



翠華餐廳®

Tsui Wah Restaurant

**Tsui Wah Holdings Limited**

**翠華控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號: 1314



ANNUAL REPORT 2013 年報

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## EXECUTIVE DIRECTORS

Mr. Lee Yuen Hong  
Mr. Ho Ting Chi  
Mr. Cheung Yu To  
Mr. Cheung Wai Keung  
Mr. Cheung Yue Pui

## INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Goh Choo Hwee  
Mr. Wong Chi Kin  
Mr. Yim Kwok Man

## AUTHORIZED REPRESENTATIVE

Mr. Lee Yuen Hong  
Mr. Yang Dong John

## AUDIT COMMITTEE

Mr. Yim Kwok Man (*Chairman*)  
Mr. Goh Choo Hwee  
Mr. Wong Chi Kin

## REMUNERATION COMMITTEE

Mr. Goh Choo Hwee (*Chairman*)  
Mr. Wong Chi Kin  
Mr. Lee Yuen Hong

## NOMINATION COMMITTEE

Mr. Wong Chi Kin (*Chairman*)  
Mr. Goh Choo Hwee  
Mr. Lee Yuen Hong

## COMPANY SECRETARY

Mr. Yang Dong John (HKICPA)

## LEGAL ADVISERS

Pang & Co., in association with Loeb & Loeb LLP

## AUDITORS

Ernst & Young

## COMPLIANCE ADVISER

Fortune Financial Capital Limited  
35/F, Office Tower Convention Plaza  
No. 1 Harbour Road  
Wanchai  
Hong Kong

## REGISTERED OFFICE

Cricket Square, Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG REGISTERED UNDER PART XI OF THE COMPANIES ORDINANCE

3/F, Tsui Wah Group Centre  
50 Lai Yip St., Ngau Tau Kok, Kowloon  
Hong Kong



## **PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE**

Codan Trust Company (Cayman) Limited  
Cricket Square, Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

## **HONG KONG SHARE REGISTRAR**

Tricor Investor Services Limited  
26th Floor, Tesbury Centre  
28 Queen's Road East  
Wanchai, Hong Kong

## **PRINCIPAL BANKER**

Bank of China (Hong Kong) Limited  
Hang Seng Bank Limited  
Standard Chartered Bank (Hong Kong) Limited

## **COMPANY WEBSITE ADDRESS**

[www.tsuiwah.com](http://www.tsuiwah.com)

## **STOCK CODE**

1314

# CHAIRMAN'S STATEMENT



Lee Yuen Hong  
Chairman



Dear Shareholders,

I am pleased to present to you the annual results of Tsui Wah Holdings Limited (the “**Company**”) and its subsidiaries (together with the Company, the “**Group**”) for the year ended 31 March 2013. This is the first annual results announcement of the Group since the Company’s listing (the “**Listing**”) of its shares (the “**Shares**”) on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 26 November 2012 (the “**Listing Date**”).

The year ended 31 March 2013 means a lot to the Group. During the year, the Company marked a new milestone in its development history by obtaining an official listing on the Stock Exchange. Although uncertainties of the global economy, such as Euro debt crisis, lingering concerns over the recovery and quantitative easing monetary policy adopted by the government of the United States of America as well as the slowdown in economic growth in the People’s Republic of China (the “**PRC**”), have dampened consumer confidence over the past year, the Group managed to maintain a healthy growth in its business development. This is attributed to the Group’s more than 45 years of operation during which it encountered economic cycles and challenges arising from macro-economy and succeeded in winning word of mouth, trust and recognition from consumers due to its renowned brand name and strict control on food safety and quality.

### REVIEW OF THE YEAR ENDED 31 MARCH 2013

During the reporting period, the Group recorded revenue of approximately HK\$1,084.4 million, representing a growth of approximately 42.2% over the year ended 31 March 2012. Its net profit for the year ended 31 March 2013 amounted to approximately HK\$131.3 million, representing a growth of approximately 18.9% over the year ended 31 March 2012. The board (the “**Board**”) of directors (the “**Directors**”) of the Company recommended the payment of a final dividend of HK5.0 cents per Share in respect of the year ended 31 March 2013.



For the year ended 31 March 2013, the Group, sticking to its stated blueprint, successfully implemented its store-opening strategy, in a cautious but proactive manner, both in Hong Kong and the PRC. New restaurants were opened at the terminal of Hong Kong International Airport, Hung To Road in Ngau Tau Kok, Shatin Plaza, Pitt Street in Yau Ma Tei and Harbour Crystal Centre in Tsim Sha Tsui East. Meanwhile, it also launched the business of “Tsui Wah Delivery” (快翠送) serving the entire area of Kowloon where customers may conveniently enjoy the Group’s delicacies without leaving their homes. During the year under review, the Group also opened several restaurants as planned in various districts of Shanghai, namely, Xuhui District (Ri Yue Guang Plaza and Yong Xin Fang), Putuo District (Changshou Road) and Yangpu District (Wujiaochang) and a restaurant in Wuhan. All the new restaurants are operating at the budgeted investment costs and progressing well on schedule. So far the Group has 32 restaurants (including one restaurant in Hong Kong and one restaurant in Macau operated by the jointly-controlled entities of the Group) operating in Hong Kong, Shanghai, Macau and Wuhan and a work force of over 2,850 staff, to enhance its brand recognition and capacity in sales and marketing.

While enhancing its competitiveness, the Group also places high importance on the promotion of Hong Kong’s unique food culture. In the South China region, it has established a subsidiary in Guangzhou to promote the food culture of “Tsui Wah”. At the same time, it continued to implement its mission of “Tsui Wah Family” (翠華人家), placing importance on the development of its staff by providing them with enhancement training, such as the management trainee program, courses offered by culinary school and etc. The ultimate goal is to make Tsui Wah’s distinguished corporate culture as a model for Hong Kong eateries.

In November 2012, the Group successfully obtained the listing approval from the Stock Exchange, thereby laying a solid foundation for its future development of the Group. The funds raised from the capital markets bode well for the Group in enhancing its brand awareness, corporate size and competitiveness. Aiming at becoming an iconic *Cha Chaan Teng* chain around the Greater China Region, the Group will continue to fully leverage on its own competitiveness to grow.

## OUTLOOK

Looking ahead into the future, it is believed that the catering industry will be full of opportunities. The deepening of urbanisation and increase in disposable income per capita in the PRC will become the driving force behind the on-going development of the local catering industry and foster stronger demand for quality food and beverages in the domestic market. Well-known food chains that provide quality food and services such as “Tsui Wah” will be in a better position to capitalise on the immense opportunities in the PRC market. In recent years, food safety has become a hot social topic in the PRC. With its first central kitchen in the PRC commenced its operation in June 2013, the Group will further strengthen standardisation on food processing, enhance operating efficiency, unify quality testing and consolidate supply chain management with the aim of promoting customers’ confidence in the Group by minimising food safety hazards. The unique gastronomic features of the indigenous *Cha Chaan Teng* in Hong Kong offered by the Group have gained popularity among customers from across the border, evidenced by the wide-spread coverage of the Group’s gastronomic style and cuisines by the mainland media. Such recommendation and recognition is beneficial to the Group’s future development. In addition to its existing network in the financial district of Shanghai, the Group is also actively preparing to develop in the South China region and begins to develop in other cities in the East China region.

Regarding Hong Kong, the Group will continue to leverage on the brand recognition of “Tsui Wah” to maintain a stable store-opening process for the coming year. Meanwhile, it will expand the coverage of the “Tsui Wah Delivery” into other areas of Hong Kong, enabling more customers to enjoy the steaming hot delicacies of “Tsui Wah” without leaving their homes. In addition, the Group also commits to promoting its catering service under the brand name of “Supreme Catering” (至尊到會), offering 5-star catering experience for its customers who may enjoy a wide variety of delicacies, east and west, with satisfaction.



Moreover, the Group will continue to adhere to its own corporate culture and core values. It shoulders the corporate social responsibilities by addressing the needs of its staff and contributing to the community. Therefore, the Group will continue to accept application for "Textbook Subsidies" from staff in need and implement the "Summer Internship Scheme" and "Food Waste Control Scheme". The Group will also continue to strictly comply with the environmental protection policies, solid waste charging scheme and other operation regulations.

Going forward, the Group will continue to operate under its corporate philosophy of "Relaxed Eating, Healthy Eating" and elevate its brand awareness and core competitive strengths, in order to further enhance its performance and optimise the return for the shareholders of the Company (the "**Shareholders**").

Last but not least, I would like to extend, on Tsui Wah's behalf, my heart-felt gratitude to the Shareholders, members of the Board, management of the Group, the staff and business associates.

**Lee Yuen Hong**

*Chairman*

Hong Kong, 25 June 2013





## INDUSTRY OVERVIEW

Over the past year, the global economy has faced numerous uncertainties and unprecedented headwinds, such as the Europe economic crisis, slow recovery and the debt crisis in the United States of America, which led to a general decrease in consumer's confidence level across the world. Nonetheless, with over 45 years of operating history in the food and catering sector, the Group had managed to sail through several economic cycles in the past and so as the current downturn. With the experienced Board and management of the Group, "Tsui Wah" has managed to overcome various challenges, increased the public recognition of the brand, and maintained as the leading *Cha Chaan Teng* chain owner and operator in Hong Kong mainly through its stringent control in monitoring the food safety and quality.

## BUSINESS REVIEW

In the year ended 31 March 2013, the Group opened 10 new restaurants, as compared to 3 in the year ended 31 March 2012. The opening of new restaurants in Hong Kong and the PRC was in line with the Group's development blueprint and was not significantly affected by the economic slowdown. The new restaurants in Hong Kong include, the Hong Kong International Airport Terminal shop, Hung To Road shop in Ngau Tau Kok, Shatin Plaza shop, Yau Ma Tei shop and Tsim Sha Tsui East shop. Whilst in the PRC, the Group opened 4 new restaurants in Shanghai (Xuhui district, Putuo district and Yangpu district) and 1 in Wuhan. The satisfactory performance of the Group's new restaurants was attributed to its strategic restaurant development planning and site selection.

The Group successfully established a new business line, the delivery service "Tsui Wah Delivery" (快翠送) which covers the whole of Kowloon district, enabling its customers to enjoy scrumptious food provided by "Tsui Wah" with ease. Within a short period of time, this new delivery service was well received by its customers. This service represents a long term profit and growth potential for "Tsui Wah".





## **BUSINESS REVIEW** *(Continued)*

Moreover, cost management was achieved for the year ended 31 March 2013 as the Group effectively and efficiently controlled and strengthened the procurement and supply chain management. In addition, by reducing wastage during food preparation, the gross profit margin of the Group has remained stable without sacrificing the food quality and safety. However, the Group's net profit margin (profit for the year as a percentage of revenue) recorded a decrease from approximately 14.5% for the year ended 31 March 2012 to approximately 12.1% for the year ended 31 March 2013, which was mainly owing to the initial start up labour cost and property rental expenses for new restaurants during the year under review.

## **FINANCIAL REVIEW** **REVENUE**

A strong operating and financial performance has been achieved for the year ended 31 March 2013. Revenue increased by approximately 42.2% from approximately HK\$762.8 million for the year ended 31 March 2012 to approximately HK\$1,084.4 million for the year ended 31 March 2013 and net profit rose by approximately 18.9%, to approximately HK\$131.3 million, comparing to approximately HK\$110.4 million in the preceding financial year. This was mainly attributable to the strong growth in restaurant sales and the establishment of new restaurants. Profit attributable to owners of the Company increased by approximately 24.7% from approximately HK\$103.9 million for the year ended 31 March 2012 to approximately HK\$129.6 million for the year ended 31 March 2013.

The business environment for catering and restaurant industry has become increasingly harsh and challenging due to the rising food, rental and labour costs in the recent years. However, the Group has strived to maintain good cost and expense controls and improved the overall operating efficiencies by adopting various effective cost control measures.



## FINANCIAL REVIEW *(Continued)*

### COST OF INVENTORIES SOLD

Cost of inventories sold increased by approximately HK\$95.5 million, or approximately 40.4%, from approximately HK\$236.5 million for the year ended 31 March 2012 to approximately HK\$332.0 million for the year ended 31 March 2013. Cost of inventories sold as a percentage of the Group's revenue remains stable for the year ended 31 March 2013 is primarily reflecting that (i) the Group's policy in large volume and bulk purchases of food, beverage and other operating items for the restaurant operation from suppliers in order to enjoy a better price on the purchase of the above items has been successful; and (ii) the Group has successfully implemented better management and controlling measures over the food preparation process, thus reducing the amount of food wastage.

### GROSS PROFIT

Gross profit, which equals to revenue minus cost of inventories sold, of the Group for the year ended 31 March 2013 was approximately HK\$752.4 million, representing an increase of approximately 43.0% from approximately HK\$526.3 million for the year ended 31 March 2012. The increase was mainly contributed by same restaurant sales growth and sales by new restaurants for the year ended 31 March 2013.

### STAFF COSTS

Staff costs of the Group increased by approximately HK\$89.2 million, or approximately 45.2%, from approximately HK\$197.5 million for the year ended 31 March 2012 to approximately HK\$286.7 million for the year ended 31 March 2013. Staff costs as a percentage of the Group's revenue increased from 25.9% for the year ended 31 March 2012 to 26.4% for the year ended 31 March 2013. The salary level of employees in the food and catering industry has been generally increasing in recent years. The increase was also attributable to the employment of more staff for the sake of the opening of 10 new restaurants.

### PROPERTY RENTALS AND RELATED EXPENSES

The property rental and related expenses increased by approximately HK\$56.8 million, or approximately 59.0%, from approximately HK\$96.2 million for the year ended 31 March 2012 to approximately HK\$152.9 million for the year ended 31 March 2013, primarily because of (i) new restaurants premises leased during the year; and (ii) increase in rent when renewing leases. In order to realise a better control in the property rental and related expenses, the Group has entered and will continue to enter into long-term rental agreements so as to maintain the rentals at a reasonable level.

### SHARE OF PROFITS OF JOINTLY-CONTROLLED ENTITIES

Share of profits of jointly-controlled entities amounted to approximately HK\$22.0 million for the year ended 31 March 2013, representing an increase of approximately HK\$13.1 million, or approximately 146.6% from approximately HK\$8.9 million for the year ended 31 March 2012. Such increase was mainly due to improved performance in the Group's jointly-controlled entities in Hong Kong and in Macau.

### INCOME TAX EXPENSE

Income tax expense increased by approximately HK\$3.0 million, or approximately 12.8%, from approximately HK\$23.8 million for the year ended 31 March 2012 to approximately HK\$26.8 million for the year ended 31 March 2013 because of the increase in the Group's taxable profit.



## FINANCIAL REVIEW *(Continued)*

### PROFIT BEFORE TAX

As a result of the higher revenue attributable to the strong growth in restaurant sales and the establishment of new restaurants, the profit before tax increased by approximately HK\$23.9 million, or approximately 17.8%, from approximately HK\$134.2 million for the year ended 31 March 2012 to approximately HK\$158.1 million for the year ended 31 March 2013.

### LIQUIDITY AND FINANCIAL RESOURCES

The Group finances its business with internally generated cash flows and proceeds from the Listing. As at 31 March 2013, the Group had cash and cash equivalents amounting to approximately HK\$916.9 million, representing an increase of approximately HK\$824.8 million from approximately HK\$92.1 million as at 31 March 2012. This was mainly attributable to the receipt of proceeds from the Listing. Most bank deposits and cash were denominated in Hong Kong dollars and Renminbi.

As at 31 March 2013, the Group's total current assets and current liabilities were approximately HK\$969.6 million (as at 31 March 2012: approximately HK\$378.1 million) and approximately HK\$153.1 million (as at 31 March 2012: approximately HK\$226.5 million) respectively, while the current ratio was about 6.3 times (as at 31 March 2012: about 1.7 times).

Save for the finance lease payables of approximately HK\$1.3 million as at 31 March 2013 (as at 31 March 2012: approximately HK\$0.4 million), the Group has no further bank and other borrowings as at 31 March 2012 and 31 March 2013. During the year ended 31 March 2013, no financial instruments were used for hedging purposes.

As at 31 March 2013, the Group's gearing ratio, which is expressed as a percentage of interest bearing bank and other borrowings over capital, was 0.13% (as at 31 March 2012: approximately 0.17%).

### MATERIAL ACQUISITION AND DISPOSAL

Save as the reorganisation stated in the prospectus of the Company dated 14 November 2012 (the "**Prospectus**"), the Group has no other material acquisition and disposal for the year ended 31 March 2013.

### FOREIGN CURRENCY RISK

The Group's sales and purchases for the year ended 31 March 2013 were mostly denominated in Hong Kong dollars and Renminbi. As the Renminbi is not a freely convertible currency, any fluctuation in the exchange rate of Hong Kong dollars against Renminbi may have impact on the Group's results. Although foreign currency exposure did not pose significant risk for the Group, it will continue to take proactive measures and monitor closely of its exposure to such currency movement.

### CONTINGENT LIABILITIES

As at 31 March 2013, the Group had contingent liabilities of HK\$1,463,000 (as at 31 March 2012: Nil) in respect of bank guarantee given in favour of third party landlords in lieu of rental deposits.



## FINANCIAL REVIEW *(Continued)*

### HUMAN RESOURCES

As at 31 March 2013, the Group (other than the jointly-controlled entities) employed approximately 2,850 employees. Remuneration packages are generally structured by reference to market terms and individual qualifications and experience. The Group has also implemented various share option schemes, details of such schemes can be found in pages 31 to 33 of this annual report.

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

The Group has continued to implement its Management Trainee Program to enhance the depth and breadth of the management staff for the purpose of their further career development.

## PROSPECTS AND OUTLOOK

### CUSTOMER SATISFACTION

Going forward, food safety and satisfactory dining experience will remain the Group's core focuses. The Group aims to provide its customers with safe and quality food and value for money dining experience. To achieve that, the Group's first central kitchen in the PRC commenced its operation in June 2013 which will further strengthen the Group's quality and safety standard, increase the operation efficiency and standardize its quality control and management. The management of the Company will ensure that food safety and customer satisfaction remains as the Group's top priority.

### RESTAURANT OPENINGS

In the forthcoming year, the Group is planning to add 12 restaurants in cities, funded by the proceeds from the Listing, where it is currently operating, of which 4 will locate in Hong Kong, 5 will locate in the East China region, 1 will locate in the Central China region and 2 will locate in the South China region. This will inevitably increase the Group's market share in these regions.

### CORPORATE SOCIAL RESPONSIBILITY

Adhering to its core corporate value and belief, the Group will continue to contribute to the society and look after the need of its employees. For those employees in need, they can continue to apply for books and stationery allowance for their children which would help alleviate the financial burden of the respective employees of the Group. At the same time, the Group's summer internship program and food wastage control program together with other meaningful programs will continue to run. The Group is always ready to take a proactive role in giving back what it could afford to the society.

