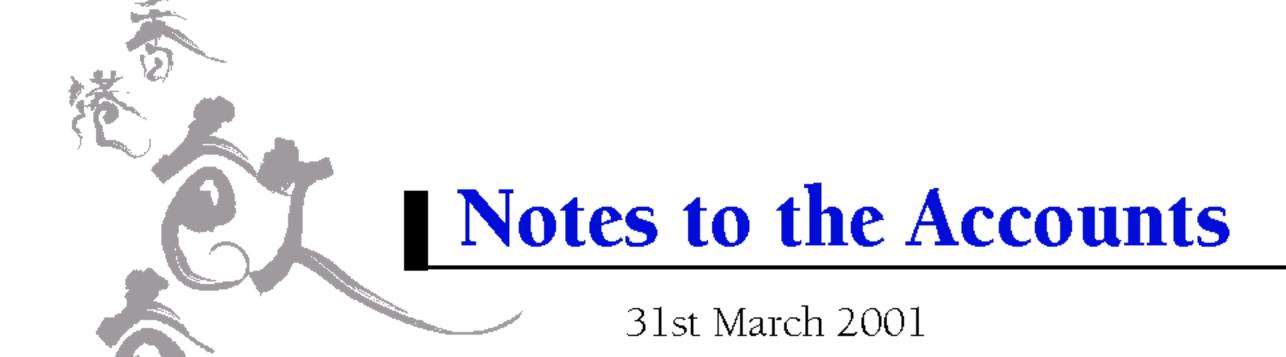


22 Reserves

(a) Group

Exchange				
Share	fluctuation	Retained		
premium	reserve	earnings	Total	
HK\$	HK\$	HK\$	HK\$	
115,173,695	69,124	263,725,362	378,968,181	
243,999			243,999	
		47,922,140	47,922,140	
		(30,976,861)	(30,976,861)	
115,417,694	69,124	280,670,641	396,157,459	
115,417,694	69,124	278,664,625	394,151,443	
		2,006,016	2,006,016	
115,417,694	69,124	280,670,641	396,157,459	
115,417,694	69,124	280,670,641	396,157,459	
3,721,000	_	_	3,721,000	
_	_	29,928,006	29,928,006	
_		34,135,845	34,135,845	
_		(9,492,609)	(9,492,609)	
		(12,512,144)	(12,512,144)	
		(97,975,068)	(97,975,068)	
		34,560	34,560	
119,138,694	69,124	224,789,231	343,997,049	
119,138,694	69,124	220,608,183	339,816,001	
_	_	4,181,048	4,181,048	
119,138,694	69,124	224,789,231	343,997,049	
	premium HK\$ 115,173,695 243,999 115,417,694 115,417,694 115,417,694 3,721,000 119,138,694 119,138,694	Share premium reserve HK\$ HK\$ 115,173,695 69,124 243,999	Share premium premium premium premium reserve HKS fluctuation reserve earnings Retained earnings 115,173,695 69,124 263,725,362 243,999 - - - 47,922,140 - - (30,976,861) 115,417,694 69,124 280,670,641 115,417,694 69,124 278,664,625 - - 2,006,016 115,417,694 69,124 280,670,641 3,721,000 - - - - 34,135,845 - - (9,492,609) - - (97,975,068) - - 34,560 119,138,694 69,124 224,789,231 119,138,694 69,124 220,608,183 - - 4,181,048	



