



# Notes to the Financial Statements *(continued)*

For the year ended 31 March 2005

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## 5. TURNOVER, OTHER REVENUE AND SEGMENT INFORMATION *(continued)*

An analysis of the Group's business segments is set out as follows:

	Restaurant operations		Property investment		Wedding services		Total	
	2005 HK\$	2004 HK\$	2005 HK\$	2004 HK\$	2005 HK\$	2004 HK\$	2005 HK\$	2004 HK\$
Turnover	<u>33,566,901</u>	<u>30,166,829</u>	<u>4,824,000</u>	<u>4,352,000</u>	<u>105,259,358</u>	<u>4,931,262</u>	<u>143,650,259</u>	<u>39,450,091</u>
Segment results	<u>4,521,504</u>	<u>1,402,174</u>	<u>4,430,771</u>	<u>4,132,362</u>	<u>14,991,434</u>	<u>136,644</u>	23,943,709	5,671,180
Unallocated income							23,438	12,327,379
Unallocated costs							(4,310,311)	(3,478,512)
Operating profit							19,656,836	14,520,047
Finance costs							(28,479)	(23,671)
Profit before taxation							19,628,357	14,496,376
Taxation							(4,060,611)	(2,550,459)
Profit attributable to shareholders							<u>15,567,746</u>	<u>11,945,917</u>
Segment assets	<u>99,529,281</u>	<u>88,281,036</u>	<u>93,271,227</u>	<u>84,335,227</u>	<u>27,809,974</u>	<u>29,463,071</u>	220,610,482	202,079,334
Unallocated assets							41,485,232	31,011,820
Total assets							<u>262,095,714</u>	<u>233,091,154</u>
Segment liabilities	<u>(6,172,657)</u>	<u>(5,451,584)</u>	<u>(1,675,500)</u>	<u>(1,554,000)</u>	<u>(8,506,030)</u>	<u>(10,503,923)</u>	(16,354,187)	(17,509,507)
Unallocated liabilities							(892,537)	(7,140,802)
Total liabilities							<u>(17,246,724)</u>	<u>(24,650,309)</u>
Capital expenditure								
– segment	<u>465,840</u>	<u>327,274</u>	<u>–</u>	<u>–</u>	<u>2,024,854</u>	<u>5,286,742</u>	2,490,694	5,614,016
– unallocated							–	6,800
							<u>2,490,694</u>	<u>5,620,816</u>
Depreciation								
– segment	<u>1,862,084</u>	<u>1,629,532</u>	<u>–</u>	<u>–</u>	<u>3,242,512</u>	<u>247,920</u>	5,104,596	1,877,452
– unallocated							18,870	80,463
							<u>5,123,466</u>	<u>1,957,915</u>



# Notes to the Financial Statements *(continued)*

For the year ended 31 March 2005

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## 6. OPERATING PROFIT

	<b>2005</b> <i>HK\$</i>	<b>2004</b> <i>HK\$</i>
Operating profit is stated at after charging:		
Amortisation of goodwill	1,003,778	83,648
Depreciation of fixed assets	5,123,466	1,957,915
Staff costs (excluding directors' emoluments)		
Wages and salaries	42,619,421	9,105,827
Provision for long-service payments	646,235	867,072
Operating lease rentals in respect of land and buildings	9,964,017	1,300,165
Auditors' remuneration	370,000	340,000
	<u>                    </u>	<u>                    </u>
and after crediting:		
Surplus on revaluation of other properties	59,601	21,950
	<u>                    </u>	<u>                    </u>

## 7. FINANCE COSTS

	<b>2005</b> <i>HK\$</i>	<b>2004</b> <i>HK\$</i>
Interest on short-term bank loans	28,479	23,671
	<u>                    </u>	<u>                    </u>

## 8. TAXATION

The amount of taxation in the consolidated income statement represents:

	<b>2005</b> <i>HK\$</i>	<b>2004</b> <i>HK\$</i>
Deferred tax (note 17)	4,060,611	2,550,459
	<u>                    </u>	<u>                    </u>

No provision for Hong Kong profits tax has been made in the financial statements as the Group has available tax losses carried forward to offset against the current year's assessable profits.



# Notes to the Financial Statements *(continued)*

For the year ended 31 March 2005

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## 8. TAXATION *(continued)*

The tax expense for the year can be reconciled to the profit per the consolidated income statement as follows:

	<b>2005</b> <i>HK\$</i>	<b>2004</b> <i>HK\$</i>
Profit before tax	<u>19,628,357</u>	<u>14,496,376</u>
Tax calculated at Hong Kong profits tax rate of 17.5% (2004: 17.5%)	3,434,962	2,536,866
Deferred tax not recognised	104,274	–
Tax effect of non-deductible expenses	585,087	2,377,567
Tax effect of non-taxable revenue	(14,732)	(2,363,974)
Others	(48,980)	–
Income tax expense	<u>4,060,611</u>	<u>2,550,459</u>

## 9. PROFIT ATTRIBUTABLE TO SHAREHOLDERS

Included in profit attributable to shareholders is a loss of HK\$11,617,965 (2004: Profit of HK\$9,781,846) that has been dealt with in the financial statements of the Company.