### OUTLOOK

For the PRC market, the Group is expected to be benefited from (i) the continuing urbanisation in the PRC; (ii) increase in disposable income by the country's burgeoning middle class; and (iii) increase in awareness and needs for quality restaurant. The Group will continue to explore any expansion possibility.

In addition, while focusing on food safety, the Group will also strengthen its operational system by retaining experienced staff and encourage creative product development. These improvements, along with enhanced marketing and brand recognition, will secure the Group's ability in generating revenue and profit.

In view of the above, the Board believes that "Tsui Wah" has the resources, vision and reputation to capitalise any future opportunity in the view of continuing expansion in the enormous PRC market and reap attractive returns for the Shareholders.



## EXECUTIVE DIRECTORS

**Mr. Lee Yuen Hong (李遠康)**, aged 58, is the chairman of the Board and an executive Director. Mr. Lee has been an executive Director and the chairman of the Board since 29 May 2012, the date of incorporation of the Company. Apart from his current directorate in the Company, he also holds directorship in almost all subsidiaries of the Group. Mr. Lee is also the director of Cui Fa Limited. He is one of the founders of the Group. Mr. Lee is primarily responsible for the Group's overall corporate strategies, management and business development. Mr. Lee is also a member of the Remuneration Committee and Nomination Committee. Mr. Lee founded the Group in 1989 by acquiring the San Po Kong Tsui Wah restaurant (新蒲崗翠華餐廳) together with Mr. Ho Ting Chi, Mr. Cheung Yu To, Mr. Cheung Yue Pui and Mr. Cheung Wai Keung. Mr. Lee joined the restaurant industry in Hong Kong in 1966 and has since served in various positions within the industry. He has served as cook, chief cook and chef in a number of restaurants from 1973 to 1989. Mr. Lee has spent over two decades in the Group since 1989 which, together with his previous positions in other restaurants, allowed him to accumulate over 40 years of extensive work experience in the restaurant industry, in particular in the Cha Chaan Teng (茶餐廳) segment. He is currently the honorary chairman of the Association of Coffee and Tea (香港咖啡紅茶協會) and the vice chairman of the board of directors of Hong Kong Federation of Restaurants and Related Trades (香港餐飲聯業協會). He also serves as the vice president of Guangzhou Restaurant & Catering Association (廣州市飲食行業商會) and was appointed as a Council member at the Shanghai Cuisine Association (上海市烹飪協會). Mr. Lee has completed the Hygiene Supervisor Training Course (衛生督導員訓練課程) organized by the Food and Environmental Hygiene Department in December 2004. Mr. Lee obtained his Master's degree in Business Administration from Sun Yat-Sen University (中山大學) in November 2010.

**Mr. Ho Ting Chi (何庭枝)**, aged 50, is an executive Director and one of the founders of the Group. He has been an executive Director since 29 May 2012, the date of incorporation of the Company. Apart from his current directorate in the Company, he also holds directorship in almost all subsidiaries of the Group. Mr. Ho is also the director of Cui Fa Limited. Mr. Ho is responsible for the strategic development and management of the Group's business and operations together with Mr. Lee and Mr. Cheung Yu To. Mr. Ho has over 30 years of experience in the restaurant and catering industry in Hong Kong. Prior to the founding of the Group, Mr. Ho worked as a chef and supervisor in a number of restaurants from 1981 to 1989. Mr. Ho completed the Hygiene Supervisor Training Course (衛生督導員訓練課程) organized by the Food and Environmental Hygiene Department in July 2004. He is a member of the Association for Hong Kong Catering Services Management Limited. Mr. Ho obtained his Master's degree in Business Administration from Sun Yat-Sen University (中山大學) in November 2010.

**Mr. Cheung Yu To (張汝桃)**, aged 55, is an executive Director and one of the founding members of the Group. He has been an executive Director since 29 May 2012, the date of incorporation of the Company. Apart from his current directorate in the Company, he also holds directorship in various subsidiaries of the Group. He is responsible for the overall management of the business operations together with Mr. Lee and Mr. Ho Ting Chi. Mr. Cheung has extensive experience in the restaurant industry and has been working in the industry for over 30 years. Prior to founding the Group, Mr. Cheung worked as a manager in a number of restaurants from 1980 to 1989. In December 2004, Mr. Cheung completed the Basic Food Hygiene Certificate for Hygiene Managers (基礎食物衛生經理課程) organized by the Li Ka Shing Institute of Professional and Continuing Education of the Open University of Hong Kong. Mr. Cheung is the brother of Mr. Cheung Yue Pui.

# BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT



**Mr. Cheung Wai Keung (張偉強)**, aged 61, is an executive Director and one of the founders of the Group. He has been an executive Director since 29 May 2012, the date of incorporation of the Company. Apart from his current directorate in the Company, he also holds directorship in various subsidiaries of the Group. Mr. Cheung is also the director of Ample Favour Limited. He is in charge of the financial control and procurement of the Group. Mr. Cheung has extensive experience and has worked in the restaurant industry for over 43 years. Prior to founding the Group, Mr. Cheung worked as a manager in a number of restaurants during the period between 1977 to 1989. Mr. Cheung completed the Hygiene Supervisor Training Course (衛生督導員訓練課程) organized by the Food and Environmental Hygiene Department in July 2004 and the Basic Food Hygiene Certificate for Hygiene Managers (基礎食物衛生經理課程) in December 2004 organized by the Li Ka Shing Institute of Professional and Continuing Education of the Open University of Hong Kong.

**Mr. Cheung Yue Pui (張汝彪)**, aged 51, is an executive Director. He has been an executive Director since 29 May 2012, the date of incorporation of the Company. Apart from his current directorate in the Company, he also holds directorship in various subsidiaries of the Group. Mr. Cheung is also the director of Victor Leap Limited. Mr. Cheung is one of the founders of the Group and he oversees the operations of the central kitchen. Mr. Cheung has over 30 years of experience in the restaurant industry. Prior to founding the Group, Mr. YP Cheung served as a chef in various restaurants in Hong Kong and the PRC during the period between 1979 to 1989. Mr. Cheung completed the Basic Food Hygiene Certificate for Hygiene Managers (基礎食物衛生經理課程) organized by the Li Ka Shing Institute of Professional and Continuing Education of the Open University of Hong Kong in December 2004. Mr. YP Cheung is the brother of Mr. Cheung Yu To.

## INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Goh Choo Hwee (吳慈飛)**, aged 41, is an independent non-executive Director. Mr. Goh has been an independent non-executive Director since 5 November 2012. Mr. Goh is the chairman of the remuneration committee (the "**Remuneration Committee**") and a member of the audit committee (the "**Audit Committee**") and nomination committee (the "**Nomination Committee**") of the Company. Mr. Goh is a practicing solicitor in Hong Kong and has accumulated over ten years of experience in corporate and securities legal practice. He was admitted to practice law as a solicitor in Hong Kong in July 1997. Mr. Goh has been a partner and a practicing solicitor of Ma Tang & Co., since September 2012. Prior to his current position, he had served as a partner and a practicing solicitor of Tsun & Partners since February 2004. His experience in corporate governance and management of listed companies include his current appointments as an independent non-executive director and a member of the audit committee, nomination committee and remuneration committee of PME Group Limited, the shares of which are listed on the Stock Exchange (stock code: 379). All appointments took effect from January 2012. From December 2007 to November 2011, Mr. Goh was also an independent non-executive director of China Mining Resources Group Limited, the shares of which are listed on the Stock Exchange (stock code: 340).

Mr. Goh graduated from The Chinese University of Hong Kong in December 1993 with a Bachelor's degree in Arts. He subsequently obtained a Postgraduate Certificate in Laws from The University of Hong Kong in June 1995.



**Mr. Wong Chi Kin (黃志堅)**, aged 39, is an independent non-executive Director. Mr. Wong has been an independent non-executive Director since 5 November 2012. Mr. Wong is the chairman of the Nomination Committee and a member of the Audit Committee and Remuneration Committee. Mr. Wong has over 16 years of extensive experience in the areas of banking and corporate finance and also has accounting experience with various international banks and a company listed in the United Kingdom. He is a fellow member of the Hong Kong Institute of Certified Public Accountants (HKICPA) and a Certified Practising Accountant of CPA Australia. Mr. Wong worked as the deputy chief financial officer from April 2011 to September 2011 of China Qinfra Group Limited, the shares of which are listed on the Stock Exchange (stock code: 866). He has served as its company secretary and authorized representative since July 2011 and its chief financial officer since September 2011.

Mr. Wong obtained a Bachelor of Science (Honours) degree in Finance from The City University of Hong Kong in December 1996, a Master's Degree in Practising Accounting from Monash University, Australia, in November 2001 and a Master of Business Administration degree (Executive MBA Programme) from The Chinese University of Hong Kong in December 2010.

**Mr. Yim Kwok Man (嚴國文)**, aged 45, is an independent non-executive Director. Mr. Yim has been an independent non-executive Director since 5 November 2012. Mr. Yim is the chairman of the Audit Committee. Mr. Yim has over 18 years of extensive experience in the areas of corporate finance, debt and equity capital markets, asset management and merger and acquisition advisory in Asia, in particular in Hong Kong and the PRC. He is a fellow member of The Association of Chartered Certified Accountants (FCCA) and a member of The Hong Kong Institute of Certified Public Accountants (HKICPA). Mr. Yim is a registered responsible officer of type 6 activities (advising on corporate finance), and was a registered representative of type 4 activities (advising on securities) and type 9 activities (asset management) with the SFC until August 2011. Mr. Yim served as a director of Galaxy Asset Management (H.K.) Limited and worked with various international financial institutions and investment banks from 1994 to 2011, including Rabobank International Hong Kong Branch, DBS Asia Capital Limited and CITIC Capital Markets Holdings Limited. Mr. Yim served as a non-executive Director of Eternite International Company Limited (currently known as Larry Jewelry International Company Limited), the shares of which are listed on the Stock Exchange (stock code: 8351), from December 2010 to August 2011. He currently serves as a director of Odysseus Capital Asia Limited. Mr. Yim graduated with a Bachelor of Engineering degree in Civil Engineering from the Hong Kong Polytechnic in November 1991. He completed a Master of Business Administration exchange program at the John E. Anderson Graduate School of Management, University of California, Los Angeles (UCLA), USA in 1993 and obtained a Master's degree in Business Administration (MBA) from The Chinese University of Hong Kong in December 1994.



# BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT



## SENIOR MANAGEMENT

**Mr. Lock Kwok On, Anthony (駱國安)** aged 52, joined the Group in May 2010, is the chief executive officer and assists the Directors in the overall management and daily operations of the Group. In January 2012, Mr. Lock was appointed as the non-official member of the Business Facilitation Advisory Committee and the convener of the Food Business and Related Services Task Force of Economic Analysis and Business Facilitation Unit. He has been appointed as the member of the Expert Committee on Food Safety since 2012, and was appointed by the Environmental Protection Department as the member of the Advisory Council on the Environment since January 2013. He is now a member of the Food Wise Hong Kong Steering Committee, a member of the Chinese Catering Qualifications Framework Advisory Committee, a member of the Industry Consultative Networks of Employees Retraining Board, and a member of the Chinese Cuisine Training Institute Training Board of the Vocational Training Council. Mr. Lock was the chairman of the Hong Kong Federation of Restaurants and Related Trades from September 2008 to December 2011 and became its present president in December 2011 and is widely recognized in the restaurant industry.

Prior to joining the Group in 2010, Mr. Lock was the founder of California Red Limited and served as its chief executive officer. Mr. Lock was also the co-chairman of the Smoke-free Restaurants Working Group and Convener of the Catering Entertainment Premises Smoking Ban Regulations Concern Group in 2006. Mr. Lock received a Master of Business Administration degree (Executive MBA Programme) from The Chinese University of Hong Kong in September 2010. With his previous and current positions within the Group and other institutions, Mr. Lock has accumulated around 20 years of extensive experience in the restaurant and entertainment industry in Hong Kong.

**Ms. Li Tsau Ha (李椒夏)**, aged 50, joined the Group in September 2009, is the Company's general manager. She is responsible for the execution of the daily business operations of the Group. Ms. Li has ten years of experience in general management and is a member of the Hong Kong Federation of Restaurants and Related Trades, The Association for Hong Kong Catering Services Management Limited and the Hong Kong Institute of Human Resource Management. Ms. Li oversees the administration and human resources department of the Group.

Prior to joining the Group, she was the manager at New Gem Property Management & Agency Limited between June 2002 to March 2003 and was the senior manager between April 2003 to February 2005. Ms. Li subsequently served as an administration and human resources director of California Red Limited from March 2005 to September 2009. Ms. Li completed the Basic Food Hygiene Certificate for Food Hygiene Managers organized by Hong Kong Christian Service, Kwun Tong Vocational Training Centre in July 2012. Ms. Li was an adjudicator at the Immigration Tribunal and the Appeal panel on Housing of HKSAR. Ms. Li received a Master of Business Administration degree from University of South Australia in October 2009.



**Mr. Yang Dong John (楊東)**, aged 38, is the chief financial officer and company secretary of the Company. He has been the chief financial officer of the Company since 4 June 2012. He concurrently serves as the company secretary and is primarily responsible for overseeing the Group's finance functions as well as specific finance projects. Mr. Yang has been a member of The Hong Kong Institute of Certified Public Accountants since 2003 and a non-practicing member of The Chinese Institute of Certified Public Accountants since 2011. Over the course of his career, Mr. Yang has accumulated over ten years of extensive experience in auditing, consolidated accounting and financial management.

Prior to joining the Group, Mr. Yang was the chief financial officer and company secretary at Wedding Banquet Specialist (煌府婚宴專門店). He spent over ten years at KPMG's Hong Kong and Beijing offices. During his service at KPMG, Mr. Yang was involved in numerous auditing projects involving listed companies on the Stock Exchange. Mr. Yang graduated from The City University of Hong Kong in November 1999 with a Bachelor's degree in Business Administration (Accountancy).

**Mr. Law Cho Yan (羅祖恩)**, aged 52, is the chief operation officer of the Company. Mr. Law has been the chief operation officer of the Company since 17 May 2012. He is primarily responsible for the operations of the Group in the PRC. Mr. Law has been a fellow of The Chartered Association of Certified Accountants since 1996 and an associate of The Hong Kong Institute of Certified Public Accounts since 1995. Mr. Law has accumulated over 16 years of extensive experience in accounting, finance and general compliance matters.

Prior to joining the Group, Mr. Law was the head of finance (Greater China) of BASF Care Chemicals (Shanghai) Co., Ltd. (formerly known as Cognis Chemicals (China) Co. Ltd.) from March 1996 to January 2012.

Mr. Law graduated from Middlesex Polytechnic (currently known as Middlesex University) in the United Kingdom with an Accountancy Foundation Course certificate in Fundamentals of Accountancy in July 1982.



## CORPORATE GOVERNANCE PRACTICES

The Shares of the Company have been listed on the Stock Exchange with effect from the Listing Date. The Company is committed to achieving and maintaining high standards of corporate governance consistent with the needs and requirements of its business and the Shareholders. The Company has adopted the code provisions (the “**Code Provisions**”) as set out in the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The corporate governance principles of the Company emphasise a quality board, sound internal controls, and transparency and accountability to all the Shareholders.

From the Listing Date and up to the date of this annual report, the Company has complied with the Code Provisions.

The Directors will review the Company’s corporate governance policies and compliance with the Code Provisions from time to time.

## DIRECTORS THE BOARD

The Board, led by the chairman of the Company, is responsible for leadership and control of the Company and overseeing the Group’s businesses, strategic decisions and performance. The Board has delegated to the senior management of the Company the authority and responsibility for the day-to-day management and operation of the Group. In addition, the Board has established Board committees and has delegated to these Board committees various responsibilities as set out in their respective terms of reference.

The Board reserved its decision for all major matters of the Company, including: approving and monitoring all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters.

Daily management and administration functions are delegated to the management. The Board delegated various responsibilities to the senior management of the Company. These responsibilities include implementing decisions of the Board, directing and co-ordinating day-to-day operation and management of the Company in accordance with the management strategies and plans approved by the Board, formulating and monitoring the operation and production plans and budgets, and supervising and monitoring the control systems.



For the year ended 31 March 2013, the Board held 2 formal meetings since the Listing Date. Attendance of individual Directors at the Board meetings for the year ended 31 March 2013 is as follows:

Name of Director	Attendance/ Number of Board Meetings held
<i>Executive Directors:</i>	
Mr. Lee Yuen Hong ( <i>Chairman</i> )	2/2
Mr. Ho Ting Chi	2/2
Mr. Cheung Yu To	2/2
Mr. Cheung Wai Keung	2/2
Mr. Cheung Yue Pui	2/2
<i>Independent Non-executive Directors:</i>	
Mr. Goh Choo Hwee	2/2
Mr. Wong Chi Kin	2/2
Mr. Yim Kwok Man	2/2

For the year ended 31 March 2013, apart from the meeting of the Board, consent/approval from the Board had also been obtained by written resolutions on a number of matters.

The Company was incorporated in the Cayman Islands on 29 May 2012. For the year ended 31 March 2013, no general meeting of the Company was held.

#### **CHAIRMAN AND CHIEF EXECUTIVE OFFICER**

The chairman of the Board is Mr. Lee Yuen Hong while the chief executive officer of the Company is Mr. Lock Kwok On Anthony. The Company has complied with Code Provision A.2.1 of the CG Code which stipulates that the roles of chairman and chief executive should be separated and should not be performed by the same individual.



## BOARD COMPOSITION

Currently, the Board comprises eight Directors, including five executive Directors and three independent non-executive Directors. The current composition of the Board is as follows:

	Membership of Board Committee(s)
<i>Executive Directors:</i>	
Mr. Lee Yuen Hong ( <i>Chairman</i> )	Member of Remuneration Committee Member of Nomination Committee
Mr. Ho Ting Chi	N/A
Mr. Cheung Yu To	N/A
Mr. Cheung Wai Keung	N/A
Mr. Cheung Yue Pui	N/A
<i>Independent Non-executive Directors:</i>	
Mr. Goh Choo Hwee	Chairman of Remuneration Committee Member of Audit Committee Member of Nomination Committee
Mr. Wong Chi Kin	Chairman of Nomination Committee Member of Audit Committee Member of Remuneration Committee
Mr. Yim Kwok Man	Chairman of Audit Committee

Pursuant to Rule 3.10(1) of the Listing Rules, every board of directors of a listed issuer must include at least three independent non-executive directors. In addition, pursuant to Rules 3.10A and 3.10(2) of the Listing Rules, every listed issuer is required to have such number of independent non-executive directors representing at least one-third of the board, and at least one of whom must have appropriate professional qualifications, or accounting or related financial management expertise. Mr. Yim Kwok Man is a member of The Association of Chartered Certified Accountants (FCCA) and a member of The Hong Kong Institute of Certified Public Accountants (HKICPA). Other than Mr. Yim Kwok Man, Mr. Wong Chi Kin also possesses appropriate accounting and financial management expertise. He is a fellow member of The Hong Kong Institute of Certified Public Accountants (HKICPA) and a Certified Practising Accountant of CPA Australia.