22 Reserves (cont'd)

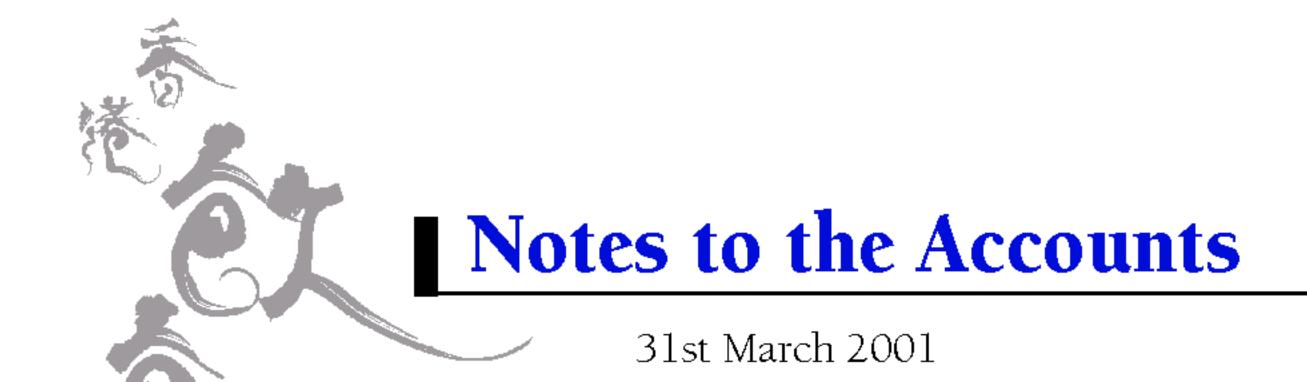
(b) Company

	Share	Retained	
	premium	earnings	Total
	HK\$	HK\$	HK\$
At 1st April 1999	115,173,695	286,128,618	401,302,313
Premium on issue of shares upon the exercise			
of share options	243,999	_	243,999
Profit for the year		72,711,364	72,711,364
Dividends		(30,976,861)	(30,976,861)
At 31st March 2000	115,417,694	327,863,121	443,280,815
At 1st April 2000	115,417,694	327,863,121	443,280,815
Premium on issue of shares upon the exercise			
of share options	3,721,000		3,721,000
Profit for the year Interim cash dividends		15,204,166 (9,492,609)	15,204,166 (9,492,609)
Proposed final dividend		(12,512,144)	(12,512,144)
Special interim dividends in specie of			
shares in a subsidiary	_	(81,904,434)	(81,904,434)
Write back of unclaimed dividend		34,560	34,560
At 31st March 2001	119,138,694	239,192,660	358,331,354

23 Bank loan

The bank loan is analysed as follows:

	Group and Compan	
	2001	2000
	HK\$	HK\$
Payable within one year		6,000,000
In the second year		6,000,000
In the third to fifth year		18,500,000
		30,500,000
Less: current portion		(6,000,000)
Non-current portion		24,500,000



24 Deferred taxation

	Group	
	2001	2000
	HK\$	HK\$
At 1st April	540,294	2,359,890
Transfer to profit and loss account (note 6)	(47,503)	(1,819,596)
At 31st March	492,791	540,294

Deferred taxation represents the tax effect of timing differences arising from depreciation allowances on fixed assets and has been fully provided for.

25 Notes to the consolidated cash flow statement

(a) Reconciliation of operating profit to net cash inflow from operating activities

