,406	8,339	135,870
Finance income	4,371	1,875	80	6,326
Share of profit of associates	–	–	98	98
Share of loss of joint ventures	(2,126)	(68)	–	(2,194)
Income tax expense/(credit)	40,508	7,314	(1,598)	46,224

**5 SEGMENT INFORMATION** *(Continued)*

	Hong Kong	Mainland China	North America	Group
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Six months ended</b>				
<b>30 September 2012</b>				
Total segment revenue	2,480,453	612,460	95,646	3,188,559
Inter-segment revenue <i>(Note i)</i>	(1,358)	(51,627)	–	(52,985)
<b>Revenue (from external revenue) <i>(Note ii)</i></b>	<u>2,479,095</u>	<u>560,833</u>	<u>95,646</u>	<u>3,135,574</u>
<b>Segment results <i>(Note iii)</i></b>	<u>342,869</u>	<u>44,569</u>	<u>2,409</u>	<u>389,847</u>
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 joint ventures	(3,002)	(26)	–	(3,028)
Income tax expense/(credit)	<u>38,607</u>	<u>5,916</u>	<u>(2,703)</u>	<u>41,820</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 30 September 2013, no revenue derived from transactions with a single external customer represented 10% or more of the Group's total revenue.

**5 SEGMENT INFORMATION** *(Continued)*

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

	<b>Six months ended 30 September</b>	
	<b>2013 HK\$'000 (Unaudited)</b>	<b>2012 HK\$'000 (Unaudited)</b>
Segment results	<b>421,107</b>	389,847
Depreciation and amortisation	<b>(135,870)</b>	(125,983)
Operating profit	<b>285,237</b>	263,864
Finance income	<b>6,326</b>	4,934
Share of profit/(loss) of associates	<b>98</b>	(2,189)
Share of loss of joint ventures	<b>(2,194)</b>	(3,028)
Profit before income tax	<b>289,467</b>	263,581

**5 SEGMENT INFORMATION** (Continued)

	Hong Kong HK\$'000 (Unaudited)	Mainland China HK\$'000 (Unaudited)	North America HK\$'000 (Unaudited)	Group HK\$'000 (Unaudited)
<b>As at 30 September 2013</b>				
<b>Segment assets</b>	<b>2,785,955</b>	<b>866,866</b>	<b>203,182</b>	<b>3,856,003</b>
Segment assets include:				
Investments in associates	-	-	1,218	1,218
Investments in joint ventures	21,527	651	-	22,178
Additions to non-current assets (other than financial instruments and deferred tax assets)	221,714	34,343	2,225	258,282
<b>As at 31 March 2013</b>				
<b>Segment assets</b>	<b>2,819,095</b>	<b>814,867</b>	<b>215,198</b>	<b>3,849,160</b>
Segment assets include:				
Investments in associates	-	10,577	1,203	11,780
Investments in joint ventures	23,726	646	-	24,372
Additions to non-current assets (other than financial instruments and deferred tax assets)	418,324	107,656	14,125	540,105

As at 30 September 2013, the total non-current assets (other than financial instruments and deferred tax assets) located in Hong Kong is HK\$1,949,780,000 (As at 31 March 2013: HK\$1,905,781,000), in Mainland China is HK\$488,608,000 (As at 31 March 2013: HK\$508,483,000) and in North America is HK\$143,663,000 (As at 31 March 2013: HK\$153,940,000).

**5 SEGMENT INFORMATION** *(Continued)*

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

	<b>30 September 2013 HK\$'000 (Unaudited)</b>	31 March 2013 HK\$'000 (Audited)
Total segment assets	<b>3,856,003</b>	3,849,160
Deferred income tax assets	<b>25,113</b>	24,320
Available-for-sale financial assets	<b>572,523</b>	451,087
Financial assets at fair value through profit or loss	<b>39,036</b>	89,171
Total assets	<b>4,492,675</b>	4,413,738