The Company has received from each of the independent non-executive Directors an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Board has assessed the independence of all the independent non-executive Directors and considered that all the independent non-executive Directors are independent.

The biographies of the Directors are set out on pages 13 to 15 of this annual report. Save as disclosed in the biographies of the Directors, the Board members do not have any family, financial or business relationship with each other.

The list of Directors has been published on the website of the Company and the website of the Stock Exchange, and is disclosed in all corporate communications issued by the Company pursuant to the Listing Rules from time to time.



## APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

Each of the executive Directors has entered into a service contract with the Company, and each of the independent non-executive Directors has signed a letter of appointment with the Company. Such term is for an initial term of three years commencing from the Listing Date and is subject to the re-appointment of each of the Directors by the Company at an annual general meeting upon retirement.

The articles of association of the Company (the "**Articles of Association**") provide that any Director appointed by the Board (i) to fill a casual vacancy in the Board shall hold office only until the next following general meeting of the Company and shall be subject to re-election at such meeting; and (ii) as an addition to the Board shall hold office until the next annual general meeting of the Company and shall then be eligible for re-election.

In addition, every Director should be subject to retirement by rotation at least once every three years. At every annual general meeting, one-third of the Directors for the time being, or if their number is not three or a multiple of three, the number nearest to but not greater than one-third, shall retire from office by rotation according to Article 84(1) of the Articles of Association.

## CONTINUOUS PROFESSIONAL DEVELOPMENT

In compliance with Code Provision A.6.5, the Company will arrange for, and provide fund for, all the Directors to participate in continuous professional development organised in the form of in-house training, seminars or other appropriate courses to keep them refresh of their knowledge, skill and understanding of the Group and its business or to update their skills and knowledge on the latest development or changes in the relevant statutes, the Listing Rules and corporate governance practices. The Company will also update the Directors of any material changes in the Listing Rules and corporate governance practices from time to time.

All Directors have complied with the Code Provision in relation to continuous professional development. This has involved various forms of activities including attending presentations given by external professional advisors and reading materials relevant to the Company's business, director's duties and responsibilities. The Company will continuously updates Directors on the latest developments regarding the Listing Rules and other applicable regulatory requirements, to ensure compliance and enhance their awareness of good corporate governance practices.

## DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the standard set out in Appendix 10 (Model Code for Securities Transactions by Directors of Listed Issuers) (the "**Model Code**") to the Listing Rules, in relation to the dealings in securities of the Company by the Directors.

Having made specific enquiry of all Directors, each Director has confirmed that he has complied with the standard set out in the Model Code since the Listing Date and up to the date of this annual report.



## BOARD COMMITTEES NOMINATION COMMITTEE

The Nomination Committee was established on 5 November 2012 with specific written terms of reference in compliance with Code Provision A.5 of the CG Code. The primary duties of the Nomination Committee are to make recommendations to the Board regarding candidates to fill vacancies on the Board and senior management. The existing members of the Nomination Committee include Mr. Wong Chi Kin and Mr. Goh Choo Hwee, both are independent non-executive Directors, and Mr. Lee Yuen Hong, an executive Director. Mr. Wong Chi Kin is the chairman of the Nomination Committee.

For the year ended 31 March 2013, 1 meeting of the Nomination Committee was held since the Listing Date. Attendance of individual members of the Nomination Committee for the year ended 31 March 2013 is as follows:

Name of Director	Attendance/ Number of meetings held
Mr. Wong Chi Kin ( <i>Chairman</i> )	1/1
Mr. Goh Choo Hwee	1/1
Mr. Lee Yuen Hong	1/1

The terms of reference of the Nomination Committee are available on the website of the Company and the website of the Stock Exchange.

The work performed by the Nomination Committee (from the Listing Date to 31 March 2013) included review the appropriateness of management appointment.

## REMUNERATION COMMITTEE

The Remuneration Committee was established on 5 November 2012 with specific written terms of reference in compliance with Rule 3.26 of the Listing Rules and Code Provision B.1 of the CG Code. The functions of this committee include the formulation and the recommendation to the Board on the Company's policies and structures for the remuneration of all of the Directors and senior management of the Company, the establishment of a formal and transparent procedure for developing policy on remuneration, the determination of specific remuneration packages of all executive Directors and senior management in the manner specified in the terms of reference, the recommendation to the Board of the remuneration of non-executive Directors, review and approval of performance-based remuneration, and review and recommendation to the Shareholders as to the fairness and reasonableness of the terms of any Director's service agreement which is subject to the prior approval of the Shareholders in any general meeting pursuant to the Listing Rules. The existing members of the Remuneration Committee include Mr. Goh Choo Hwee and Mr. Wong Chi Kin, both are independent non-executive Directors, and Mr. Lee Yuen Hong, an executive Director. Mr. Goh Choo Hwee is the chairman of the Remuneration Committee.



For the year ended 31 March 2013, 1 meeting of the Remuneration Committee was held since the Listing Date. Attendance of individual members of the Remuneration Committee is as follows:

Name of Director	Attendance/ Number of meetings held
Mr. Goh Choo Hwee ( <i>Chairman</i> )	1/1
Mr. Wong Chi Kin	1/1
Mr. Lee Yuen Hong	1/1

The terms of reference of the Remuneration Committee are available on the website of the Company and the website of the Stock Exchange.

The work performed by the Remuneration Committee (from the Listing Date to 31 March 2013) included determining the policy for the remuneration of executive Directors, assess performance of executive Directors, review remuneration package of Directors and other service staff.

#### AUDIT COMMITTEE

The Audit Committee was established on 5 November 2012 with specific written terms of reference in compliance with Rule 3.22 of the Listing Rules and Code Provision C.3 of the CG Code. The primary duties of the Audit Committee are to make recommendations to the Board on the appointment and removal of the external auditor, review the financial statements and material advice in respect of financial reporting and oversee the internal control procedures of the Company. The existing members of the Audit Committee comprise Mr. Yim Kwok Man, Mr. Goh Choo Hwee and Mr. Wong Chi Kin, all of whom are independent non-executive Directors. Mr. Yim Kwok Man is the chairman of the Audit Committee.

This annual report has been reviewed by the Audit Committee.

For the year ended 31 March 2013, 2 meetings of of the Audit Committee were held since the Listing Date. Attendance of individual members of the Audit Committee is as follows:

Name of Director	Attendance/ Number of meetings held
Mr. Yim Kwok Man ( <i>Chairman</i> )	2/2
Mr. Wong Chi Kin	2/2
Mr. Goh Choo Hwee	2/2

The terms of reference of the Audit Committee are available on the website of the Company and the website of the Stock Exchange.





The work performed by the Audit Committee from the Listing Date to 31 March 2013 is summarised below:

1. review of the Group's annual and interim results statements and the related result announcement and documents and other matters or issues raised by external auditors;
2. review of the findings from external auditors;
3. review of the independence of the external auditors and engagement of external auditors for annual audit;
4. review of the audit plans, internal control plan, the development in accounting standards and its effects on the Group, financial reporting matters and risk management;
5. review of the adequacy of resources, qualifications, experience of staff of the Group's accounting and financial reporting function as well as their training programmes and budget;
6. review and approve the Group's connected transactions, continuing connected transaction;
7. approval of the current year external audit plan, review and monitor internal control performance as well as the effectiveness of the internal control system; and
8. review of the corporate governance compliance.

Full minutes of the Audit Committee are kept by the Company Secretary.

## **CORPORATE GOVERNANCE FUNCTION**

The Board is responsible for ensuring that the Company shall establish comprehensive corporate governance practices and procedures. From the Listing Date to 31 March 2013, the Board has:

- (1) established and reviewed the corporate governance policies and practices of the Company as well as made relevant recommendations;
- (2) reviewed and monitored the training and continuous development of the Directors and senior management;
- (3) reviewed and monitored the policies and practices of the Company regarding the compliance of relevant legal and regulatory requirements;
- (4) established, reviewed and monitored code of conduct for Directors and employees; and
- (5) reviewed as to whether the Company has complied with the CG Code and made necessary disclosures in the annual report.

This corporate governance report has been reviewed by the Board in discharge of its corporate governance function.



## REMUNERATION OF THE SENIOR MANAGEMENT

For the year ended 31 March 2013, the remuneration of the senior management is listed as below by band:

Band of remuneration (HK\$)	No. of person
HK\$1,000,000 and below	1
HK\$1,000,001 to HK\$1,500,000	5
HK\$1,500,001 to HK\$2,000,000	1
Over HK\$2,000,000	2

Further details of the remuneration of Directors and 5 highest paid employees have been set out in Notes 8 and 9 to the financial statements.

## ACCOUNTABILITY AND AUDIT FINANCIAL REPORTING

Financial results of the Group are announced in a timely manner in accordance with all statutory requirements, particularly the timeframe stipulated in Rule 13.49(1) and (6) of the Listing Rules.

All Directors acknowledge their responsibility for preparing the financial statements of the Group for the year ended 31 March 2013. Currently, the Company's external auditors are Ernst & Young (the "**Auditors**").

For the year ended 31 March 2013, the fees paid or payable to the Auditors is set out as follows:

	Fees paid/payable HK\$'000
Audit service	2,150
Non-audit services:	
Interim review	280
Tax services	350
Services provided in connection with initial public offering of the Company	4,616
<b>Total</b>	<b>7,396</b>

## INTERNAL CONTROLS

A sound and effective internal control system is important to safeguard the Shareholders' investment and the Company's assets. The Board, through the Audit Committee, had reviewed the effectiveness and adequacy of the control system of the Group's internal control. After 31 March 2013, the Company engaged an external professional party to review certain key control points and the field work will be carried out after date of the annual report.

## DELEGATION BY THE BOARD

In general, the Board oversees the Company's strategic development and determines the objectives, strategies and policies of the Group. The Board also monitors and controls operating and financial performance and sets appropriate policies for risk management in pursuit of the Group's strategic objectives. The Board delegates the implementation of strategies and day-to-day operation of the Group to the management.



## COMPANY SECRETARY

Mr. Yang Dong John, the company secretary appointed by the Board and an employee of the Company, in the opinion of the Board, possesses the necessary qualification and experience, and is capable of performance of the functions of the company secretary. Since the Listing Date till 31 March 2013, Mr. Yang has taken 15 hours of professional training. The Company will provide fund for Mr. Yang to take not less than 15 hours of appropriate professional training in each financial year as required under Rule 3.29 of the Listing Rules.

## COMMUNICATION WITH SHAREHOLDERS EFFECTIVE COMMUNICATION

The Board recognises the importance of maintaining a clear, timely and effective communication with the Shareholders and investors of the Company. The Board also recognises that effective communication with the Company's investors is critical in establishing investor confidence and to attract new investors. Therefore, the Group is committed to maintaining a high degree of transparency to ensure the Shareholders and the investors of the Company will receive accurate, clear, comprehensive and timely information of the Group through the publication of annual reports, interim reports, announcements and circulars. The Company also publishes all corporate communications on the website of the Company.

In respect of each matter to be considered at the annual general meetings and extraordinary general meetings, including the re-election of Directors, a separate resolution will be proposed by the chairman of the Board. Voting at general meetings of the Company is conducted by way of poll in accordance with the Listing Rules. The poll results will be announced at general meetings and published on the websites of the Stock Exchange and the Company, respectively. In addition, the Company regularly meets with institutional investors, financial analysts and financial media, and promptly releases information related to any significant progress of the Company, so as to promote the development of the Company through mutual and efficient communications.

Members of the Board and chairmen of various board committees will attend the forthcoming annual general meeting of the Company to be held on 19 August 2013 (the "AGM") to answer questions raised by the Shareholders.

Pursuant to Code Provision E.1.2, the Company will invite representatives of the Auditors to attend the AGM to answer Shareholders' questions about the conduct of the audit, the preparation and content of the auditors' report, the accounting policies and auditor independence.



## SHAREHOLDERS' RIGHTS

### 1. Procedures for Shareholders to Convene an Extraordinary General Meeting

Pursuant to Article 58 of the Articles of Association, extraordinary general meetings shall be convened on the requisition of one or more Shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the company secretary of the Company for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself/herself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

### 2. Procedures for Raising Enquiries

Shareholders may direct their queries about their shareholdings, share transfer, registration and payment of dividend to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited:

Address : 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong  
Email : is-enquiries@hk.tricorglobal.com  
Tel : (852) 2980 1333  
Fax : (852) 2810 8185

Shareholders may raise enquiries in respect of the Company at the following designated contact, correspondence address, email address and enquiry hotlines of the Company:

Attention : Mr. Yang Dong John (Company Secretary)  
Address : 3/F, Tsui Wah Group Centre, 50 Lai Yip Street, Ngau Tau Kok, Kowloon, Hong Kong  
Email : john.yang@tsuiwah.com  
Tel : (852) 2541 2255  
Fax : (852) 2541 2908

### 3. Procedures for Putting Forward Proposals at Shareholders' Meetings

#### (i) **Proposal for election of a person other than a Director as a Director:**

Pursuant to Article 85 of the Articles of Association, a Shareholder who wishes to propose a person other than a retiring Director for election to the office of Director at any general meeting should lodge (i) notice in writing of the intention to propose that person for election as a Director; and (ii) notice in writing by that person of his willingness to be elected, at either (a) the head office of the Company in Hong Kong at 3/F, Tsui Wah Group Centre, 50 Lai Yip Street, Ngau Tau Kok, Kowloon, Hong Kong, or (b) the registration office of the Company in Hong Kong at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong. The period for lodgment of the notices mentioned above will commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least seven days.



**(ii) Other proposals:**

If a Shareholder wishes to make other proposals (the “**Proposal(s)**”) at a general meeting, he/she may lodge a written request, duly signed, at the head office of the Company in Hong Kong at 3/F, Tsui Wah Group Centre, 50 Lai Yip Street, Ngau Tau Kok, Kowloon, Hong Kong marked for the attention of the Company Secretary.

The identity of the Shareholder and his/her request will be verified with the Company’s branch share registrar in Hong Kong and upon confirmation by the share registrar that the request is proper and in order, and is made by a Shareholder, the Board will in its sole discretion decide whether the Proposal may be included in the agenda for the general meeting to be set out in the notice of meeting.

The notice period to be given to all the Shareholders for consideration of the Proposal raised by the Shareholder concerned at the general meeting varies according to the nature of the Proposal as follows:

- (1) Notice of not less than 21 clear days and not less than 20 clear business days in writing if the Proposal requires approval in an annual general meeting of the Company.
- (2) Notice of not less than 21 clear days and not less than 10 clear business days in writing if the Proposal requires approval by way of a special resolution in an extraordinary general meeting of the Company.
- (3) Notice of not less than 14 clear days and not less than 10 clear business days in writing if the Proposal requires approval by way of an ordinary resolution in an extraordinary general meeting of the Company.

## CONSTITUTIONAL DOCUMENTS


Pursuant to a special resolution of the Shareholders passed on 5 November 2012, the amended and restated memorandum and articles of association of the Company were adopted with effect from the Listing Date. Save as disclosed above, during the year ended 31 March 2013, there was no significant change in the memorandum and articles of association of the Company.

The amended and restated memorandum and articles of association of the Company are available on the website of the Stock Exchange and the website of the Company.



The Directors present this report together with the audited financial statements of the Group for the year ended 31 March 2013.

## PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The Group is principally engaged in the operation of a chain of *Cha Chaan Teng* under  翠華餐廳 "Tsui Wah (翠華)" brand, with 24 restaurants in Hong Kong, 7 restaurants in China and one restaurant in Macau.

The listing of and the permission to deal in the Shares on the Main Board of The Stock Exchange commenced on 26 November 2012.

## FINANCIAL RESULTS

The results of the Group for the year ended 31 March 2013 are set out in the consolidated income statement on page 46 of this annual report.

## CASH FLOW POSITION

The cash flow position of the Group for the year ended 31 March 2013 is set out and analysed in the consolidated statement of cash flows on pages 51 to 52 of this annual report.

## DIVIDEND

On 25 October 2012, the Company declared a special dividend of HK\$53,474,000 to the then Shareholders of the Company prior to the Listing. No interim dividend was declared for the six-month period ended 30 September 2012.

The Directors have recommended a final dividend of HK5.0 cents per Share amounting to a total sum of approximately HK\$69.2 million (year ended 31 March 2012: Nil). Subject to the approval of the Company's Shareholders at the forthcoming annual general meeting. Details of the dividend for the year ended 31 March 2013 are set out in note 12 to the financial statements, the final dividend will be payable on or around 9 September 2013 to the Company's Shareholders whose names appear on the register of the members of the Company on 27 August 2013.

## CLOSURE OF REGISTER OF MEMBERS

The Company's forthcoming AGM will be held at 2/F., Tsui Wah Group Centre, 50 Lai Yip Street, Ngau Tau Kok, Kowloon, Hong Kong on 19 August 2013.

The register of members of the Company will be closed from Thursday, 15 August 2013 to Monday, 19 August 2013, both dates inclusive, during which period no transfer of Shares will be registered, for ascertaining Shareholder's entitlement to attend the forthcoming AGM to be held on 19 August 2013. In order to qualify for attending the AGM, all properly completed transfer forms accompanied by the relevant Share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 14 August 2013.

The register of members of the Company will be closed from Friday, 23 August 2013 to Tuesday, 27 August 2013, both dates inclusive, during which period no transfer of Shares will be registered, for ascertaining Shareholder's entitlement to receive the proposed final dividend. In order to be eligible to receive the proposed final dividend, all properly completed transfer forms accompanied by the relevant Share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 22 August 2013.



## **FOUR YEAR FINANCIAL SUMMARY**

A summary of the results, assets and liabilities of the Group for the past four financial years is set out on page 104 of this annual report.

## **DISTRIBUTABLE RESERVES**

As at 31 March 2013, the Company's reserves available for distribution, calculate in accordance with the Companies Law of the Cayman Islands, amounted to HK\$1,977,264,000. The amount of HK\$1,977,264,000 includes the Company's share premium and contributed surplus, net of accumulated loss which may be distributable provided that immediately following the date on which the dividend is proposed to be distributed, if any, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

## **RESERVES**

Movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 50 of this annual report.

## **PROPERTY, PLANT AND EQUIPMENT**

The movements of property, plant and equipment of the Group for the year ended 31 March 2013 are set out in note 14 to the financial statements.

## **SHARE CAPITAL**

Details of the Company's share capital as at 31 March 2013 are set out in note 26 to the financial statements.



## SHARE OPTION SCHEMES

### PRE-IPO SHARE OPTION SCHEME

The Company adopted a pre-IPO share option scheme (the “**Pre-IPO Share Option Scheme**”) on 5 November 2012 for the purpose of recognising the contribution of certain executives, employees and Directors (who are in full-time employment of the Group) to the growth of the Group and/or to the Listing by granting options to them as incentive or reward.