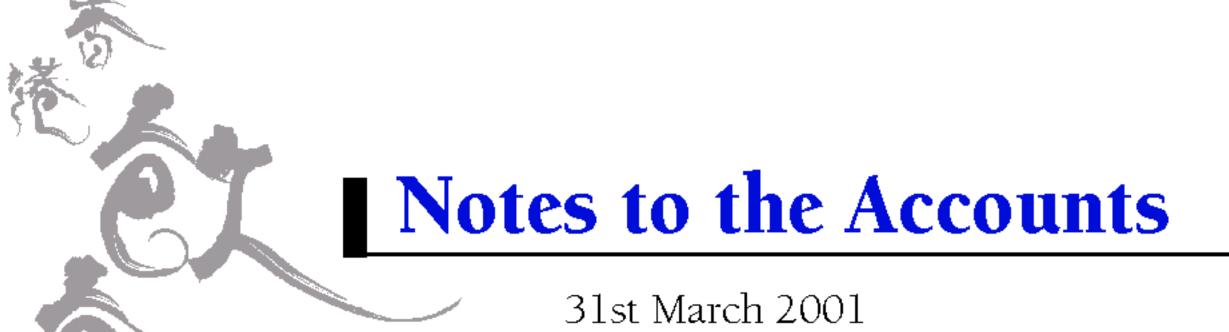
	2001	2000
	HK\$	HK\$
Operating profit	41,289,759	58,864,909
Interest income	(8,844,867)	(7,953,559)
Write off of pre-operating expenses	_	1,316,876
Cash inflow from sales of cake coupons	86,831,061	87,821,987
Cake coupons redeemed as sales	(80,329,705)	(78,186,266)
Depreciation	49,572,310	53,821,853
Loss on disposal of fixed assets	4,429,804	459,444
Provision for diminution in value of other properties	850,000	2,000,000
Deficit on revaluation of investment properties	570,000	3,000,000
Increase in inventories	(3,683,589)	(991,283)
Increase in amount due from an associated company	(1,443,405)	(5,066,664)
(Increase)/decrease in trade receivables, deposits,		
prepayments and other receivables	(2,035,536)	7,022,178
Increase/(decrease) in trade payables,		
other payables and accrued charges	4,120,699	(8,641,971)
Net cash inflow from operating activities	91,326,531	113,467,504



Notes to the consolidated cash flow statement (cont'd)

(b) Analysis of changes in financing during the year

	Share			
	capital			
	including		Bank deposits	Minority
	premium	Bank loan	pledged	interests
	HK\$	HK\$	HK\$	HK\$
At 1st April 2000	146,088,055	30,500,000	(3,753,052)	5,970,745
Cash items:-				
Issue of shares upon the				
exercise of options	4,331,000	_		_
Loans repaid		(30,500,000)		_
Net payments made to				
minority shareholders	_	_		(8,126,335)
Release of bank deposits				
pledged			69,934	
	4,331,000	(30,500,000)	69,934	(8,126,335)
Non-cash items:-				
Minority interests in share				
of profits	_	_		1,294,752
Special interim dividends				
in specie of shares in				
a subsidiary				68,047,062
				69,341,814
At 31st March 2001	150,419,055		(3,683,118)	67,186,224

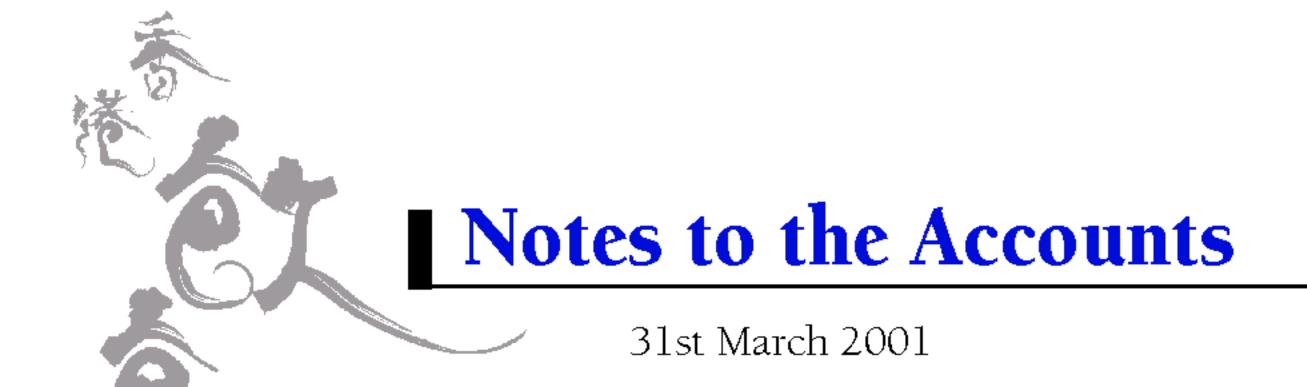


Notes to the consolidated cash flow statement (cont'd)

(b) Analysis of changes in financing during the year (cont'd)

The comparative figures for 2000 are set out as follows:

	Share			
	capital		Bank	
	including		deposits	Minority
	premium	Bank loan	pledged	interests
	HK\$	HK\$	HK\$	HK\$
At 1st April 1999	145,804,056	36,500,000	(3,598,000)	5,916,568
Cash items:				
Issue of shares upon the				
exercise of options	283,999			
Loans repaid		(6,000,000)		(1,100,000)
Dividend paid to minority				
shareholders				(550,000)
Bank deposits pledged			(155,052)	
	283,999	(6,000,000)	(155,052)	(1,650,000)
Non-cash items:				
Minority interests in share				
of profits				1,704,177
				1,704,177
At 31st March 2000	146,088,055	30,500,000	(3,753,052)	5,970,745



26 Commitments

(a) Capital commitments for property, plant and equipment

	Group			Company
	2001	2000	2001	2000
	HK\$	HK\$	HK\$	HK\$
Contracted but not provided for Approved but not	412,684	1,052,055		
contracted for	19,200,000	9,400,000	3,200,000	3,500,000
	19,612,684	10,452,055	3,200,000	3,500,000

(b) Commitments under operating leases

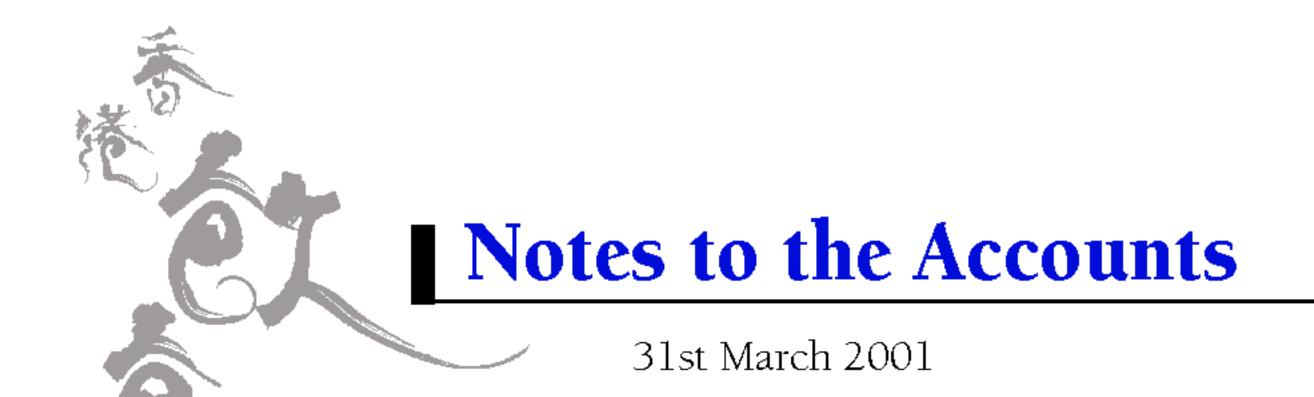
At 31st March 2001, the Group and the Company had minimum commitments to make payments in the next twelve months under operating leases in respect of land and buildings which expire as follows:

	Group			Company
	2001	2000	2001	2000
	HK\$	HK\$	HK\$	HK\$
Within one year	32,092,480	11,024,518	16,720,801	3,442,142
In the second to fifth				
year inclusive	55,816,963	100,794,074	29,593,503	65,911,461
After the fifth year	3,473,365	903,439		
	91,382,808	112,722,031	46,314,304	69,353,603

The actual payments in respect of certain operating leases are calculated at the higher of the minimum commitments as noted above and a rent determined based on a percentage of the sales of the related outlets.

27 Related party transactions

Pursuant to the management agreements entered into between the Company and its associated company, Arges Limited, the Company is engaged to provide management and administration service to the latter at a fee which is determined either at a fixed monthly sum or by an agreed percentage on the turnover and gross margin of each restaurant managed. During the year, management fee received by the Company amounted to HK\$1,304,510 (2000: HK\$1,404,644).