## 6 CAPITAL EXPENDITURE

	Intangible assets						
	Other		Total	Investment	Property,	Leasehold	
	Goodwill	intangible	intangible	properties	plant and	land and	Total
	HK\$'000	assets	assets	HK\$'000	equipment	rights	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Period ended							
30 September 2013							
Opening net book amount	51,133	60,446	111,579	385,000	1,672,430	94,411	2,263,420
Additions	-	-	-	-	168,704	-	168,704
Depreciation/amortisation expense	-	(4,456)	(4,456)	-	(129,906)	(1,508)	(135,870)
Disposals	-	-	-	-	(5,615)	-	(5,615)
Exchange differences	(673)	(782)	(1,455)	-	4,939	304	3,788
Closing net book amount	50,460	55,208	105,668	385,000	1,710,552	93,207	2,294,427
At 30 September 2013							
Cost/valuation	115,238	194,168	309,406	385,000	3,524,127	124,752	4,343,285
Accumulated depreciation/ amortisation	(64,778)	(138,960)	(203,738)	-	(1,813,575)	(31,545)	(2,048,858)
Net book amount	50,460	55,208	105,668	385,000	1,710,552	93,207	2,294,427



**6 CAPITAL EXPENDITURE** (Continued)

Period ended	Intangible assets						
	Other		Total	Investment	Property,	Leasehold	Total
	Goodwill	intangible	intangible	properties	plant and	land and	
	assets	assets	assets	equipment	land use	rights	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	
<b>30 September 2012</b>							
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>
<b>At 30 September 2012</b>							
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>

**7 AVAILABLE-FOR-SALE FINANCIAL ASSETS**

	30 September 2013 HK\$'000 (Unaudited)	31 March 2013 HK\$'000 (Audited)
Listed investments	<b>572,523</b>	451,087

**8 INVESTMENTS IN ASSOCIATES**

	30 September 2013 HK\$'000 (Unaudited)	31 March 2013 HK\$'000 (Audited)
Share of net assets	<b>1,218</b>	8,978
Goodwill	<b>—</b>	2,802
	<b>1,218</b>	11,780

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

**9 INVESTMENTS IN JOINT VENTURES**

	30 September 2013 HK\$'000 (Unaudited)	31 March 2013 HK\$'000 (Audited)
Share of net assets	<b>22,178</b>	24,372

**10 TRADE AND OTHER RECEIVABLES**

	30 September 2013 HK\$'000 (Unaudited)	31 March 2013 HK\$'000 (Audited)
Trade receivables	<b>39,824</b>	37,665
Less: provision for impairment of receivables	<b>(197)</b>	(129)
Trade receivables – net	<b>39,627</b>	37,536
Other receivables	<b>96,521</b>	110,135
	<b>136,148</b>	147,671

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:

	30 September 2013 HK\$'000 (Unaudited)	31 March 2013 HK\$'000 (Audited)
0 – 30 days	<b>30,931</b>	23,321
31 – 60 days	<b>6,857</b>	7,484
61 – 90 days	<b>66</b>	2,801
Over 90 days	<b>1,970</b>	4,059
	<b>39,824</b>	37,665

Included in other receivables is the Group's investment in Café de Coral New Asia Group Co., Limited, formerly an associate, amounting to HK\$10,577,000 (2012: Nil) which the Group will be disposed of within the next twelve months, pursuant to a conditional sale and purchase agreement dated 25 May 2013.

## 11 TRADE PAYABLES

The ageing analysis of trade payables is as follows:

	30 September 2013 HK\$'000 (Unaudited)	31 March 2013 HK\$'000 (Audited)
0 – 30 days	208,096	172,078
31 – 60 days	7,848	3,079
61 – 90 days	737	1,163
Over 90 days	4,814	2,783
	<u>221,495</u>	<u>179,103</u>

## 12 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 September 2013 HK\$'000 (Unaudited)	31 March 2013 HK\$'000 (Audited)
Non-current financial assets at fair value through profit or loss:		
Derivative financial instruments (Note a)	<u>7,706</u>	<u>33,094</u>
Current financial assets at fair value through profit or loss:		
Investment portfolio (Note b)	6,091	49,893
Derivative financial instruments (Note a)		
– Others	<u>25,239</u>	<u>6,184</u>
	<u>31,330</u>	<u>56,077</u>
Total	<u>39,036</u>	<u>89,171</u>