The total number of Shares which may be issued upon the exercise of all options granted under the Pre-IPO Share Option Scheme is 99,372,928 Shares, representing approximately 7.18% of the issued share capital of the Company as at 31 March 2013. All the options under the Pre-IPO Share Option Scheme were granted to grantees on or before 7 November 2012 and no further options will be granted under the Pre-IPO Share Option Scheme since then. The exercise price per Share is HK\$2.27, which is equivalent to the global offering price per Share. All options granted under the Pre-IPO Share Option scheme on or before 7 November 2012 may be exercised in the following manner:

Grantee(s) (the “Grantee(s)”)	Exercise Period	Maximum percentage of options exercisable
Mr. Lee Yuen Hong (“ <b>Mr. Lee</b> ”)	Commencing on the first anniversary date of the Listing Date upon fulfillment of certain conditions and ending on 25 November 2017	33% of the total number of options granted to Mr. Lee
	Commencing on the second anniversary date of the Listing Date upon fulfillment of certain conditions and ending on 25 November 2017	33% of the total number of options granted to Mr. Lee
	Commencing on the third anniversary date of the Listing Date upon fulfillment of certain conditions and ending on 25 November 2017	34% of the total number of options granted to Mr. Lee
Mr. Lock Kwok On, Anthony (“ <b>Mr. Lock</b> ”) and Mr. Chan Hoi Tung (“ <b>Mr. Chan</b> ”)	Commencing on the first anniversary date of the Listing Date and ending on 25 November 2016	33% of the total number of options granted to Mr. Lock and Mr. Chan
	Commencing on the second anniversary date of the Listing Date and ending on 25 November 2016	34% of the total number of options granted to Mr. Lock and Mr. Chan
	Commencing on the third anniversary date of the Listing Date and ending on 25 November 2016	33% of the total number of options granted to Mr. Lock and Mr. Chan
Other grantees other than Mr. Lee, Mr. Lock and Mr. Chan	Commencing on the first anniversary date of the Listing Date and ending on 25 November 2015	50% of the total number of options granted to the grantees other than Mr. Lee, Mr. Lock and Mr. Chan
	Commencing on the second anniversary date of the Listing Date and ending on 25 November 2015	50% of the total number of options granted to the grantees other than Mr. Lee, Mr. Lock and Mr. Chan





## SHARE OPTION SCHEMES *(Continued)*

### PRE-IPO SHARE OPTION SCHEME *(Continued)*

Each of the Grantees is required to pay HK\$1.00 on acceptance of the options granted under the Pre-IPO Share Option Scheme.

Details of the outstanding share options granted under the Pre-IPO Share Option Scheme as at 31 March 2013 are as follows:

Grantee(s)	Outstanding as at 31 March 2013
Mr. Lee Yuen Hong	40,000,080
Mr. Lock Kwok On, Anthony	26,666,720
Ms. Li Tsau Ha	274,616
Mr. Yang Dong John	137,308
Mr. Law Cho Yan	274,616
Mr. Chan Hoi Tung	13,333,360
182 employees of the Group	18,686,228
<b>Total</b>	<b>99,372,928</b>

No options granted under the Pre-IPO Share Option Scheme were exercised or cancelled during the year ended 31 March 2013.

During the year ended 31 March 2013, 5 of the employees who were granted share options under the Pre-IPO Share Option Scheme ceased to be employed by the Group and accordingly the share options granted to these employees, which amounted to a total of 627,272 share options, were lapsed.

### SHARE OPTION SCHEME

The Company adopted a share option scheme (the “**Share Option Scheme**”) on 5 November 2012 for the purpose of giving certain Eligible Persons (as defined below) on opportunity to have a personal stake in the Company and motivating them to optimise their future performance and efficiency to the Group and/or rewarding them for their past contributions, and attracting and retaining, or otherwise maintaining on-going relationships with, such eligible persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group. “**Eligible Persons**” refer to (i) any director, employee, consultant, professional, customer, supplier, agent, partner or adviser of or contractor to the Group or a company in which the Group holds an interest or a subsidiary of such company (“**Affiliate**”); or (ii) the trustee of any trust the beneficiary of which or any discretionary trust the discretionary objects of which include any director, employee, consultant, professional, customer, supplier, agent, partner or adviser of or contractor to the Group or an Affiliate; or (iii) a company beneficially owned by any director, employee, consultant, professional, customer, supplier, agent, partner, adviser of or contractor to the Group or an Affiliate.

The maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme is 133,333,400 Shares, representing approximately 9.64% of the Company’s issued share capital as at the date of this annual report. The maximum number of Shares issued and to be issued upon exercise of the options granted under the Share Option Scheme to any one person (including exercised and outstanding options) in any 12-month period shall not exceed 1% of the Shares in issue from time to time.



## SHARE OPTION SCHEMES *(Continued)*

### SHARE OPTION SCHEME *(Continued)*

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as determined by the Board and not exceeding 10 years from the date of the grant. There is no minimum period for which an option must be held before it can be exercised in general. However, at the time of granting any option, the Board may, on a case by case basis, make such grant subject to such conditions, restrictions or limitations including (without limitation) those in relation to the minimum period of the options to be held and/or the performance targets to be achieved as the Board may determine in its absolute discretion. Participants of the Share Option Scheme are required to pay HK\$1 and submit to the Company a duly signed offer letter as the consideration for the grant. The exercise price of the options is determined by the Board in its absolute discretion and shall not be less than whichever is the highest of:

- (a) the nominal value of the Share on the date of grant of the relevant option;
- (b) the closing price of a Share as stated in the Stock Exchange's daily quotation sheet on the date of grant of the relevant option; and
- (c) the average closing price of a Share as stated in the Stock Exchange's daily quotation sheet for the five business days immediately preceding the date grant of the relevant option.

The Share Option Scheme shall be valid and effective for a period of 10 years from the Listing Date, after which no further options will be granted or offered but the provisions of the Share Option Scheme shall remain in force and effect in all other respects. All options granted prior to the termination of the Share Option Scheme and not then exercised shall continue to valid and exercisable subject to and in accordance with the Share Option Scheme.

As at 31 March 2013, no option had been granted by the Board under the Share Option Scheme.

Further details of the Pre-IPO Share Option Scheme and the Share Option Scheme are set out in note 27 to the financial statements.

## DIRECTORS

The Directors who held office during the year ended 31 March 2013 and up to the date of this annual report are:

*Executive Directors (all appointed with effect from 29 May 2012):*

Mr. Lee Yuen Hong (*Chairman*)

Mr. Ho Ting Chi

Mr. Cheung Yu To

Mr. Cheung Wai Keung

Mr. Cheung Yue Pui

*Independent non-executive Directors (all appointed with effect from 5 November 2012):*

Mr. Goh Choo Hwee

Mr. Wong Chi Kin

Mr. Yim Kwok Man



## DIRECTORS (Continued)

Pursuant to Article 84(1) of the Articles of Association, one-third of the Directors will retire by rotation at each annual general meeting of the Company. In addition, Code Provision A.4.2 of the CG Code also stipulates that each Director shall retire from office by rotation at least once every three years.

Cheung Yue Pui, Cheung Yu To and Cheung Wai Keung will retire by rotation and be eligible to offer themselves for re-election at the forthcoming annual general meeting to be held on 19 August 2013.

## BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management of the Company are set out at pages 13 to 17 of this annual report.

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 March 2013, the interests and short positions of each Director and chief executive of the Company in the Shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of the SFO); or were required pursuant to Section 352 of the SFO to be entered in the register referred to therein; or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

### INTEREST IN THE SHARES OF THE COMPANY

Name of Director	Nature of interest	Number of Shares	Number of Shares subject to options granted under Pre-IPO Share Option Scheme	Total	Approximate percentage of shareholding <sup>(3)</sup>
Mr. Lee Yuen Hong <sup>(1)</sup>	Beneficial interest, interests held jointly with another person; interest in a controlled corporation	937,956,000 (L)	40,000,080 <sup>(2)</sup>	977,956,080	70.70%
Mr. Ho Ting Chi <sup>(1)</sup>	Interests held jointly with another person; interest in a controlled corporation	937,956,000 (L)	–	977,956,080 <sup>(2)</sup>	70.70%
Mr. Cheung Yue Pui <sup>(1)</sup>	Interests held jointly with another person; interest in a controlled corporation	937,956,000 (L)	–	977,956,080 <sup>(2)</sup>	70.70%



## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (Continued)

### INTEREST IN THE SHARES OF THE COMPANY (Continued)

Name of Director	Nature of interest	Number of Shares	Number of Shares subject to options granted under Pre-IPO Share Option Scheme	Total	Approximate percentage of shareholding <sup>(3)</sup>
Mr. Cheung Yu To <sup>(1)</sup>	Interests held jointly with another person; interest in a controlled corporation	937,956,000 (L)	–	977,956,080 <sup>(2)</sup>	70.70%
Mr. Cheung Wai Keung <sup>(1)</sup>	Interests held jointly with another person; interest in a controlled corporation	937,956,000 (L)	–	977,956,080 <sup>(2)</sup>	70.70%

Name of chief executives	Nature of interest	Number of Shares	Number of Shares subject to options granted under Pre-IPO Share Option Scheme	Total	Approximate percentage of shareholding <sup>(3)</sup>
Mr. Lock Kwok On, Anthony	Beneficial interests and interest in controlled corporation	60,000,000 (L)	26,666,720	86,666,720	6.27%

(L) denotes long position

Notes:

- (1) Pursuant to a deed of confirmation dated 5 November 2012 (the "**Deed of Confirmation**"), Mr. Lee Yuen Hong, Mr. Ho Ting Chi, Mr. Cheung Yue Pui, Mr. Cheung Yu To and Mr. Cheung Wai Keung have agreed to jointly control their respective interests in the Company and decisions as to the business and operations of the Group shall be in accordance with the unanimous consent of all of them. Each of Mr. Lee Yuen Hong, Mr. Ho Ting Chi, Mr. Cheung Yue Pui, Mr. Cheung Yu To and Mr. Cheung Wai Keung shall exercise their respective voting rights in the Company in the same way. Hence, each of Mr. Lee Yuen Hong, Mr. Ho Ting Chi, Mr. Cheung Yue Pui, Mr. Cheung Yu To and Mr. Cheung Wai Keung is deemed to be interested in all the Shares held by them in aggregate by virtue of the SFO.
- (2) 977,956,080 Shares consist of 937,956,000 Shares and 40,000,080 share options. The 40,000,080 share options were granted under the Pre-IPO Share Option Scheme to Mr. Lee Yuen Hong personally, but pursuant to the Deed of Confirmation, Mr. Ho Ting Chi, Mr. Cheung Yue Pui, Mr. Cheung Yu To and Mr. Cheung Wai Keung are deemed to be interested in such share options by virtue of the SFO.
- (3) These percentages are calculated on the basis of 1,383,334,000 Shares in issue as at 31 March 2013.



## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (Continued)

### INTEREST IN THE SHARES OF THE COMPANY (Continued)

Save as disclosed above, as at 31 March 2013, none of the Directors and chief executives of the Company or their respective associates had any interests and short positions in the Shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of the SFO); or were required pursuant to Section 352 of the SFO to be entered in the register referred to therein; or were required pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange.

### DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above, at no time during the year ended 31 March 2013 was the Company or any of its subsidiaries, a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of Shares or debentures of the Company or any other body corporate; and none of the Directors, or their spouses or children under the age of 18, had any rights to subscribe for the securities of the Company, or had exercised any such right during the year.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 March 2013, so far as is known to the Directors or chief executives of the Company, the following persons other than a Director or chief executive of the Company had an interest or a short position in the Shares and underlying Shares which were required to be disclosed pursuant to the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (the "SFO"), or which were required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein, were as follows:

Name of Shareholder	Capacity	Number of Shares	Approximate percentage of shareholding <sup>(7)</sup>
Ms. Chan Choi Fung <sup>(1)</sup>	Interest of a spouse	977,956,080 (L)	70.70%
Ms. Tai Ngan Har Talia <sup>(2)</sup>	Interest of a spouse	977,956,080 (L)	70.70%
Ms. Lam Hiu Man <sup>(3)</sup>	Interest of a spouse	977,956,080 (L)	70.70%
Ms. Wong Yung Kuen <sup>(4)</sup>	Interest of a spouse	977,956,080 (L)	70.70%
Ms. Woo Chun Li <sup>(5)</sup>	Interest of a spouse	977,956,080 (L)	70.70%
Cui Fa Limited <sup>(6)</sup>	Beneficial owner	789,092,000 (L)	57.04%
Ample Favour Limited <sup>(6)</sup>	Beneficial owner	85,408,000 (L)	6.17%

(L) denotes long position



## **SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES** *(Continued)*

Notes:

- (1) Ms. Chan Choi Fung is the spouse of Mr. Lee Yuen Hong. Under the SFO, Ms. Chan Choi Fung is taken to be interested in the same number of Shares in which Mr. Lee Yuen Hong is interested.
- (2) Ms. Tai Ngan Har Talia is the spouse of Mr. Ho Ting Chi. Under the SFO, Ms. Tai Ngan Har Talia is taken to be interested in the same number of Shares in which Mr. Ho Ting Chi is interested.
- (3) Ms. Lam Hiu Man is the spouse of Mr. Cheung Yue Pui. Under the SFO, Ms. Lam Hiu Man is taken to be interested in the same number of Shares in which Mr. Cheung Yue Pui is interested.
- (4) Ms. Wong Yung Kuen is the spouse of Mr. Cheung Yu To. Under the SFO, Ms. Wong Yung Kuen is taken to be interested in the same number of Shares in which Mr. Cheung Yu To is interested.
- (5) Ms. Woo Chun Li is the spouse of Mr. Cheung Wai Keung. Under the SFO, Ms. Woo Chun Li is taken to be interested in the same number of Shares in which Mr. Cheung Wai Keung is interested.
- (6) The Company is held as to approximately 57.04%, 6.17% and 4.59%, respectively, by Cui Fa Limited, Ample Favour Limited and Victor Leap Limited. Cui Fa Limited is held as to approximately 48.19%, 37.35% and 14.46% by Mr. Lee Yuen Hong, Mr. Ho Ting Chi and Mr. Cheung Yu To, respectively. Ample Favour Limited is wholly-owned by Mr. Cheung Wai Keung and Victor Leap Limited is wholly-owned by Mr. Cheung Yue Pui.
- (7) These percentages are calculated on the basis of 1,383,334,000 Shares in issue as at 31 March 2013.

Save as disclosed herein, as at 31 March 2013, there was no other person so far known to the Directors or chief executives of the Company, other than a Director or chief executive of the Company as having an interest or a short position in the Shares and underlying Shares which would be required to be disclosed to the Company pursuant to Part XV of the SFO.

## **DIRECTORS'/CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS**

Save as disclosed in note 33 to the financial statements, there were no contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries or associates was a party and in which any Director or controlling Shareholder had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

## **DIRECTORS' SERVICE CONTRACTS**

Each of the executive Directors has entered into a service agreement with the Company on 5 November 2012 for a term of three years commencing from 5 November 2012, and such service agreements may be terminated in accordance with the terms of the service agreements.

Each of independent non-executive Directors was appointed to the Board pursuant to their respective letters of appointment dated 5 November 2012, for an initial term of three years commencing from the Listing Date, and such appointment may be terminated in accordance with the terms of the letters of appointment.

No Director proposed for re-election at the forthcoming annual general meeting of the Company has a service contract with members of the Group that is not determinable by the Group within one year without payment of compensation, other than statutory compensation.



## MANAGEMENT CONTRACTS

No contracts, other than a contract of service with any Director or any person engaged in the full-time employment of the Company, concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

## DIRECTORS' REMUNERATION

The Remuneration Committee of the Board considers and recommends to the Board the remuneration and other benefits paid by the Company to the Directors. The remuneration of all Directors is subject to regular monitoring by the Remuneration Committee to ensure that the levels of their remuneration and compensation are appropriate. Details of the Directors' remuneration are set out in note 8 to the financial statements.

## PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Shares of the Company were listed on the Stock Exchange on the Listing Date. Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities from the Listing Date to 31 March 2013.

## PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association or the laws of Cayman Islands which oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

## MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 March 2013, the aggregate sales attributable to the Group's five largest customers were under 30%. The aggregate purchases attributable to the Group's five largest suppliers during the year were also under 30%.

None of the Directors, their associates or any Shareholders of the Company, which to the knowledge of the Directors, owns more than 5% of the Company's issued share capital, has any interests in the share capital of any of the above five largest customers or suppliers of the Group.

## PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this annual report, there was a sufficient prescribed public float of the issued Shares of the Company under the Listing Rules.

## DEED OF NON-COMPETITION

Each of the controlling Shareholders has confirmed to the Company of his/its compliance with the non-competition undertakings provided to the Company under a deed of non-competition dated 7 November 2012. The independent non-executive Directors have reviewed the status of compliance and confirmed that all the undertakings under the deed of non-competition have been complied with by the controlling Shareholders and duly enforced since the Listing Date and up to the date of this annual report.

## EVENTS AFTER THE REPORTING PERIOD

There is no material subsequent event undertaken by the Company or by the Group after 31 March 2013 and up to the date of this annual report.



## CONTINUING CONNECTED TRANSACTIONS AND RELATED PARTY TRANSACTIONS

### (A) NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS SUBJECT TO REPORTING AND ANNOUNCEMENT REQUIREMENTS

#### Property lease agreements

##### **Des Voeux Road Central Tsui Wah Restaurant**

Pursuant to a lease entered into between Joy Express Limited and Tsui Wah Catering Limited on 5 November 2012 (the "**Des Voeux Road Lease Agreement**"), Tsui Wah Catering Limited agreed to lease from Joy Express Limited the premises of a total saleable floor area of approximately 502.7 sq.m. located at G/F. and the basement, Cheong K Building, 84-86 Des Voeux Road Central, Central, Hong Kong (the "**Des Voeux Road Premises**") at an annual rent of HK\$9,600,000 for each of the years ending 31 March 2013 and 31 March 2014 and HK\$11.6 million for the year ended 31 March 2015. The term of the lease granted under the Des Voeux Road Lease Agreement is valid from 5 November 2012 to 31 March 2015. The Des Voeux Road Premises has been used by Tsui Wah Catering Limited as a restaurant.

Joy Express Limited is principally engaged in the business of property investment. It is owned as to 40%, 30%, 10%, 10% and 10% by Mr. Lee Yuen Hong, Mr. Ho Ting Chi, Mr. Cheung Yu To, Mr. Chueng Yue Pui and Mr. Cheung Wai Keung, respectively, all of whom are the Directors of the Company, and Joy Express Limited is therefore an associate of a connected person under the Listing Rules.