28 Banking facilities and pledged assets

As at 31st March 2001, the Group had aggregate banking facilities of approximately HK\$20,890,000 (2000: HK\$51,394,000) for loans, overdrafts and bank guarantees. These facilities were secured by:-

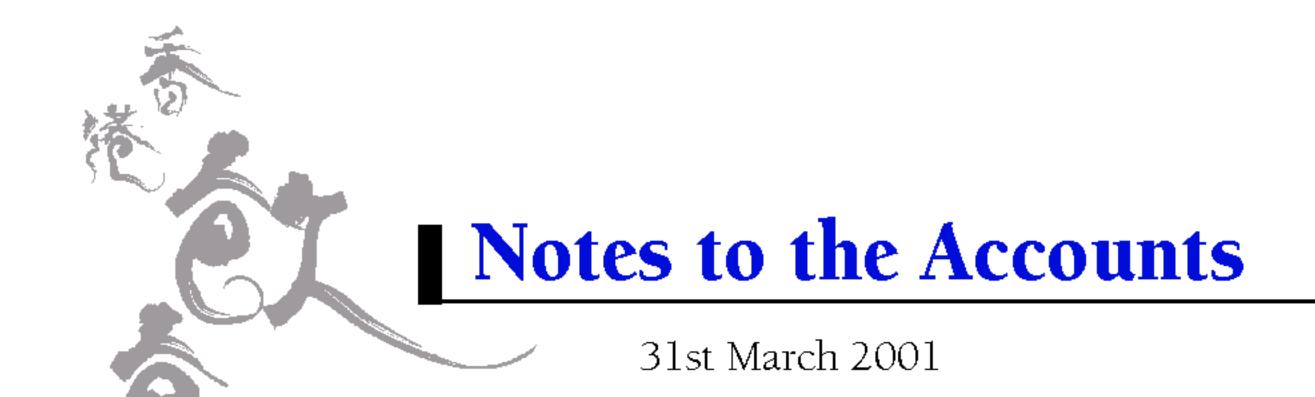
- (i) Mortgage of certain land and buildings of the Group;
- (ii) Pledge of certain bank deposits of the Group; and
- (iii) Cross corporate guarantees given by the Company and its subsidiaries.

As at 31st March 2001, the facilities were utilised by the Group to the extent of HK\$12,601,335 (2000: HK\$43,663,521) including bank guarantees granted to third parties in lieu of rental and utility deposits.

29 Subsidiaries and associated companies

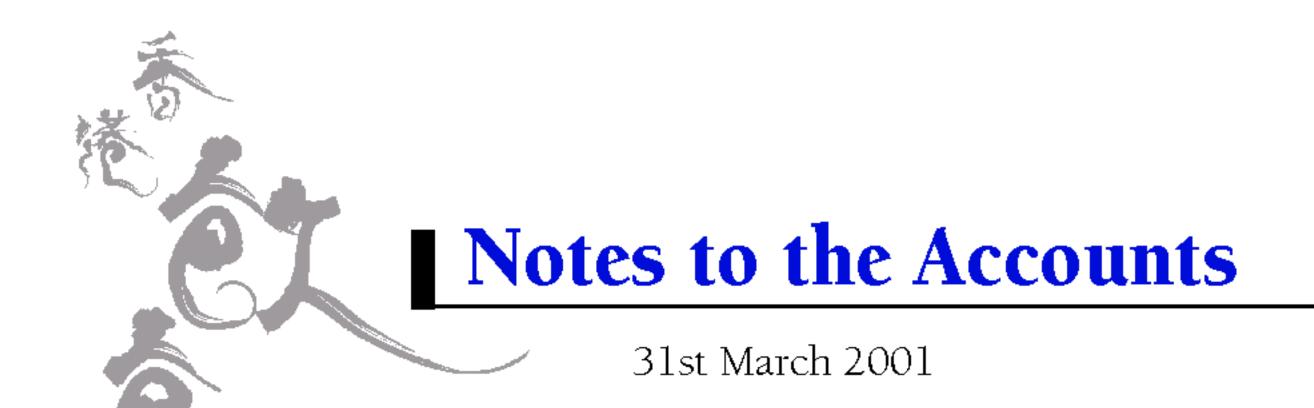
The following is a list of the principal subsidiaries and associated companies as at 31st March 2001.