## 12 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS *(Continued)*

- (a) As at 30 September 2013, the derivative financial instruments include one (31 March 2013: two) guaranteed deposit note with maturity dates of five years (31 March 2013: five years); and three (31 March 2013: three) CNY performance notes and one (31 March 2013: one) USD performance note with maturity date ranging from one to two years (31 March 2013: one to two years). These notes are unsecured and bear interests at fixed or variable interest rates during the terms of the notes. The guaranteed deposit note bears interest at 3-month LIBOR with interest cap at 8.5% and interest floor at 2.5%. The CNY performance notes and USD performance note are unsecured and bear fixed or variable return according to the CNY performance during the period with a floor return of 0% per annum.
- (b) As at 30 September 2013, investment portfolio mainly comprises debt securities of nil (31 March 2013: HK\$9 million) and equity securities of HK\$6 million (31 March 2013: HK\$41 million).

## 13 SHARE CAPITAL

	(Unaudited) 30 September 2013		(Audited) 31 March 2013	
	Number of shares '000	Nominal value HK\$'000	Number of shares '000	Nominal value HK\$'000
<b>Authorised:</b>				
Ordinary shares of HK\$0.10 each				
Beginning and end of the period/year	<b>1,000,000</b>	<b>100,000</b>	1,000,000	100,000
<b>Issued and fully paid:</b>				
Beginning of the period/year	<b>574,067</b>	<b>57,407</b>	569,557	56,956
Shares issued under share option scheme (Note 14)	<b>1,693</b>	<b>169</b>	4,510	451
End of the period/year	<b>575,760</b>	<b>57,576</b>	574,067	57,407

## 14 SHARE OPTIONS

On 24 September 2003, a share option scheme adopted by the Company on 19 September 2000 (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 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. The 2003 Scheme expired on 23 September 2013.

A new share option scheme was adopted by the Company upon the passing of a shareholders’ resolution on 11 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.

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 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 on which the option is deemed to be granted and accepted in accordance with the 2003 scheme.

No options had been granted under the 2003 Scheme during the period (31 March 2013: Nil). For the 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.

**14 SHARE OPTIONS** *(Continued)*

The movements in share options are as follows:

Grant date	Exercise period	Exercise price	Beginning of the year	Granted	Exercised	Forfeited	End of the period
		HK\$	'000	'000	'000	'000	'000
1 November 2005	1 January 2007 to 31 October 2015	8.800	1,200	-	-	-	1,200
1 November 2005	1 January 2007 to 31 October 2015	8.750	644	-	(118)	-	526
1 November 2005	1 January 2008 to 31 October 2015	8.750	270	-	(30)	-	240
2 October 2007	30 March 2008 to 29 March 2017	14.268	3,095	-	(515)	-	2,580
2 October 2007	30 March 2008 to 29 March 2017	14.748	3,553	-	(707)	-	2,846
2 October 2007	30 March 2009 to 1 October 2017	14.748	772	-	(110)	-	662
28 October 2010	31 March 2011 to 30 March 2020	22.370	2,110	-	(183)	-	1,927
28 October 2010	31 March 2012 to 27 October 2020	22.370	804	-	(30)	-	774
			<u>12,448</u>	<u>-</u>	<u>(1,693)</u>	<u>-</u>	<u>10,755</u>

Out of the 10,755,000 outstanding options (31 March 2013: 12,448,000), 8,941,000 options (31 March 2013: 10,634,000) were exercisable as at 30 September 2013.

**15 REVENUE**

	<b>Six months ended 30 September</b>	
	<b>2013</b>	<b>2012</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Sales of food and beverages	<b>3,340,636</b>	3,069,046
Rental income	<b>18,104</b>	16,065
Royalty income	<b>16,915</b>	18,913
Management and service fee income	<b>6,286</b>	5,393
Sundry income	<b>26,564</b>	26,157
	<b>3,408,505</b>	3,135,574