The annual cap for the rent payable by Tsui Wah Catering Limited to Joy Express Limited for the Des Voeux Road Premises for the three years ending 31 March 2013, 31 March 2014 and 31 March 2015 were HK\$9,600,000, HK\$9,600,000 and HK\$11,600,000, respectively.

During the year ended 31 March 2013, the aggregate rent paid by Tsui Wah Catering Limited to Joy Express Limited was HK\$9,600,000.

##### **Aberdeen Tsui Wah Restaurant**

Pursuant to a lease entered into between Champion Stage Limited and Royal Gold International Limited on 5 November 2012 (the "**Aberdeen Lease Agreement**"), Royal Gold International Limited agreed to lease from Champion Stage Limited the premises of a total saleable floor area of approximately 344.76 sq.m. located at Shops 1, 2, 3 and 10 on Lower Ground Floor, Comfort Centre, No. 108 Old Main Street Aberdeen, No. 18, Yue Fai Road, Hong Kong (the "**Aberdeen Premises**") at an annual rent of HK\$1,572,000 for each of the years ending 31 March 2013 and 31 March 2014 and HK\$1,900,000 for the year ended 31 March 2015. The term of the lease granted under the Aberdeen Lease Agreement is valid from 5 November 2012 to 31 March 2015. The Aberdeen Premises has been used by Royal Gold International Limited as a restaurant.

Champion Stage Limited is owned as to 50%, 37.5% and 12.5% by Mr. Lee Yuen Hong, Mr. Ho Ting Chi and Mr. Cheung Yu To, respectively, all of whom are the Directors of the Company, and it is therefore an associate of a connected person under the Listing Rules.

The annual cap for the rent payable by Royal Gold International Limited to Champion Stage Limited for the Aberdeen Premises for the three years ending 31 March 2013, 31 March 2014 and 31 March 2015 were HK\$1,572,000, HK\$1,572,000 and HK\$1,900,000, respectively.

During the year ended 31 March 2013, the aggregate rent paid by Royal Gold International Limited to Champion Stage Limited was HK\$1,572,000.





## CONTINUING CONNECTED TRANSACTIONS AND RELATED PARTY TRANSACTIONS

(Continued)

### (A) NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS SUBJECT TO REPORTING AND ANNOUNCEMENT REQUIREMENTS (Continued)

#### Property lease agreements (Continued)

##### Central Kitchen

Pursuant to a lease entered into between Fame City International Limited and Dragonsea Limited on 5 November 2012 (the "**Central Kitchen Lease Agreement**"), Dragonsea Limited agreed to lease from Fame City International Limited the premises of a total saleable floor area of approximately 1,133.87 sq.m. located at Units A-C, 4/F, Southeast Industrial Building, No. 611-619 Castle Peak Road, Tsuen Wan, Hong Kong (the "**Central Kitchen Premises**") at an annual rent of HK\$658,800 for each of the years ending 31 March 2013 and 31 March 2014 and HK\$800,000 for the year ended 31 March 2015. The term of the lease granted under the Central Kitchen Lease Agreement is valid from 5 November 2012 to 31 March 2015. The Central Kitchen Premises has been used by Dragonsea Limited as the central kitchen.

Fame City International Limited is owned as to 20%, 20%, 20%, 20% and 20% by Mr. Lee Yuen Hong, Mr. Cheung Yu To, Mr. Cheung Wai Keung, Mr. Cheung Yue Pui and Mr. Ho Ting Chi, respectively, all of whom are the Directors of the Company, and it is therefore an associate of a connected person under the Listing Rules.

The annual cap for the rent payable by Dragonsea Limited to Fame City International Limited for the Central Kitchen Premises for the three years ending 31 March 2013, 31 March 2014 and 31 March 2015 were HK\$658,800, HK\$658,800 and HK\$800,000, respectively.

During the year ended 31 March 2013, the aggregate rent paid by Dragonsea Limited to Fame City International Limited was HK\$658,800.

##### Hung To Road Tsui Wah Restaurant and Catering Services Centre

Pursuant to a lease entered into between Success Path Limited and Richberg Development Limited on 5 November 2012 (the "**Hung To Road Restaurant and Catering Services Centre Lease Agreement**"), Richberg Development Limited agreed to lease from Success Path Limited the premises of a total saleable floor area of approximately 834.73 sq.m. located at G/F, 1/F and 2/F, Tsui Wah Group Centre, 50 Lai Yip Street, Ngau Tau Kok, Kowloon, Hong Kong (the "**Hung To Road Premises**") at an annual rent of HK\$2,580,000 for each of the years ending 31 March 2013 and 31 March 2014 and HK\$3,100,000 for the year ended 31 March 2015. The term of the lease granted under the Hung To Road Restaurant and Catering Services Centre Lease Agreement is valid from 5 November 2012 to 31 March 2015. The Hung To Road Premises has been used by Richberg Development Limited as the a restaurant and catering service centre.

Success Path Limited is owned as to 40%, 30%, 10%, 10% and 10% by Mr. Lee Yuen Hong, Mr. Ho Ting Chi, Mr. Cheung Yu To, Mr. Cheung Yue Pui and Mr. Cheung Wai Keung, respectively, all of whom are the Directors of the Company, and it is therefore an associate of a connected person under the Listing Rules.

The annual cap for the rent payable by Richberg Development Limited to Success Path Limited for the Hung To Road Premises for the three years ending 31 March 2013, 31 March 2014 and 31 March 2015 were HK\$2,580,000, HK\$2,580,000 and HK\$3,100,000, respectively.

During the financial year ended 31 March 2013, the aggregate rent paid by Richberg Development Limited to Success Path Limited was HK\$2,150,000.



## CONTINUING CONNECTED TRANSACTIONS AND RELATED PARTY TRANSACTIONS

(Continued)

### (A) NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS SUBJECT TO REPORTING AND ANNOUNCEMENT REQUIREMENTS (Continued)

#### Property lease agreements (Continued)

##### Office

Pursuant to a lease entered into between Success Path Limited and Tsui Wah Efford Management Limited on 5 November 2012 (the "**Office Lease Agreement**"), Tsui Wah Efford Management Limited agreed to lease from Success Path Limited the premises of a total saleable floor area of approximately 875.98 sq.m. located at 3/F, 5/F and 6/F, Tsui Wah Group Centre, 50 Lai Yip Street, Ngau Tau Kok, Kowloon, Hong Kong (the "**Office Premises**") at an annual rent of HK\$1,140,000 for each of the years ending 31 March 2013 and 31 March 2014 and HK\$1,500,000 for the year ended 31 March 2015. The term of the lease granted under the Office Lease Agreement is valid from 5 November 2012 to 31 March 2015. The Office Premises has been used by Tsui Wah Efford Management Limited as an office.

The annual cap for the rent payable by Tsui Wah Efford Management Limited to Success Path Limited for the Office Premises for the years ending 31 March 2013, 31 March 2014 and 31 March 2015 were HK\$1,140,000, HK\$1,140,000 and HK\$1,500,000, respectively.

During the year ended 31 March 2013, the aggregate rent paid by Tsui Wah Efford Management Limited to Success Path Limited was HK\$1,140,000.

#### Confirmations from the independent non-executive Directors and auditors of the Company

Pursuant to Rule 14A.37 of the Listing Rules, the independent non-executive Directors have reviewed the continuing connected transactions for the year ended 31 March 2013 and confirmed that the transactions have been entered into:

- (i) in the ordinary and usual course of the business of the Group;
- (ii) on normal commercial terms; and
- (iii) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

The Auditors were engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and with reference to Practice Note 740 Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules issued by the Hong Kong Institute of Certified Public Accountants. The Auditors have issued their unqualified letter containing their findings and conclusions in respect of the continuing connected transactions disclosed above by the Group in accordance with Rule 14A.38 of the Listing Rules. A copy of the Auditors' letter has been provided by the Company to the Stock Exchange.



## CONTINUING CONNECTED TRANSACTIONS AND RELATED PARTY TRANSACTIONS

*(Continued)*

### (B) RELATED PARTY TRANSACTIONS

Details of significant related party transactions undertaken in the normal course of business of the Group are provided under note 33 to the financial statements. None of these related party transactions constitutes a connected transaction as defined under the Listing Rules that is required to be disclosed, except for those described above in the paragraphs headed “(A) Non-exempt Continuing Connected Transactions subject to Reporting and Announcement Requirements”, in respect of which the disclosure requirements in accordance with Chapter 14A of the Listing Rules have been complied with.

### USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Shares were listed on 26 November 2012 on the Main Board of the Stock Exchange. The total net proceeds from the Listing which involved the issue of 383,334,000 ordinary Shares of HK\$0.01 each of the Company amounted to approximately HK\$794.4 million. During the period between the Listing Date and 31 March 2013, the net proceeds from the listing were utilised in accordance with the proposed applications set out in the section headed “**Future Plans and Use of Proceeds**” in the Prospectus. The balance of fund would be utilised according to the use disclosed in the Prospectus. The Group held the unutilised net proceeds in short-term deposits with licensed institutions in Hong Kong.

### DONATIONS

During the year ended 31 March 2013, charitable donations of HK\$1,182,134 were made by the Group (31 March 2012: HK\$105,000).

### AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

The Audit Committee was established with written terms of reference in compliance with the Listing Rules it is responsible for making recommendation to the Board on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors, and any issues regarding the resignation or dismissal of that auditors; monitoring the integrity of financial statements, annual reports and accounts, interim reports and quarterly reports (if prepared for publication), and reviewing material financial reporting judgments therein; and reviewing the systems of financing control, internal control and risk management.

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed the auditing, internal control and financial reporting matters, including review of the audited financial statements of the Group for the year ended 31 March 2013. The financial statements for the year ended 31 March 2013 have been audited by the Company’s external auditors, Ernst & Young.

### CORPORATE GOVERNANCE

Principal corporate governance practices as adopted by the Company are set out in the Corporate Governance Report on pages 18 to 28 of this annual report.



## AUDITORS

Ernst & Young, the auditors of the Company, will retire at the conclusion of the forthcoming annual general meeting of the Company and be eligible to offer themselves for re-appointment. A resolution will be submitted to the AGM to be held on 19 August 2013 to seek Shareholders' approval on the appointment of Ernst & Young as the Company's auditors until the conclusion of the next annual general meeting and to authorise the Board to fix their remuneration.

By order of the Board

**Lee Yuen Hong**

*Chairman*

Hong Kong, 25 June 2013



## To the shareholders of Tsui Wah Holdings Limited

*(Incorporated in the Cayman Islands with limited liability)*

We have audited the consolidated financial statements of Tsui Wah Holdings Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 46 to 103, which comprise the consolidated and company statements of financial position as at 31 March 2013, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

## DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

## AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

# INDEPENDENT AUDITORS' REPORT (Continued)



## **To the shareholders of Tsui Wah Holdings Limited**

*(Incorporated in the Cayman Islands with limited liability)*

### **OPINION**

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2013, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

### **Ernst & Young**

*Certified Public Accountants*

22/F, CITIC Tower

1 Tim Mei Avenue

Central, Hong Kong

25 June 2013

# CONSOLIDATED INCOME STATEMENT

Year ended 31 March 2013



	Notes	2013 HK\$'000	2012 HK\$'000
REVENUE	5	1,084,415	762,791
Other income and gains		5,804	1,975
Cost of inventories sold		(331,973)	(236,463)
Staff costs		(286,732)	(197,534)
Depreciation		(40,851)	(21,887)
Property rentals and related expenses		(152,944)	(96,171)
Fuel and utility expenses		(49,749)	(34,805)
Advertising and marketing expenses		(5,842)	(2,901)
Other operating expenses		(80,430)	(49,543)
Finance costs	6	(111)	(161)
Equity-settled share option expense	27	(5,422)	–
Share of profits of jointly-controlled entities	16	21,964	8,905
PROFIT BEFORE TAX	7	158,129	134,206
Income tax expense	10	(26,832)	(23,777)
PROFIT FOR THE YEAR		131,297	110,429
Attributable to:			
Owners of the Company	11	129,598	103,910
Non-controlling interests		1,699	6,519
		131,297	110,429
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	13		
Basic		HK11.48 cents	HK10.39 cents
Diluted		HK11.35 cents	HK10.39 cents

Details of the dividends payable and proposed for the year are disclosed in note 12 to the financial statements.

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2013



	2013 HK\$'000	2012 HK\$'000
PROFIT FOR THE YEAR	131,297	110,429
OTHER COMPREHENSIVE INCOME		
Exchange differences on translation of foreign operations	1,689	(98)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	132,986	110,331
Attributable to:		
Owners of the Company	131,287	103,812
Non-controlling interests	1,699	6,519
	132,986	110,331



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2013



	Notes	2013 HK\$'000	2012 HK\$'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	14	147,941	87,221
Investments in jointly-controlled entities	16	31,837	17,204
Prepayments for purchase of property, plant and equipment		3,196	–
Non-current rental deposits	19	31,413	19,614
Deferred tax assets	25	7,578	5,824
<b>Total non-current assets</b>		<b>221,965</b>	<b>129,863</b>
<b>CURRENT ASSETS</b>			
Inventories	17	13,043	9,384
Trade receivables	18	5,223	2,964
Prepayments, deposits and other receivables	19	32,978	33,183
Due from directors	20	–	99,395
Due from related companies	20	–	141,126
Pledged time deposit	21	1,025	–
Pledged time deposit with original maturity of more than three months	21	438	–
Cash and cash equivalents	21	916,908	92,082
<b>Total current assets</b>		<b>969,615</b>	<b>378,134</b>
<b>CURRENT LIABILITIES</b>			
Trade payables	22	55,222	38,923
Other payables and accruals	23	87,738	49,850
Finance lease payables	24	411	143
Due to directors	20	–	44,609
Due to related companies	20	–	78,906
Tax payable		9,681	14,059
<b>Total current liabilities</b>		<b>153,052</b>	<b>226,490</b>
<b>NET CURRENT ASSETS</b>		<b>816,563</b>	<b>151,644</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,038,528</b>	<b>281,507</b>
<b>NON-CURRENT LIABILITIES</b>			
Finance lease payables	24	913	284
Deferred tax liabilities	25	398	435
<b>Total non-current liabilities</b>		<b>1,311</b>	<b>719</b>
<b>Net assets</b>		<b>1,037,217</b>	<b>280,788</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

31 March 2013



	Notes	2013 HK\$'000	2012 HK\$'000
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Issued capital	26	13,833	—
Reserves	28(a)	1,023,299	258,632
		1,037,132	258,632
<b>Non-controlling interests</b>		85	22,156
Total equity		1,037,217	280,788

**Lee Yuen Hong**  
Director

**Ho Ting Chi**  
Director

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2013



	Notes	Attributable to owners of the Company							Non-controlling interests HK\$'000	Total equity HK\$'000	
		Issued capital HK\$'000	Share premium account HK\$'000	Share option reserve HK\$'000	Statutory reserve HK\$'000 (Note 28(a)(ii))	Merger reserve HK\$'000 (Note 28(a)(i))	Exchange fluctuation reserve HK\$'000	Retained profits HK\$'000			Total HK\$'000
At 1 April 2011		-	-	-	1,310	(14,351)	433	193,570	180,962	14,629	195,591
Profit for the year		-	-	-	-	-	-	103,910	103,910	6,519	110,429
Other comprehensive income for the year:											
Exchange differences on translation of foreign operations		-	-	-	-	-	(98)	-	(98)	-	(98)
Total comprehensive income for the year		-	-	-	-	-	(98)	103,910	103,812	6,519	110,331
Decrease in the Controlling Shareholders' interests without loss of control		-	-	-	-	(14,335)	-	-	(14,335)	14,335	-
Shares issued by subsidiaries to the non-controlling shareholders		-	-	-	-	-	-	-	-	120	120
Acquisition of non-controlling interests		-	-	-	-	3,577	-	-	3,577	(11,908)	(8,331)
Considerations paid in the Kang Wang/ Cui Xin Restructuring	28(a)(iii)	-	-	-	-	(2,823)	-	-	(2,823)	-	(2,823)
Dividends paid to non-controlling shareholders		-	-	-	-	-	-	-	-	(1,539)	(1,539)
Interim dividend	12	-	-	-	-	-	-	(15,289)	(15,289)	-	(15,289)
Shares issued by subsidiaries to the Controlling Shareholders		-	-	-	-	2,728	-	-	2,728	-	2,728
Transfer to statutory reserve		-	-	-	1,583	-	-	(1,583)	-	-	-
At 31 March 2012		-	-	-	2,893*	(25,204)*	335*	280,608*	258,632	22,156	280,788

	Notes	Attributable to owners of the Company							Non-controlling interests HK\$'000	Total equity HK\$'000	
		Issued capital HK\$'000	Share premium account HK\$'000	Share option reserve HK\$'000	Statutory reserve HK\$'000 (Note 28(a)(ii))	Merger reserve HK\$'000 (Note 28(a)(i))	Exchange fluctuation reserve HK\$'000	Retained profits HK\$'000			Total HK\$'000
At 1 April 2012		-	-	-	2,893	(25,204)	335	280,608	258,632	22,156	280,788
Profit for the year		-	-	-	-	-	-	129,598	129,598	1,699	131,297
Other comprehensive income for the year:											
Exchange differences on translation of foreign operations		-	-	-	-	-	1,689	-	1,689	-	1,689
Total comprehensive income for the year		-	-	-	-	-	1,689	129,598	131,287	1,699	132,986
Acquisition of non-controlling interests		-	-	-	-	(161)	-	-	(161)	(4,839)	(5,000)
Acquisition of non-controlling interests upon the completion of Reorganisation		-	-	-	-	17,532	-	-	17,532	(17,532)	-
Acquisition of non-controlling interests by deemed capital contribution from the Controlling Shareholders	28(a)(iv)	-	-	-	-	1,399	-	-	1,399	(1,399)	-
Interim dividends	12	-	-	-	-	-	-	(117,856)	(117,856)	-	(117,856)
Special dividend	12	-	-	-	-	-	-	(53,474)	(53,474)	-	(53,474)
Issue of shares to the then equity holders	26	2,000	-	-	-	-	-	-	2,000	-	2,000
Capitalisation issue of shares	26	8,000	(8,000)	-	-	-	-	-	-	-	-
Issuance of new shares	26	3,833	866,335	-	-	-	-	-	870,168	-	870,168
Share issue expenses		-	(75,817)	-	-	-	-	-	(75,817)	-	(75,817)
Considerations paid by the Company in respect of acquisition of Kang Wang and Cui Xin		-	-	-	-	(2,000)	-	-	(2,000)	-	(2,000)
Equity-settled share option arrangements	27	-	-	5,422	-	-	-	-	5,422	-	5,422
Transfer to statutory reserve		-	-	-	2,865	-	-	(2,865)	-	-	-
At 31 March 2013		13,833	782,518*	5,422*	5,758*	(8,434)*	2,024*	236,011*	1,037,132	85	1,037,217

\* These reserve accounts comprise the consolidated reserves of HK\$1,023,299,000 (2012: HK\$258,632,000) in the consolidated statement of financial position.

# CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2013



	Notes	2013 HK\$'000	2012 HK\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		158,129	134,206
Adjustments for:			
Interest income	7	(1,428)	(79)
Share of profits of jointly-controlled entities		(21,964)	(8,905)
Depreciation	7	40,851	21,887
Write-off of items of property, plant and equipment	7	374	–
Gain on disposal of items of property, plant and equipment	7	–	(2)
Finance costs	6	111	161
Equity-settled share option expense	27	5,422	–
		181,495	147,268
Increase in inventories		(3,659)	(2,375)
Increase in trade receivables		(2,259)	(2,091)
Increase in prepayments, deposits and other receivables		(11,594)	(24,198)
Decrease in amounts due to related companies		(3,275)	(16,379)
Increase in trade payables		16,299	9,963
Increase in other payables and accruals		37,888	16,008
		214,895	128,196
Cash generated from operations		214,895	128,196
Interest received		1,428	79
Interest paid		(111)	(161)
Hong Kong profits tax paid		(25,550)	(10,656)
PRC tax paid		(7,451)	(3,614)
		183,211	113,844
Net cash flows from operating activities		183,211	113,844
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of items of property, plant and equipment		(100,464)	(63,255)
Proceeds from disposal of items of property, plant and equipment		–	13
Increase in prepayments for purchase of items of property, plant and equipment		(3,196)	–
Dividends received from a jointly-controlled entity		–	320
Decrease/(increase) in amounts due from related companies		10,612	(2,694)
Repayment of loans from jointly-controlled entities		7,594	1,600
Increase in amounts due from directors		(1,482)	(1,421)
Increase in pledged time deposit		(1,025)	–
Increase in pledged time deposit with original maturity of more than three months		(438)	–
		(88,399)	(65,437)
Net cash flows used in investing activities		(88,399)	(65,437)

# CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

Year ended 31 March 2013



	Note	2013 HK\$'000	2012 HK\$'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
(Decrease)/increase in amounts due to related companies		(6,773)	6,938
Increase in amounts due to directors		68	923
New bank loan		38,000	–
Repayment of bank loans		(38,000)	(12,814)
Capital element of finance lease rental payments		(350)	(119)
Capital contributions from the Controlling Shareholders		–	2,728
Capital contributions from the non-controlling shareholders		–	120
Acquisition of non-controlling interests		(5,000)	–
Dividends paid to the Controlling Shareholders		(53,474)	(15,289)
Dividends paid to non-controlling shareholders		–	(1,539)
Proceeds from issue of shares		870,168	–
Share issue expenses		(75,817)	–
<b>Net cash flows from/(used in) financing activities</b>		<b>728,822</b>	<b>(19,052)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents at beginning of year		92,082	62,906
Effect of foreign exchange rate changes, net		1,192	(179)
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b>916,908</b>	<b>92,082</b>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	21	406,830	92,082
Non-pledged time deposits with original maturity of less than three months when acquired	21	510,078	–
<b>Cash and cash equivalents as stated in the consolidated statement of financial position</b>		<b>916,908</b>	<b>92,082</b>

# STATEMENT OF FINANCIAL POSITION

31 March 2013



	Notes	2013 HK\$'000	2012 HK\$'000
<b>NON-CURRENT ASSETS</b>			
Investments in subsidiaries	15	1,202,754	–
<b>CURRENT ASSETS</b>			
Prepayments, deposits and other receivables	19	439	–
Due from subsidiaries	15	30,700	–
Dividend receivable from a subsidiary		43,430	–
Cash and cash equivalents	21	758,150	–
Total current assets		832,719	–
<b>CURRENT LIABILITIES</b>			
Accruals	23	2,150	–
Due to subsidiaries	15	36,804	–
Total current liabilities		38,954	–
NET CURRENT ASSETS		793,765	–
NET ASSETS		1,996,519	–
<b>EQUITY</b>			
Issued capital	26	13,833	–
Reserves	28(b)	1,982,686	–
Total equity		1,996,519	–

**Lee Yuen Hong**  
Director

**Ho Ting Chi**  
Director



31 March 2013

## 1. CORPORATE INFORMATION AND GROUP REORGANISATION

The Company was incorporated in the Cayman Islands on 29 May 2012 as an exempted company with limited liability under the Companies Law, Cap. 22 of the Cayman Islands. The Company's registered office address is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 26 November 2012 (the "Listing Date").

On 29 May 2012, the Company was incorporated with authorised share capital of HK\$100,000,000 divided into 10,000,000,000 ordinary shares of HK\$0.01 each and 1 share of HK\$0.01 was issued and allotted to Codan Trust Company (Cayman) Limited and further transferred to Cui Fa Limited. To rationalise the corporate structure in preparation for the listing of its shares on the Stock Exchange (the "Listing"), the Company underwent a group reorganisation (the "Reorganisation"), further details of which are set out in the Company's prospectus dated 14 November 2012.

Upon the completion of the Reorganisation on 30 June 2012, the Company became the holding company of the companies then comprising the Group.

During the year ended 31 March 2013, Tsui Wah Holdings Limited and its subsidiaries (together, the "Group") is principally engaged in the provision of food catering services through a chain of Hong Kong-style restaurants in Hong Kong and the People's Republic of China (the "PRC" or "Mainland China").

### 2.1 BASIS OF PRESENTATION

Pursuant to the Reorganisation, the Company became the holding company of the companies then comprising the Group on 30 June 2012. Since the Company and the companies then comprising the Group were under common control of the controlling shareholders of the Company (the "Controlling Shareholders") both before and after the Reorganisation, the Reorganisation was accounted for using the principles of merger accounting.

The consolidated income statements, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows of the Group for the years ended 31 March 2013 and 2012 include the results and cash flows of all companies then comprising the Group from the earliest date presented or since the date when the subsidiaries first came under the common control of the Controlling Shareholders, where this is a shorter period. The consolidated statements of financial position of the Group as at 31 March 2013 and 2012 have been prepared to present the assets and liabilities of the Group using the existing carrying values from the Controlling Shareholders' perspective. No adjustments are made to reflect fair values, or recognise any new assets or liabilities as a result of the Reorganisation. Equity interests in subsidiaries held by parties other than the Controlling Shareholders prior to the Reorganisation are presented as non-controlling interests in equity in applying the principles of merger accounting.

In the opinion of the directors, the consolidated financial statements prepared on the above basis present more fairly the results and the state of affairs of the Group as a whole.



## 2.2 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. All HKFRSs effective for the accounting period commencing from 1 April 2012, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the financial statements for the years ended 31 March 2013 and 2012. These financial statements have been prepared under the historical cost convention. They are presented in Hong Kong dollars ("HK\$") and all values are rounded to the nearest thousand except when otherwise indicated.

### BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 March 2013. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. As explained in note 2.1 above, the acquisition of subsidiaries under common control has been accounted for using the principles of merger accounting.

The merger method of accounting involves incorporating the financial statement items of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party. The net assets of the combining entities or businesses are combined using the existing book value. No amount is recognised in respect of goodwill or the excess of the acquirers' interest in the net fair value of acquirees' identifiable assets, liabilities and contingent liabilities over the cost of investment at the time of common control combination.

All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated on consolidation in full.

Total comprehensive income within a subsidiary is attributed to the non-controlling interest even if it results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate.





## 2.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE HKFRSs

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in the financial statements.

HKFRS 1 Amendments	Amendments to HKFRS 1 <i>First-time Adoption of Hong Kong Financial Reporting Standards — Government Loans</i> <sup>2</sup>
HKFRS 7 Amendments	Amendments to HKFRS 7 <i>Financial Instruments: Disclosures — Offsetting Financial Assets and Financial Liabilities</i> <sup>2</sup>
HKFRS 9	<i>Financial Instruments</i> <sup>4</sup>
HKFRS 10	<i>Consolidated Financial Statements</i> <sup>2</sup>
HKFRS 11	<i>Joint Arrangements</i> <sup>2</sup>
HKFRS 12	<i>Disclosure of Interests in Other Entities</i> <sup>2</sup>
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 — <i>Transition Guidance</i> <sup>2</sup>
HKFRS 10, HKFRS 12 and HKAS 27 (2011) Amendments	Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) — <i>Investment Entities</i> <sup>3</sup>
HKFRS 13	<i>Fair Value Measurement</i> <sup>2</sup>
HKAS 1 Amendments	Amendments to HKAS 1 <i>Presentation of Financial Statements — Presentation of Items of Other Comprehensive Income</i> <sup>1</sup>
HKAS 19 (2011)	<i>Employee Benefits</i> <sup>2</sup>
HKAS 27 (2011)	<i>Separate Financial Statements</i> <sup>2</sup>
HKAS 28 (2011)	<i>Investments in Associates and Joint Ventures</i> <sup>2</sup>
HKAS 32 Amendments	Amendments to HKAS 32 <i>Financial Instruments: Presentation — Offsetting Financial Assets and Financial Liabilities</i> <sup>3</sup>
HK(IFRIC) - Int 20	<i>Stripping Costs in the Production Phase of a Surface Mine</i> <sup>2</sup>
<i>Annual Improvements 2009–2011 Cycle</i>	<i>Amendments to a number of HKFRSs issued in June 2012</i> <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 July 2012

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2013

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2014

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2015

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application but is not yet in a position to state whether these new and revised HKFRSs would have a significant impact on its results of operations and financial position.



### 3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### SUBSIDIARIES

A subsidiary is an entity whose financial and operating policies the Company controls, directly or indirectly, so as to obtain benefits from its activities.

The results of subsidiaries are included in the Company's income statement to the extent of dividends received and receivable. The Company's investments in subsidiaries are stated at cost less any impairment losses.

#### JOINT VENTURES

A joint venture is an entity set up by contractual arrangement, whereby the Group and other parties undertake an economic activity. The joint venture operates as a separate entity in which the Group and the other parties have an interest.

The joint venture agreement between the venturers stipulates the capital contributions of the joint venture parties, the duration of the joint venture and the basis on which the assets are to be realised upon its dissolution. The profits or losses from the joint venture's operations and any distributions of surplus assets are shared by the venturers, either in proportion to their respective capital contributions, or in accordance with the terms of the joint venture agreement.

A joint venture is treated as a jointly-controlled entity, if the Group does not have unilateral control, but has joint control, directly or indirectly, over the joint venture.

#### JOINTLY-CONTROLLED ENTITIES

A jointly-controlled entity is a joint venture that is subject to joint control, resulting in none of the participating parties having unilateral control over the economic activity of the jointly-controlled entity.

The Group's investments in jointly-controlled entities are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. The Group's share of the post-acquisition results and reserves of jointly-controlled entities is included in the consolidated income statement and consolidated reserves, respectively. Where the profit sharing ratio is different to the Group's equity interest, the share of post-acquisition results of the jointly-controlled entities is determined based on the agreed profit sharing ratio. Unrealised gains and losses resulting from transactions between the Group and its jointly-controlled entities are eliminated to the extent of the Group's investments in the jointly-controlled entities, except where unrealised losses provide evidence of an impairment of the asset transferred.



## 3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)* **RELATED PARTIES**

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
  - (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
  - (i) the entity and the Group are members of the same group;
  - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
  - (iii) the entity and the Group are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group; and the sponsoring employers of the post-employment benefit plan;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a); and
  - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

## **PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION**

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the income statement in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.



### 3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION *(Continued)*

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Land and buildings	2%
Leasehold improvements	Over the shorter of the lease terms and 20%
Furniture and fixtures	20% to 30%
Catering and other equipment	10% to 30%
Motor vehicles	25% to 30%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the income statement in the year the asset is derecognised is the difference between the net sale proceeds and the carrying amount of the relevant asset.

Construction in progress represents property, plant and equipment under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

#### IMPAIRMENT OF NON-FINANCIAL ASSETS

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs to sell, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the income statement in the period in which it arises.



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## 3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

### **IMPAIRMENT OF NON-FINANCIAL ASSETS** *(Continued)*

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the income statement in the year in which it arises.

### **LEASES**

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases, including prepaid land lease payments under finance leases, are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the income statement so as to provide a constant periodic rate of charge over the lease terms.

Assets acquired through hire purchase contracts of a financing nature are accounted for as finance leases, but are depreciated over their estimated useful lives.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to the income statement on the straight-line basis over the lease terms.

When the lease payments cannot be allocated reliably between the land and buildings elements, the entire lease payments are included in the cost of the land and buildings as a finance lease in property, plant and equipment.

### **INVESTMENTS AND OTHER FINANCIAL ASSETS**

#### **Initial recognition and measurement**

Financial assets within the scope of HKAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial investments, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial assets at initial recognition. When financial assets are recognised initially, they are measured at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

The Group's financial assets include cash and bank balances, trade receivables, other receivables and deposits, and amounts due from directors and related companies.



### 3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### INVESTMENTS AND OTHER FINANCIAL ASSETS *(Continued)*

##### Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

##### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in the income statement. The loss arising from impairment is recognised in the income statement in finance costs for loans and in other operating expenses for receivables.

##### DERECOGNITION OF FINANCIAL ASSETS

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group’s continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

##### IMPAIRMENT OF FINANCIAL ASSETS

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (an incurred “loss event”) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.



## 3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

### IMPAIRMENT OF FINANCIAL ASSETS *(Continued)*

#### Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses individually whether objective evidence of impairment exists for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to the income statement.

### FINANCIAL LIABILITIES

#### Initial recognition and measurement

Financial liabilities within the scope of HKAS 39 are classified as loans and borrowings. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, accruals, finance lease payables and amounts due to directors and related companies.



### 3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### FINANCIAL LIABILITIES (Continued)

##### Subsequent measurement

##### Loans and borrowings

After initial recognition, interest-bearing bank and other borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the income statement.

##### DERECOGNITION OF FINANCIAL LIABILITIES

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the income statement.

##### OFFSETTING OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

##### INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

##### CASH AND CASH EQUIVALENTS

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the statement of financial position, cash and cash equivalents comprise cash on hand and at banks which are not restricted as to use.





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## 3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

### INCOME TAX

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised either in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.



### 3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### INCOME TAX (Continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### REVENUE RECOGNITION

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) from restaurant operations, when catering services have been provided to the customers;
- (b) from the sale of food, when the products are sold to customers and the significant risks and rewards of ownership have been transferred to the buyer provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the food sold; and
- (c) interest income, on an accrual basis using the effective interest rate method by applying the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

#### SHARE-BASED PAYMENTS

The Company operates share option schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined using the Black-Scholes option pricing model, further details of which are given in note 27 to the financial statements.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the income statement for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.



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## 3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

### SHARE-BASED PAYMENTS *(Continued)*

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

### OTHER EMPLOYEE BENEFITS

#### Retirement benefit schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all of its Hong Kong employees. Contributions are made based on a percentage of the employees' basic salaries and are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. The subsidiaries operating in Mainland China are required to contribute certain percentage of their payroll costs to the central pension scheme. The contributions are charged to the income statement as they become payable in accordance with the rules of the central pension scheme.

### BORROWING COSTS

Borrowing costs directly attributable to the acquisition, that is, assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.



### 3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### **DIVIDENDS**

Final dividends proposed by the directors are classified as a separate allocation of retained profits within the equity section of the statement of financial position, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

#### **FOREIGN CURRENCIES**

The financial statements are presented in HK\$, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of each reporting period. All differences arising on settlement or translation of monetary items are recognised in the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the dates when the fair value was determined. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation differences on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The functional currencies of certain overseas subsidiaries and a jointly-controlled entity are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into the presentation currency of the Company at the exchange rates ruling at the end of the reporting period and their income statements are translated into Hong Kong dollars at the weighted average exchange rates for the year. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the income statement.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into HK\$ at the weighted average exchange rates for the year.



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## 3.2 SIGNIFICANT ACCOUNTING ESTIMATES

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

### ESTIMATION UNCERTAINTY

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

#### **Useful lives and residual values of items of property, plant and equipment**

In determining the useful lives and residual values of items of property, plant and equipment, the Group has to consider various factors, such as technical or commercial obsolescence arising from changes or improvements in the production and provision of services, or from a change in the market demand for the product or service output of the asset, expected usage of the asset, expected physical wear and tear, care and maintenance of the asset, and legal or similar limits on the use of the asset. The estimation of the useful life of the asset is based on the experience of the Group with similar assets that are used in a similar way. Additional depreciation is made if the estimated useful lives and/or residual values of items of property, plant and equipment are different from previous estimation. Useful lives and residual values are reviewed at the end of each reporting period based on changes in circumstances.

#### **Deferred tax assets**

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profits will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying amount of deferred tax assets relating to recognised tax losses at 31 March 2012 was HK\$2,131,000.



#### 4. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the provision of food catering services through a chain of Hong Kong-style restaurants. Information reported to the Group's management for the purpose of resources allocation and performance assessment focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.

#### GEOGRAPHICAL INFORMATION

The following tables present revenue from external customers for the year and certain non-current asset information as at 31 March 2013, by geographic area.

##### (a) Revenue from external customers

	2013 HK\$'000	2012 HK\$'000
Hong Kong	870,223	675,293
Mainland China	203,965	80,915
Macau*	10,227	6,583
	<b>1,084,415</b>	<b>762,791</b>

The revenue information above is based on the location of the customers.

As no revenue derived from sales to a single customer of the Group has individually accounted for over 10% of the Group's total revenue during the year, no information about major customers is presented.

\* Revenue from external customers located at Macau represents revenue derived from the sale of food to a jointly-controlled entity of the Group.

##### (b) Non-current assets

	2013 HK\$'000	2012 HK\$'000
Hong Kong	98,557	71,805
Mainland China	55,079	18,209
Macau	25,990	6,665
	<b>179,626</b>	<b>96,679</b>

The non-current asset information above is based on the location of the assets and excludes financial instruments and deferred tax assets.