## 10. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the Group's profit attributable to shareholders of HK\$15,567,746 (2004: HK\$11,945,917) and the weighted average of 1,095,884,000 (2004: 1,095,884,000) ordinary shares in issue during the year.

No diluted earnings per share is disclosed as there are no outstanding share options.

## 11. DIRECTOR AND SENIOR MANAGEMENT EMOLUMENTS

### (a) Directors' emoluments

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

	<b>2005</b> <i>HK\$</i>	<b>2004</b> <i>HK\$</i>
Fees	<u>256,800</u>	<u>192,000</u>
Other emoluments:		
Salaries and other benefits	3,000,210	2,154,435
Performance related bonus	767,119	–
	<u>3,767,329</u>	<u>2,154,435</u>
	<u>4,024,129</u>	<u>2,346,435</u>



# Notes to the Financial Statements *(continued)*

For the year ended 31 March 2005

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## 11. DIRECTOR AND SENIOR MANAGEMENT EMOLUMENTS *(continued)*

### (a) Directors' emoluments *(continued)*

No directors waived their emoluments in respect of the year ended 31 March 2005 (2004: HK\$ Nil). Directors' fees represent fees paid to independent non-executive directors.

During the year, no share options were granted to or exercised by directors.

The emoluments of the directors fell within the following bands:

	Number of directors	
	2005	2004
Emolument bands:		
HK\$Nil – HK\$1,000,000	10	6
HK\$1,000,001 – HK\$1,500,000	–	1
HK\$1,500,001 – HK\$2,000,000	2	–
	<u>          </u>	<u>          </u>

### (b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include two directors (2004: two directors). The emoluments payable to the five highest paid individuals during the year are as follows:

	2005	2004
	HK\$	HK\$
Basic salaries, housing allowances, other allowances and benefits in kind	4,527,500	3,224,859
Performance related bonus	760,000	–
	<u>          </u>	<u>          </u>
	<u>5,287,500</u>	<u>3,224,859</u>

The emoluments fell within the following bands:

	Number of individuals	
	2005	2004
Emolument bands:		
HK\$Nil – HK\$1,000,000	3	4
HK\$1,000,001 – HK\$1,500,000	–	1
HK\$1,500,001 – HK\$2,000,000	2	–
	<u>          </u>	<u>          </u>



# Notes to the Financial Statements *(continued)*

For the year ended 31 March 2005

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## 12. GOODWILL

	<i>HK\$</i>
<b>Cost</b>	
At 31 March 2004 and 2005	<u>20,075,566</u>
<b>Accumulated amortisation</b>	
At 1 April 2004	83,648
Amortisation	<u>1,003,778</u>
At 31 March 2005	<u>1,087,426</u>
<b>Net book value</b>	
At 31 March 2005	<u>18,988,140</u>
At 31 March 2004	<u>19,991,918</u>

## 13. FIXED ASSETS

	Group						
	Investment properties <i>HK\$</i>	Leasehold land and buildings <i>HK\$</i>	Leasehold improvements <i>HK\$</i>	Wardrobe <i>HK\$</i>	Furniture, fixtures and equipment <i>HK\$</i>	Motor vehicles <i>HK\$</i>	Total <i>HK\$</i>
<b>Cost or valuation</b>							
At 1 April 2004	84,000,000	85,900,000	2,629,283	1,137,797	2,753,891	41,656	176,462,627
Surplus on revaluation	9,000,000	10,150,000	–	–	–	–	19,150,000
Additions	–	–	786,714	–	1,703,980	–	2,490,694
At 31 March 2005	<u>93,000,000</u>	<u>96,050,000</u>	<u>3,415,997</u>	<u>1,137,797</u>	<u>4,457,871</u>	<u>41,656</u>	<u>198,103,321</u>
<b>Accumulated depreciation</b>							
At 1 April 2004	–	–	145,806	–	843,519	3,551	992,876
Charge for the year	–	1,750,000	1,100,499	1,137,797	1,097,065	38,105	5,123,466
Surplus on revaluation	–	(1,750,000)	–	–	–	–	(1,750,000)
At 31 March 2005	<u>–</u>	<u>–</u>	<u>1,246,305</u>	<u>1,137,797</u>	<u>1,940,584</u>	<u>41,656</u>	<u>4,366,342</u>
<b>Net book value</b>							
At 31 March 2005	<u>93,000,000</u>	<u>96,050,000</u>	<u>2,169,692</u>	<u>–</u>	<u>2,517,287</u>	<u>–</u>	<u>193,736,979</u>
At 31 March 2004	<u>84,000,000</u>	<u>85,900,000</u>	<u>2,483,477</u>	<u>1,137,797</u>	<u>1,910,372</u>	<u>38,105</u>	<u>175,469,751</u>



# Notes to the Financial Statements *(continued)*

For the year ended 31 March 2005

2005

## 13. FIXED ASSETS *(continued)*

The analysis of the cost or valuation of the above assets at 31 March 2005 is as follows:

	Investment properties HK\$	Leasehold land and buildings HK\$	Leasehold improvements HK\$	Group Wardrobe HK\$	Furniture, fixtures and equipment HK\$	Motor vehicles HK\$	Total HK\$
At cost	–	–	3,415,997	1,137,797	4,457,871	41,656	9,053,321
At 2005 professional valuation	93,000,000	96,050,000	–	–	–	–	189,050,000
	<u>93,000,000</u>	<u>96,050,000</u>	<u>3,415,997</u>	<u>1,137,797</u>	<u>4,457,871</u>	<u>41,656</u>	<u>198,103,321</u>

The analysis of the cost or valuation of the above assets at 31 March 2004 is as follows:

At cost	–	–	2,629,283	1,137,797	2,753,891	41,656	6,562,627
At 2004 professional valuation	84,000,000	85,900,000	–	–	–	–	169,900,000
	<u>84,000,000</u>	<u>85,900,000</u>	<u>2,629,283</u>	<u>1,137,797</u>	<u>2,753,891</u>	<u>41,656</u>	<u>176,462,627</u>

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

	2005 HK\$	2004 HK\$
Leases of over 50 years	154,000,000	138,000,000
Leases of between 10 to 50 years	35,050,000	31,900,000
	<u>189,050,000</u>	<u>169,900,000</u>

All properties were revalued at 31 March 2005 on the open market value basis by Vigers Hong Kong Ltd., an independent firm of professional valuers. A revaluation surplus of HK\$11,840,399 was credited to other properties revaluation reserve, net of applicable deferred income taxes, while a revaluation surplus of HK\$59,601 was credited to the consolidated income statement.

The carrying amount of leasehold land and buildings of the Group would have been HK\$20,808,355 (2004: HK\$21,531,275) had they been stated at cost less accumulated depreciation.

At 31 March 2005, the net book value of investment properties and leasehold land and buildings pledged as security for the Group's banking facilities amounted to HK\$154,000,000 (2004: HK\$138,000,000).



# Notes to the Financial Statements *(continued)*

For the year ended 31 March 2005

2005

## 14. INTERESTS IN SUBSIDIARIES

	Company	
	2005 HK\$	2004 HK\$
Unlisted shares, at cost	53,284,020	53,284,028
Less: Provision for impairment loss	(1,200,000)	(1,200,000)
	<u>52,084,020</u>	<u>52,084,028</u>
Amounts due from subsidiaries	359,626,093	375,634,161
Less: Provision for doubtful debts	(274,943,958)	(274,943,958)
	<u>84,682,135</u>	<u>100,690,203</u>
Amounts due to subsidiaries	<u>(7,295,488)</u>	<u>(7,295,488)</u>
	<u>129,470,667</u>	<u>145,478,743</u>

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

The following is a list of the principal subsidiaries at 31 March 2005:

Name	Place of incorporation	Principal activities and place of operation	Particulars of issued/ share capital	Percentage of equity interest held	
				2005	2004
<i>Held directly</i>					
Athenian Investments Limited	The British Virgin Islands	Investment holding in Hong Kong	1 ordinary share of US\$1	100	100
Golden Island Bird's Nest Chiu Chau Restaurant (Star House) Limited	Hong Kong	Investment holding in Hong Kong	100 ordinary shares of HK\$100 each and 240,000 deferred shares of HK\$100 each	100	100
Golden Island Catering Group Company Limited	Hong Kong	Restaurant operations and provision of wedding services in Hong Kong	2 ordinary shares of HK\$1 each	100	100
Golden Island (Chine Pax) Limited	Hong Kong	Investment holding in Hong Kong	2 ordinary shares of HK\$1 each	100	100



# Notes to the Financial Statements *(continued)*

For the year ended 31 March 2005

2005

## 14. INTERESTS IN SUBSIDIARIES *(continued)*

Name	Place of incorporation	Principal activities and place of operation	Particulars of issued/ share capital	Percentage of equity interest held	
				2005	2004
<i>Held directly (continued)</i>					
Golden Island (Management) Limited	Hong Kong	Provision of management services to group companies in Hong Kong	10,000 ordinary shares of HK\$1 each	100	100
Marlborough Gold Limited	The British Virgin Islands	Investment holding in Hong Kong	1 ordinary share of US\$1	100	100
<i>Held indirectly</i>					
Golden Island Bird's Nest Chiu Chau Restaurant (Causeway Bay) Limited	Hong Kong	Property holding in Hong Kong	12,000 ordinary shares of HK\$100 each	100	100

The above table includes the subsidiaries 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 would, in the opinion of the directors, result in particulars of excessive length.

## 15. INTEREST IN AN ASSOCIATED COMPANY

	Group		Company	
	2005 HK\$	2004 HK\$	2005 HK\$	2004 HK\$
Share of net assets other than goodwill	—	—	—	—
Amount due from associated company	—	4,489,648	—	28,850
Provision for doubtful debts	—	(4,489,648)	—	(28,850)
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>