Name of subsidiaries/ associated companies	Place of incorporation and operation	Particular of issued share capital	Effective percentage holding attributable to the Group	Principal activities
Principal subsidiaries				
Shares held directly:				
Banqueting Caterers Limited	Hong Kong	Ordinary HK\$80 Non-voting deferred HK\$10,000,020	100	Restaurant operator
High Value Limited	Hong Kong	Ordinary HK\$2	100	Investment holding
Sparklet Investment Limited	Hong Kong	Ordinary HK\$2	100	Restaurant operator
Tin Fook Caterers Limited	Hong Kong	Ordinary HK\$10,000 Non-voting deferred HK\$12,010,000	100	Restaurant operator



29 Subsidiaries and associated companies (cont'd)

Name of subsidiaries/ associated companies	Place of incorporation and operation	Particular of issued share capital	Effective percentage holding attributable to the Group	Principal activities
Principal subsidiaries (co	nt'd)			
Shares held indirectly:				
Bread Boutique Limited	Hong Kong	Ordinary HK\$3,000,000	60.15	Bakery operator
Criscane Limited	Hong Kong	Ordinary HK\$20	100	Property holding
Elegant Grand Limited	Hong Kong	Ordinary HK\$100	80	Restaurant operator
Kingdom Wise Limited	Hong Kong	Ordinary HK\$2	60.15	Property holding
Saint Honore Cake Shop Limited	Hong Kong	Ordinary HK\$50 Non-voting deferred HK\$3,450,050	60.15	Bakery operator
Saint Honore Holdings Limited	Bermuda	Ordinary HK\$19,622,900	60.15	Investment holding
Shanghai Lu Yang Chun Restaurant (Hong Kong Limited	Hong Kong	Ordinary HK\$10,000	45	Restaurant operator
Sincere United Limited	Hong Kong	Ordinary HK\$2	100	Property holding
Uni-Leptics Limited	Hong Kong	Ordinary HK\$2	60.15	Property holding
Winwell (Hong Kong) Limited	Hong Kong	Ordinary HK\$2	100	Property holding
* Saint Anna Cake Shop (Macau) Limited	Macau	Ordinary MOP100,000	60.15	Bakery operator



29 Subsidiaries and associated companies (cont'd)

Name of subsidiaries/ associated companies	Place of incorporation and operation	Particular of issued share capital	Effective percentage holding attributable to the Group	Principal activities
Principal subsidiaries (cont'd)			
Shares held indirectly:- (cont'd	1)			
* Saint Honore Cake Shop (Shenzhen) Limited **	-	HK\$16,000,000	60.15	Manufacturing of bakery products
Zillion Will Limited	Hong Kong	Ordinary HK\$2	60.15	Eatery operator
Principal associated compa	nies:-			
* Arges Limited	Hong Kong	Ordinary HK\$4	50	Restaurant operator
* Wellcon Limited	Hong Kong	Ordinary HK\$10,000	21	Investment holding and management consulting

The above list includes the subsidiaries and associated companies of the Company which, in the opinion of the directors, principally affected the results of the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries and associated companies would, in the opinion of the directors, result in particulars of excessive length.

- * Companies not audited by PricewaterhouseCoopers. The aggregate net assets of subsidiaries not audited by PricewaterhouseCoopers amounted to approximately 5.2 % of the Group's total assets.
- ** The subsidiary is established as a wholly foreign-owned enterprise in the People's Republic of China.

30 Comparative figures

In the consolidated profit and loss account, direct packing materials expense of the bakery business has been reclassified from other operating expenses to cost of inventories consumed in order to more appropriately present the Group's operation. The amount reclassified for the year totalled HK\$26,939,086 (2000:HK\$26,584,487).

31 Approval of accounts

The accounts were approved by the board of directors on 12th July 2001.