# NOTES TO FINANCIAL STATEMENTS

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## 5. REVENUE

Revenue, which is also the Group's turnover, represents amounts received and receivable from the operation of restaurants and the sale of food, net of sales related taxes. An analysis of revenue is as follows:

	2013 HK\$'000	2012 HK\$'000
<b>Revenue</b>		
Restaurant operations	1,063,503	748,322
Sale of food	20,912	14,469
	<b>1,084,415</b>	<b>762,791</b>

## 6. FINANCE COSTS

	Group	
	2013 HK\$'000	2012 HK\$'000
Interest on bank loans wholly repayable within five years	41	134
Interest on finance leases	70	27
	<b>111</b>	<b>161</b>



## 7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Note	2013 HK\$'000	2012 HK\$'000
Cost of inventories sold		331,973	236,463
Depreciation	14	40,851	21,887
Lease payments under operating leases in respect of land and buildings:			
Minimum lease payments		123,122	74,687
Contingent rents		20,238	14,841
		143,360	89,528
Employee benefit expenses (excluding directors' and chief executive's remuneration (note 8)):			
Wages and salaries		267,493	184,606
Equity-settled share option expense		1,792	–
Retirement benefit scheme contributions		10,474	7,823
		279,759	192,429
Auditors' remuneration		3,027	981
Write-off of items of property, plant and equipment	14	374	–
Gain on disposal of items of property, plant and equipment		–	(2)
Foreign exchange differences, net		(737)	(650)
Bank interest income		(1,428)	(79)





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## 8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and Section 161 of the Hong Kong Companies Ordinance, is as follows:

	Group	
	2013 HK\$'000	2012 HK\$'000
Fees	225	–
Other emoluments:		
Salaries, allowances and benefits in kind	8,450	5,033
Equity-settled share option expenses	3,630	–
Retirement benefit scheme contributions	90	72
	<b>12,395</b>	<b>5,105</b>

During the year, a director and the chief executive were granted share options, in respect of their services to the Group, under the Pre-IPO share option scheme of the Company, further details of which are set out in note 27 to the financial statements. The fair value of such options, which has been recognised in the income statement over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above directors' and chief executive's remuneration disclosures.

### (A) INDEPENDENT NON-EXECUTIVE DIRECTORS

The fees paid to independent non-executive directors during the year were as follows:

	2013 HK\$'000	2012 HK\$'000
Mr. Yim Kwok Man	75	–
Mr. Wong Chi Kin	75	–
Mr. Goh Choo Hwee	75	–
	<b>225</b>	<b>–</b>

There were no other emoluments payable to the independent non-executive directors during the year (2012: Nil).



**8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION** (Continued)  
**(B) EXECUTIVE DIRECTORS AND THE CHIEF EXECUTIVE**

	Fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Equity-settled share option expense HK\$'000	Retirement benefit scheme contributions HK\$'000	Total HK\$'000
<b>Year ended 31 March 2013</b>					
Executive directors:					
Mr. Lee Yuen Hong	–	1,590	2,280	15	3,885
Mr. Ho Ting Chi	–	1,590	–	15	1,605
Mr. Cheung Yu To	–	1,390	–	15	1,405
Mr. Cheung Wai Keung	–	1,590	–	15	1,605
Mr. Cheung Yue Pui	–	1,290	–	15	1,305
	–	7,450	2,280	75	9,805
Chief executive:					
Mr. Lock Kwok On Anthony	–	1,000	1,350	15	2,365
	–	8,450	3,630	90	12,170
<b>Year ended 31 March 2012</b>					
Executive directors:					
Mr. Lee Yuen Hong	–	840	–	12	852
Mr. Ho Ting Chi	–	840	–	12	852
Mr. Cheung Yu To	–	840	–	12	852
Mr. Cheung Wai Keung	–	840	–	12	852
Mr. Cheung Yue Pui	–	840	–	12	852
	–	4,200	–	60	4,260
Chief executive:					
Mr. Lock Kwok On Anthony	–	833	–	12	845
	–	5,033	–	72	5,105

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.



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## 9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three directors and the chief executive (2012: four directors), details of whose remuneration are set out in note 8 above. Details of the remuneration for the remaining, highest paid employee for the year who was neither a director nor chief executive of the Company, are as follows:

	2013 HK\$'000	2012 HK\$'000
Salaries, allowances and benefits in kind	1,115	1,182
Equity-settled share option expense	675	–
Retirement benefit scheme contributions	15	12
	<b>1,805</b>	<b>1,194</b>

The number of the non-director and non-chief executive, highest paid employee whose remuneration fell within the following band is as follows:

	2013	2012
HK\$1,000,001 to HK\$1,500,000	–	1
HK\$1,500,001 to HK\$2,000,000	1	–

During the year, share options were granted to the non-director and non-chief executive highest paid employee in respect of his services to the Group, further details of which are included in the disclosures in note 27 to the financial statements. The fair value of such options, which has been recognised in the income statement over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above non-director and non-chief executive highest paid employee's remuneration disclosures.



## 10. INCOME TAX EXPENSE

Hong Kong profits tax has been provided on the estimated assessable profits arising in Hong Kong at a rate of 16.5% (2012: 16.5%) during the year. Taxes on profits assessable elsewhere have been calculated at the rate of tax prevailing in the locations in which the Group operates.

Pursuant to the Corporate Income Tax Law (the "New PRC Tax Law") of the PRC effective on 1 January 2008, the PRC corporate income tax rate of the Group's subsidiaries operating in Mainland China during the year was 25% (2012: 25%) on their taxable profits.

	2013 HK\$'000	2012 HK\$'000
Group:		
Current — Hong Kong		
Charge for the year	20,398	19,303
(Overprovision)/underprovision in prior years	(736)	23
Current — Elsewhere		
Charge for the year	8,961	3,181
Deferred tax (note 25)	(1,791)	1,270
Total tax charge for the year	26,832	23,777

A reconciliation of the tax expense applicable to profit before tax at the statutory rates for the locations in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable rates (i.e., the statutory tax rates) to the effective tax rates, are as follows:

	Year ended 31 March 2013					
	Hong Kong		The PRC		Total	
	HK\$'000	%	HK\$'000	%	HK\$'000	%
Profit before tax	131,538		26,591		158,129	
Tax at the statutory tax rates	21,704	16.5	6,648	25.0	28,352	17.9
Adjustment in respect of current tax of previous periods	(736)	(0.6)	—	—	(736)	(0.5)
Income not subject to tax	(237)	(0.2)	(48)	(0.2)	(285)	(0.1)
Expenses not deductible for tax	2,012	1.5	—	—	2,012	1.3
Tax losses not recognised	1,113	0.8	—	—	1,113	0.7
Profits attributable to jointly-controlled entities	(3,624)	(2.7)	—	—	(3,624)	(2.3)
Tax charge at the Group's effective rates	20,232	15.3	6,600	24.8	26,832	17.0

# NOTES TO FINANCIAL STATEMENTS



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## 10. INCOME TAX EXPENSE (Continued)

	Year ended 31 March 2012					
	Hong Kong		The PRC		Total	
	HK\$'000	%	HK\$'000	%	HK\$'000	%
Profit before tax	122,811		11,395		134,206	
Tax at the statutory tax rates	20,264	16.5	2,849	25.0	23,113	17.2
Adjustment in respect of current tax of previous periods	23	–	–	–	23	–
Income not subject to tax	(13)	–	–	–	(13)	–
Expenses not deductible for tax	819	0.7	332	2.9	1,151	0.9
Tax losses not recognised	972	0.8	–	–	972	0.7
Profits attributable to jointly-controlled entities	(1,469)	(1.2)	–	–	(1,469)	(1.1)
Tax charge at the Group's effective rates	20,596	16.8	3,181	27.9	23,777	17.7

The share of tax attributable to jointly-controlled entities amounting to HK\$3,724,000 (2012: HK\$1,342,000) for the year ended 31 March 2013, is included in "Share of profits of jointly-controlled entities" in the consolidated income statement.

## 11. PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

The consolidated profit attributable to owners of the Company for the year ended 31 March 2013 includes a loss of HK\$6,008,000 (2012: Nil) which has been dealt with in the financial statements of the Company (note 28(b)).

## 12. DIVIDENDS

	2013 HK\$'000	2012 HK\$'000
Final dividend proposed after the end of the reporting period — HK5.0 cents (2012: Nil) per ordinary share	69,167	–

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

During the year, the Company's subsidiaries paid interim dividends of HK\$117,856,000 (2012: HK\$15,289,000) to the then shareholders. In October 2012, the Company declared a special dividend of HK\$53,474,000 to its then shareholders. Investors becoming shareholders of the Company after the listing of the Company on the Stock Exchange are not entitled to such special dividend.



### 13. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amount for the year ended 31 March 2013 is based on the profit for the year attributable to ordinary equity holders of the Company of HK\$129,598,000 (2012: HK\$103,910,000) and the weighted average number of ordinary shares in issue of 1,129,178,312 (2012: 1,000,000,000), on the assumption that the Reorganisation and the capitalisation issue (note 26(d)) had been completed on 1 April 2011.

The calculation of diluted earnings per share amount for the year ended 31 March 2013 is based on the profit for the year attributable to ordinary equity holders of the Company of HK\$129,598,000. The weighted average number of ordinary shares used in the calculation is the 1,129,178,312 ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of 12,311,073 ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares.

No adjustment has been made to the basic earnings per share amount for the year ended 31 March 2012 as the Group had no potentially dilutive ordinary shares in issue during that year.

### 14. PROPERTY, PLANT AND EQUIPMENT

Group	Land and buildings HK\$'000	Leasehold improvements HK\$'000	Furniture and fixtures HK\$'000	Catering and other equipment HK\$'000	Motor vehicles HK\$'000	Construction in progress HK\$'000	Total HK\$'000
<b>31 March 2013</b>							
At 31 March 2012 and 1 April 2012:							
Cost	1,427	95,379	13,726	50,050	2,207	13,577	176,366
Accumulated depreciation	(297)	(56,338)	(7,748)	(23,432)	(1,330)	–	(89,145)
Net carrying amount	1,130	39,041	5,978	26,618	877	13,577	87,221
At 1 April 2012, net of accumulated depreciation							
1,130	39,041	5,978	26,618	877	13,577	87,221	
Additions	–	44,169	12,977	37,142	2,060	5,363	101,711
Write-off	–	–	–	(337)	(37)	–	(374)
Depreciation provided during the year	(19)	(21,992)	(4,329)	(13,812)	(699)	–	(40,851)
Exchange realignment	–	9	33	10	6	176	234
Transfers	–	8,080	2,441	3,225	–	(13,746)	–
At 31 March 2013, net of accumulated depreciation	1,111	69,307	17,100	52,846	2,207	5,370	147,941
At 31 March 2013:							
Cost	1,427	147,632	29,204	89,591	4,234	5,370	277,458
Accumulated depreciation	(316)	(78,325)	(12,104)	(36,745)	(2,027)	–	(129,517)
Net carrying amount	1,111	69,307	17,100	52,846	2,207	5,370	147,941

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31 March 2013

## 14. PROPERTY, PLANT AND EQUIPMENT (Continued)

Group	Land and buildings HK\$'000	Leasehold improvements HK\$'000	Furniture and fixtures HK\$'000	Catering and other equipment HK\$'000	Motor vehicles HK\$'000	Construction in progress HK\$'000	Total HK\$'000
<b>31 March 2012</b>							
At 1 April 2011:							
Cost	1,427	71,465	10,239	34,077	1,608	–	118,816
Accumulated depreciation	(277)	(48,246)	(6,314)	(17,235)	(1,033)	–	(73,105)
Net carrying amount	1,150	23,219	3,925	16,842	575	–	45,711
At 1 April 2011, net of accumulated depreciation							
1,150	23,219	3,925	16,842	575	–	45,711	
Additions	–	27,872	3,646	17,569	591	13,577	63,255
Disposals	–	–	–	(11)	–	–	(11)
Depreciation provided during the year	(20)	(12,064)	(1,624)	(7,883)	(296)	–	(21,887)
Exchange realignment	–	14	31	101	7	–	153
At 31 March 2012, net of accumulated depreciation	1,130	39,041	5,978	26,618	877	13,577	87,221
At 31 March 2012:							
Cost	1,427	95,379	13,726	50,050	2,207	13,577	176,366
Accumulated depreciation	(297)	(56,338)	(7,748)	(23,432)	(1,330)	–	(89,145)
Net carrying amount	1,130	39,041	5,978	26,618	877	13,577	87,221

The net carrying amount of the Group's property, plant and equipment held under finance leases included in the total amount of motor vehicles as at 31 March 2013 was HK\$1,211,000 (2012: HK\$384,000).

The Group's land and buildings included in property, plant and equipment with a net carrying amount of HK\$1,111,000 (2012: HK\$1,130,000) as at 31 March 2013 are situated in Hong Kong and are held under a medium term lease.



## 15. INVESTMENTS IN SUBSIDIARIES

	Company	
	2013 HK\$'000	2012 HK\$'000
Unlisted shares, at cost	1,202,754	—

The amounts due from and to subsidiaries included in the Company's current assets and current liabilities of HK\$30,700,000 (2012: Nil) and HK\$36,804,000 (2012: Nil), respectively, as at 31 March 2013 are unsecured, interest-free and repayable on demand.

Particulars of the principal subsidiaries are as follows:

Company name	Place of incorporation/ registration and operations	Nominal value of issued ordinary share capital/paid-up registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Kang Wang Holdings Limited ("Kang Wang") <sup>®</sup> 康旺控股有限公司	British Virgin Islands ("BVI")/ Hong Kong	HK\$1,000,000	100	—	Investment holding
Cui Xin Holdings Limited ("Cui Xin") <sup>®</sup> 翠新控股有限公司	BVI/Hong Kong	HK\$1,000,000	100	—	Investment holding
Kenglory Limited <sup>®</sup> 維勤有限公司	Hong Kong	HK\$9,000	—	100	Restaurant operation
Happy Oasis Limited <sup>®</sup> 愉園有限公司	Hong Kong	HK\$10,000	—	100	Restaurant operation
Green Wave Limited <sup>®</sup> 綠波有限公司	Hong Kong	HK\$10,000	—	100	Restaurant operation
Tsui Wah Restaurant (Holding) Limited <sup>®</sup> 翠華餐廳(集團)有限公司	Hong Kong	HK\$9,400	—	100	Restaurant operation
Win Idea Investments Limited <sup>®</sup> 同合投資有限公司	Hong Kong	HK\$1,400,000	—	99.23	Restaurant operation
Euro Success Limited <sup>®</sup> 歐羅有限公司	Hong Kong	HK\$1,225	—	100	Restaurant operation



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## 15. INVESTMENTS IN SUBSIDIARIES (Continued)

Company name	Place of incorporation/ registration and operations	Nominal value of issued ordinary share capital/paid-up registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Senfield Limited <sup>®</sup> 誠發有限公司	Hong Kong	HK\$10,000	–	100	Restaurant operation
Billioncom (Hong Kong) Limited <sup>®</sup> 富澤(香港)有限公司	Hong Kong	HK\$100	–	100	Restaurant operation
Sky Oasis (HK) Limited <sup>®</sup> 天澤(香港)有限公司	Hong Kong	HK\$8	–	100	Restaurant operation
Royal Gold International Limited <sup>®</sup> 皇金國際有限公司	Hong Kong	HK\$8	–	100	Restaurant operation
Tsui Wah Efford Management Limited <sup>®</sup> 翠華怡富管理有限公司	Hong Kong	HK\$10	–	100	Management service
Dragonsea Limited <sup>®</sup> 游龍有限公司	Hong Kong	HK\$10	–	100	Food factory
Tsui Wah Catering Limited <sup>®</sup> 翠華飲食有限公司	Hong Kong	HK\$10	–	100	Restaurant operation
Shanghai Cai Hua Restaurants Management Company Limited <sup>*#®</sup> 上海采華餐飲管理有限公司	the PRC	HK\$1,200,000	–	100	Restaurant operation
Shanghai Cui Sheng Restaurants Company Limited <sup>*#®</sup> 上海翠盛餐飲有限公司	the PRC	HK\$4,300,000	–	100	Restaurant operation
Golden York World Limited <sup>®</sup> 金旭滙有限公司	Hong Kong	HK\$10	–	100	Restaurant operation
China Sure Limited <sup>®</sup> 確華有限公司	Hong Kong	HK\$10	–	100	Restaurant operation
Pioneer Ray Limited <sup>®</sup> 領熙有限公司	Hong Kong	HK\$10	–	100	Restaurant operation



## 15. INVESTMENTS IN SUBSIDIARIES (Continued)

Company name	Place of incorporation/ registration and operations	Nominal value of issued ordinary share capital/paid-up registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Special Wise Limited <sup>®</sup> 特維有限公司	Hong Kong	HK\$10	–	100	Restaurant operation
Common Way Limited <sup>®</sup> 錦日有限公司	Hong Kong	HK\$10	–	100	Restaurant operation
Richberg Development Limited <sup>®</sup> 智庫發展有限公司	Hong Kong	HK\$10	–	100	Restaurant operation
Ever Million Rich Limited <sup>®</sup> 永萬富有限公司	Hong Kong	HK\$10	–	100	Restaurant operation
Famous China Enterprise Limited <sup>®</sup> 采華企業有限公司	Hong Kong	HK\$10	–	100	Owner of trademarks
Flying Gold Limited <sup>®</sup> 翔金有限公司	Hong Kong	HK\$10	–	100	Restaurant operation
Happy Billions Limited <sup>®</sup> 逸億有限公司	Hong Kong	HK\$10	–	100	Restaurant operation
Summer Rich Limited <sup>®</sup> 夏富有限公司	Hong Kong	HK\$10	–	100	Restaurant operation
Wuhan Cai Hua Restaurants Management Company Limited <sup>***®</sup> 武漢采華餐飲管理有限公司	the PRC	RMB2,000,000	–	100	Restaurant operation

\* Registered as wholly-foreign-owned enterprises under the laws of the PRC.

\*\* Registered as limited liability company under the laws of the PRC.

# The English names of these companies represent the best effort made by management of the Company to directly translate their Chinese names as they do not register any official English names.

® Not audited by Ernst & Young, Hong Kong or another member firm of the Ernst & Young global network.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for 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.



31 March 2013

## 16. INVESTMENTS IN JOINTLY-CONTROLLED ENTITIES

	Group	
	2013 HK\$'000	2012 HK\$'000
Share of net assets	31,685	9,458
Loans to jointly-controlled entities	152	7,746
	<b>31,837</b>	<b>17,204</b>

The loans to the jointly-controlled entities are unsecured, interest-free and have no fixed terms of repayment.

Amounts due from the jointly-controlled entities included in the Group's other receivables as at 31 March 2013 totalling HK\$256,000 (2012: HK\$41,000) are unsecured, interest-free and have no fixed terms of repayment.

Amounts due to the jointly-controlled entities included in the Group's other payables as at 31 March 2013 totalling HK\$1,899,000 (2012: HK\$371,000) are unsecured, interest-free and have no fixed terms of repayment.

The Group's trade receivable balances with the jointly-controlled entities are disclosed in note 18 to the financial statements.

Particulars of the jointly-controlled entities are as follows:

Name	Particulars of issued shares held	Place of incorporation	Percentage of ownership interest	Principal activities
Famous Star Investment Limited ("Famous Star")* 星譽投資有限公司	Ordinary shares of HK\$1 each	Hong Kong	80	Restaurant operation
Pak Tat Catering Management Company Limited 百達餐飲管理有限公司	One "quota" of MOP17,500	Macau	70	Restaurant operation

The above investments in the jointly-controlled entities are indirectly held by the Company.