**16 OTHER GAINS, NET**

	<b>Six months ended 30 September</b>	
	<b>2013</b>	<b>2012</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Gain on disposals of financial assets at fair value through profit or loss	<b>1,280</b>	263
Gain on disposals of available-for-sale financial assets	<b>3</b>	—
Dividend income from listed investments	<b>13,267</b>	13,106
Fair value gains on financial assets at fair value through profit or loss	<b>993</b>	885
Others	<b>(2,910)</b>	(2,801)
	<b>12,633</b>	11,453



## 17 OPERATING PROFIT

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

	Six months ended 30 September	
	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)
Cost of raw materials and consumables used	<b>1,100,640</b>	1,020,920
Staff costs	<b>910,475</b>	815,536
Operating lease rentals in respect of rented premises	<b>371,956</b>	346,939
Depreciation of property, plant and equipment	<b>129,906</b>	119,303
Amortisation of leasehold land and land use rights	<b>1,508</b>	1,509
Amortisation of trademarks and franchise rights	<b>4,456</b>	5,171
Loss on disposal of property, plant and equipment	<b>2,910</b>	3,944

## 18 FINANCE INCOME

	Six months ended 30 September	
	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)
Interest income	<b>6,326</b>	4,934

## 19 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% (2012: 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:

	<b>Six months ended 30 September</b>	
	<b>2013</b>	<b>2012</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Current income tax:		
– Hong Kong profits tax	<b>40,404</b>	38,049
– Overseas taxation	<b>7,314</b>	4,870
Deferred income tax relating to the origination and reversal of temporary differences	<b>(1,494)</b>	(1,099)
	<b>46,224</b>	41,820

**20 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.

	<b>Six months ended 30 September</b>	
	<b>2013 (Unaudited)</b>	2012 (Unaudited)
Profit attributable to equity holders of the Company ( <i>HK\$'000</i> )	<b>242,869</b>	221,138
Weighted average number of ordinary shares in issue ( <i>'000</i> )	<b>575,044</b>	571,222
Basic earnings per share ( <i>HK cents per share</i> )	<b>42.23 HK cents</b>	38.71 HK cents

**20 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.

	<b>Six months ended 30 September</b>	
	<b>2013 (Unaudited)</b>	<b>2012 (Unaudited)</b>
Profit attributable to equity holders of the Company ( <i>HK\$'000</i> )	<b>242,869</b>	221,138
Weighted average number of ordinary shares in issue ( <i>'000</i> )	<b>575,044</b>	571,222
Adjustment to share options ( <i>'000</i> )	<b>3,822</b>	4,382
	<b>578,866</b>	575,604
Diluted earnings per share ( <i>HK cents per share</i> )	<b>41.96 HK cents</b>	38.42 HK cents

**21 DIVIDEND**

	<b>Six months ended 30 September</b>	
	<b>2013</b>	<b>2012</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Dividend proposed		
– Interim dividend, 17 HK cents (2012: 17 HK cents) per ordinary share	<b>97,910</b>	97,287

The interim dividend was declared on 29 November 2013. This condensed consolidated interim financial information does not reflect this dividend payable.

**22 CAPITAL COMMITMENTS**

	<b>30 September 2013</b>	<b>31 March 2013</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Acquisition of property, plant and equipment		
Authorised and contracted for	<b>31,684</b>	10,205
Authorised but not contracted for	<b>250,474</b>	446,501
	<b>282,158</b>	456,706

## 23 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 30 September	
	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)
Operating lease rentals paid to a related party:		
– Tinway Investments Limited <i>(Note i)</i>	1,074	1,074
Franchise and development fees paid to a related party:		
– illycaffè SpA <i>(Note ii)</i>	233	216
Logistics service income received from a related party:		
– Worldinn Limited <i>(Note iii)</i>	315	–

- (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 (as defined under the Listing Rules) of a non-controlling interest shareholder of Café de Espressamente illy (HK) Limited, a 70% owned subsidiary of the Group.
- (iii) Worldinn Limited is a wholly-owned subsidiary of Profit Sky International Limited, a 50% owned joint venture 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.

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

	<b>Six months ended 30 September</b>	
	<b>2013</b>	<b>2012</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Salaries and allowances	<b>5,259</b>	5,363
Others	<b>12,938</b>	10,066
	<hr/>	<hr/>
	<b>18,197</b>	15,429
	<hr/>	<hr/>



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