\* As at 31 March 2012 and 2013, the Group has over 50% voting power in Famous Star's board of directors. Notwithstanding that the Group holds more than 50% of the voting power in the board of directors of Famous Star, in the opinion of the directors, the Group is only in a position to have joint control over Famous Star having considered that the Group has contractually agreed the sharing of control over certain key financial and operating activities of Famous Star with the other shareholder.



## 16. INVESTMENTS IN JOINTLY-CONTROLLED ENTITIES *(Continued)*

The following table illustrates the summarised financial statements of the Group's jointly-controlled entities:

	2013 HK\$'000	2012 HK\$'000
Share of the jointly-controlled entities' assets and liabilities:		
Current assets	38,831	24,730
Non-current assets	5,686	9,474
Current liabilities	(12,832)	(24,746)
Net assets	31,685	9,458
Share of the jointly-controlled entities' results:		
Revenue	91,428	64,130
Other income	850	215
Total expenses	(66,590)	(53,962)
Income tax expense	(3,724)	(1,342)
Profit after tax	21,964	9,041
Previous losses in excess of investment cost shared by the Group in the year	—	(136)
Profit for the year shared by the Group	21,964	8,905

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## 17. INVENTORIES

	Group	
	2013	2012
	HK\$'000	HK\$'000
Food and beverage, and other operating items for restaurant operations	13,043	9,384

## 18. TRADE RECEIVABLES

	Group	
	2013	2012
	HK\$'000	HK\$'000
Trade receivables	5,223	2,964

The Group's trading terms with its customers are mainly on cash and smart card settlement, except for well established, corporate customers for which the credit term is generally 60 days. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancement over its trade receivable balances. Trade receivables are non-interest-bearing.

The Group has a certain concentration of credit risk as certain of the Group's trade receivables were due from the Group's largest customer and the five largest customers as detailed below.

	Group	
	2013	2012
	%	%
Largest customer	32	46
Five largest customers	80	83

An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

	Group	
	2013	2012
	HK\$'000	HK\$'000
Within 1 month	3,487	2,054
1 to 2 months	1,736	910
	5,223	2,964



## 18. TRADE RECEIVABLES *(Continued)*

An aged analysis of the trade receivables that are not individually nor collectively considered to be impaired is as follows:

	Group	
	2013 HK\$'000	2012 HK\$'000
Neither past due nor impaired	4,033	2,102
Less than 1 month past due	1,190	862
	<b>5,223</b>	<b>2,964</b>

Receivables that were neither past due nor impaired relate to a number of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the Directors are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

Included in the Group's trade receivables are amounts due from the Group's jointly-controlled entities of HK\$2,366,000 (2012: HK\$1,938,000) as at 31 March 2013, which are repayable on similar credit terms to those offered to the major customers of the Group.

## 19. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Group		Company	
	2013 HK\$'000	2012 HK\$'000	2013 HK\$'000	2012 HK\$'000
Prepayments	5,409	12,366	–	–
Deposits	50,595	37,751	–	–
Other receivables	8,387	2,680	439	–
	<b>64,391</b>	<b>52,797</b>	<b>439</b>	<b>–</b>
Current portion included in prepayments, deposits and other receivables	<b>(32,978)</b>	<b>(33,183)</b>	<b>(439)</b>	<b>–</b>
Non-current portion included in rental deposits	<b>31,413</b>	<b>19,614</b>	<b>–</b>	<b>–</b>

None of the above assets is either past due or impaired. Financial assets included in the above balances relate to receivables for which there was no recent history of default.

# NOTES TO FINANCIAL STATEMENTS



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## 20. BALANCES WITH DIRECTORS AND RELATED COMPANIES

Particulars of the amounts due from directors and related companies, disclosed pursuant to Section 161B of the Hong Kong Companies Ordinance, are as follows:

**31 March 2013**

**Group**

	31 March 2013 HK\$'000	Maximum amount outstanding during the year HK\$'000	1 April 2012 HK\$'000
<b>Due from directors</b>			
Mr. Lee Yuen Hong	–	32,300	30,909
Mr. Ho Ting Chi	–	31,033	31,033
Mr. Cheung Yu To	–	11,795	11,683
Mr. Cheung Wai Keung	–	20,023	19,835
Mr. Cheung Yue Pui	–	5,995	5,935
	–		99,395
<b>Due from related companies</b>			
Ample Favour Limited	–	919	910
Best Giant Limited	–	1,968	1,966
Champion Stage Limited	–	12,036	12,032
Cui Fa Limited	–	10,473	8,956
Fame City International Limited	–	6,082	5,975
Goodman Bond International Limited	–	16,320	16,320
Great List Limited	–	10,096	10,096
Joint Resources Limited	–	10	10
Joy Express Limited	–	4,901	4,601
Macca Investment Limited	–	518	518
Profit More Corporation Limited	–	4	4
Quick Time Networking Limited	–	46	–
Victor Leap Limited	–	685	676
Victory Bit Limited	–	1,058	1,058
World Bond Limited	–	26	26
Success Path Limited	–	32,313	32,313
Tsui Wah Estates (Hong Kong) Limited	–	4,123	4,123
Tsui Wah Food Limited	–	1,773	1,773
Tsui Wah Management Limited	–	39,769	39,769
	–		141,126



## 20. BALANCES WITH DIRECTORS AND RELATED COMPANIES (Continued)

31 March 2012

### Group

	31 March 2012 HK\$'000	Maximum amount outstanding during the year HK\$'000	1 April 2011 HK\$'000
<b>Due from directors</b>			
Mr. Lee Yuen Hong	30,909	30,909	29,413
Mr. Ho Ting Chi	31,033	32,316	32,316
Mr. Cheung Yu To	11,683	11,683	11,291
Mr. Cheung Wai Keung	19,835	19,835	19,425
Mr. Cheung Yue Pui	5,935	5,935	5,529
	<u>99,395</u>		<u>97,974</u>
<b>Due from related companies</b>			
Ample Favour Limited	910	910	–
Best Giant Limited	1,966	1,966	1,751
Champion Stage Limited	12,032	12,032	8,116
Cui Fa Limited	8,956	8,956	–
Fame City International Limited	5,975	5,975	5,546
Goodman Bond International Limited	16,320	42,111	42,111
Great List Limited	10,096	10,096	940
Joint Resources Limited	10	10	10
Joy Express Limited	4,601	4,733	4,733
Macca Investment Limited	518	518	–
Profit More Corporation Limited	4	4	4
Quick Time Networking Limited	–	49	49
Victor Leap Limited	676	676	–
Victory Bit Limited	1,058	1,058	–
World Bond Limited	26	26	–
Sartoria Limited	–	100	100
Success Path Limited	32,313	33,063	33,063
Tsui Wah Estates (Hong Kong) Limited	4,123	4,123	4,123
Tsui Wah Food Limited	1,773	1,773	1,765
Tsui Wah Management Limited	39,769	39,769	36,121
	<u>141,126</u>		<u>138,432</u>



# NOTES TO FINANCIAL STATEMENTS



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## 20. BALANCES WITH DIRECTORS AND RELATED COMPANIES (Continued)

An analysis of the amounts due to directors is as follows:

	Group	
	2013	2012
	HK\$'000	HK\$'000
<b>Due to directors</b>		
Mr. Lee Yuen Hong	—	17,661
Mr. Ho Ting Chi	—	14,184
Mr. Cheung Yu To	—	5,873
Mr. Cheung Wai Keung	—	3,461
Mr. Cheung Yue Pui	—	3,430
		44,609

An analysis of the amounts due to related companies is as follows:

	Group	
	2013	2012
	HK\$'000	HK\$'000
<b>Due to related companies</b>		
Best Giant Limited	—	141
Champion Stage Limited	—	5,782
Goodman Bond International Limited	—	200
Joy Express Limited	—	17,448
Joint Resources Limited	—	3,452
Quick Time Networking Limited	—	986
Success Path Limited	—	659
Tsui Wah Estates (Hong Kong) Limited	—	50,028
Tsui Wah Management Limited	—	210
		78,906

All the above related companies are controlled by the Controlling Shareholders, except for Profit More Corporation Limited which is a company controlled by Ms. Chan Choi Fung and Ms. Tai Ngan Har Talia, who are the spouse of Mr. Lee Yuen Hong and Mr. Ho Ting Chi, respectively.

Balances with directors and related companies are unsecured, interest-free and have no fixed terms of repayment.

None of the amounts due from directors and related companies is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.



## 21. CASH AND CASH EQUIVALENTS

	Group		Company	
	2013 HK\$'000	2012 HK\$'000	2013 HK\$'000	2012 HK\$'000
Cash and bank balances	406,830	92,082	248,072	–
Time deposits	511,541	–	510,078	–
	918,371	92,082	758,150	–
Less: Pledged time deposit	(1,025)	–	–	–
Pledged time deposit with original maturity of more than three months when acquired	(438)	–	–	–
Cash and cash equivalents	916,908	92,082	758,150	–
Cash and cash equivalents denominated in:				
HK\$	786,609	73,494	667,349	–
Renminbi (“RMB”)	130,299	18,588	90,801	–
	916,908	92,082	758,150	–

RMB is not freely convertible into other currencies. However, under Mainland China’s Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earn interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

## 22. TRADE PAYABLES

An aged analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

### Group

	2013 HK\$'000	2012 HK\$'000
Within 1 month	32,214	21,360
Over 1 month but less than 2 months	23,008	17,563
	55,222	38,923

The trade payables are non-interest-bearing and generally have payment terms of 45 days.

# NOTES TO FINANCIAL STATEMENTS

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## 23. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2013	2012	2013	2012
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Other payables	40,642	21,692	–	–
Accruals	47,096	28,158	2,150	–
	87,738	49,850	2,150	–

Other payables are non-interest-bearing and have average payment terms of one to three months.

## 24. FINANCE LEASE PAYABLES

The Group leases certain of its motor vehicles for business use. These leases are classified as finance leases and have a remaining lease term of four years.

At 31 March 2013, the Group's total future minimum lease payments under finance leases and their present values were as follows:

	Minimum lease payments		Present value of minimum lease payments	
	2013	2012	2013	2012
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Amounts payable:				
Within one year	422	147	411	143
In the second year	422	147	390	135
In the third to fifth years, inclusive	589	172	523	149
Total minimum finance lease payments	1,433	466	1,324	427
Future finance charges	(109)	(39)		
Total net finance lease payables	1,324	427		
Portion classified as current liabilities	(411)	(143)		
Non-current portion	913	284		

All the Group's finance lease payables as at the end of the reporting period are denominated in Hong Kong dollars.



## 25. DEFERRED TAX

The movements in deferred tax assets and liabilities during the year are as follows:

### DEFERRED TAX ASSETS

	Others HK\$'000	Depreciation in excess of related depreciation allowance HK\$'000	Losses available for offsetting against future taxable profits HK\$'000	Total HK\$'000
At 1 April 2011	–	2,961	4,158	7,119
Deferred tax credited/(charged) to the consolidated income statement during the year (note 10)	–	732	(2,027)	(1,295)
At 31 March 2012 and 1 April 2012	–	3,693	2,131	5,824
Deferred tax credited/(charged) to the consolidated income statement during the year (note 10)	2,361	1,524	(2,131)	1,754
At 31 March 2013	2,361	5,217	–	7,578

### DEFERRED TAX LIABILITIES

	Depreciation allowance in excess of related depreciation HK\$'000
At 1 April 2011	460
Deferred tax credited to the consolidated income statement during the year (note 10)	(25)
At 31 March 2012 and 1 April 2012	435
Deferred tax credited to the consolidated income statement during the year (note 10)	(37)
At 31 March 2013	398

# NOTES TO FINANCIAL STATEMENTS



31 March 2013

## 25. DEFERRED TAX *(Continued)*

### DEFERRED TAX LIABILITIES *(Continued)*

Certain subsidiaries of the Group have tax losses arising in Hong Kong in total of HK\$12,638,000 (2012: HK\$5,893,000) as at 31 March 2013, that are available indefinitely for offsetting against their future taxable profits of those companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

Pursuant to the New PRC Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

At 31 March 2013, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Mainland China. In the opinion of the directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future. The aggregate amounts of temporary differences associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised totalled approximately HK\$38,302,000 (2012: HK\$21,173,000) at 31 March 2013.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

## 26. ISSUED CAPITAL

There was no authorised and issued capital as at 31 March 2012 since the Company had not yet been incorporated.

### Company

	Notes	Number of ordinary shares of HK\$0.01	Nominal value of ordinary shares HK\$'000
Authorised:			
On incorporation and as at 31 March 2013	(a)	10,000,000,000	100,000
Issued and fully paid:			
On incorporation	(b)	1	—
Increase in issued share capital on 29 June 2012	(c)	199,999,999	2,000
Capitalisation issue of shares	(d)	800,000,000	8,000
Issuance of new shares on 26 November 2012	(e)	333,334,000	3,333
Issuance of new shares on 19 December 2012	(f)	50,000,000	500
As at 31 March 2013		1,383,334,000	13,833



## 26. ISSUED CAPITAL *(Continued)*

During the year ended 31 March 2013, the movements in the share capital were as follows:

- (a) On incorporation of the Company on 29 May 2012, the authorised share capital of the Company was HK\$100,000,000 divided into 10,000,000,000 shares of HK\$0.01 each.
- (b) Pursuant to an ordinary resolution passed on 29 May 2012, 1 ordinary share of HK\$0.01 was allotted, issued and credited as fully paid to the Company's initial subscriber, and was subsequently transferred to Cui Fa Limited.
- (c) Pursuant to an ordinary resolution passed on 29 June 2012, a total of 199,999,999 ordinary shares of HK\$0.01 each were issued at par for cash to Cui Fa Limited, Ample Favour Limited, Victor Leap Limited, Macca Investment Limited and Mr. Chau Tit Wa.
- (d) Pursuant to a resolution passed on 5 November 2012, 800,000,000 shares of HK\$0.01 each were allotted and issued, credited as fully paid at par, by way of capitalisation from the share premium account to the holders of shares whose names appear on the register of members of the Company at the close of business on 2 November 2012 in proportion to their respective shareholdings. This allotment and capitalisation issue were conditional on the share premium account being credited as a result of the issue of new shares to the public in connection with the Company's initial public offering as detailed in note (e) below.
- (e) In connection with the Company's initial public offering, 333,334,000 shares of HK\$0.01 each were issued at a price of HK\$2.27 per share for a total cash consideration, before expenses, of approximately HK\$756,668,000. Dealings in the shares of the Company on the Stock Exchange commenced on 26 November 2012.
- (f) In connection with the exercise of the over-allotment option in full by the sole global coordinator of the Company's initial public offering, 50,000,000 shares of HK\$0.01 each were issued at a price of HK\$2.27 per share for a total cash consideration, before expenses, of HK\$113,500,000.

## 27. SHARE OPTION SCHEMES

### (a) SHARE OPTION SCHEME

The Company operates a share option scheme ("Share Option Scheme") for the purpose of motivating eligible persons to optimise their performance and efficiency for the benefit of the Group and to attract and retain or otherwise maintain ongoing relationships with such eligible persons whose contributions are/will or expected to be beneficial to the Group. The Share Option Scheme became effective on 5 November 2012 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of shares in respect of which options may be granted under the Share Option Scheme and any other schemes involving the issue or grant of options or similar rights over shares or other securities by the Company shall not, in aggregate, exceed 10% of the issued share capital of the Company as at the Listing Date (without taking into account the shares which may be issued and allotted pursuant to the exercise of the Over-allotment Option and the options which may be or have been granted under the Pre-IPO share option scheme and the Share Option Scheme) unless shareholders' approval has been obtained.



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## 27. SHARE OPTION SCHEMES *(Continued)*

### (a) SHARE OPTION SCHEME *(Continued)*

The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other schemes must not, in aggregate, exceed 30% of the issued share capital of the Company from time to time. No options may be granted under any schemes of the Company (including the share option scheme) if this will result in the said 30% limit being exceeded.

The total number of shares issued and to be issued upon the exercise of the options granted to or to be granted to each eligible participant under the Share Option Scheme and any other schemes of the Group (including exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the shares of the Company in issue. Any grant of further share options above this limit shall be subject to certain requirements provided under the Listing Rules.

Any grant of options to a connected person under the Listing Rules must be approved by all of the Company's independent non-executive directors (excluding any independent non-executive director who is a proposed grantee).

The offer of a grant of share options may be accepted within upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors and ends on a date which is not later than 10 years from the date of offer of the share options.

The exercise price for any share under the Share Option Scheme shall be a price determined by the board of directors and notified to each grantee and shall be not less than the highest of (i) the closing price of a share as stated in the Stock Exchange's daily quotation sheet on the date of grant of the relevant option, which must be a business day, (ii) an amount equivalent to the average closing price of a share as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant of the relevant option and (iii) the nominal value of a share on the date of grant.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

No share options were outstanding under the Share Option Scheme as at 31 March 2012 and 2013.

### (b) PRE-IPO SHARE OPTION SCHEME

The Company operates a share option scheme (the "Pre-IPO Share Option Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Pre-IPO Share Option Scheme include the Company's directors, including independent non-executive directors, other employees of the Group, suppliers of goods or services to the Group, customers of the Group, the Company's shareholders, and any non-controlling shareholder in the Company's subsidiaries. The Pre-IPO Share Option Scheme became effective on 5 November 2012 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.



## 27. SHARE OPTION SCHEMES (Continued)

### (b) PRE-IPO SHARE OPTION SCHEME (Continued)

The following share options were outstanding under the Pre-IPO Share Option Scheme during the year:

	2013		2012	
	Weighted average exercise price HK\$ per share	Number of options '000	Weighted average exercise price HK\$ per share	Number of options '000
At 1 April	–	–	–	–
Granted during the year	2.27	100,000	–	–
Lapsed during the year	2.27	(627)	–	–
At 31 March	2.27	99,373	–	–

The fair value of the share options granted during the year was HK\$30,573,000 (HK\$0.3 each), of which the Group recognised a share option expense of HK\$5,422,000 during the year ended 31 March 2013.

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

#### 2013

Number of options '000	Exercise price* HK\$ per share	Exercise period
9,686	2.27	26-11-13 to 25-11-15
9,687	2.27	26-11-14 to 25-11-15
13,200	2.27	26-11-13 to 25-11-16
13,600	2.27	26-11-14 to 25-11-16
13,200	2.27	26-11-15 to 25-11-16
13,200	2.27	26-11-13 to 25-11-17
13,200	2.27	26-11-14 to 25-11-17
13,600	2.27	26-11-15 to 25-11-17
<b>99,373</b>		

\* The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.





31 March 2013

## 27. SHARE OPTION SCHEMES *(Continued)*

### (b) PRE-IPO SHARE OPTION SCHEME *(Continued)*

The fair value of equity-settled share options granted during the year was estimated as at the date of grant, using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

	2013
Dividend yield (%)	2.37
Expected volatility (%)	23.58
Historical volatility (%)	23.58
Risk-free interest rate (%)	0.218
Expected life of options (year)	2
Weighted average share price (HK\$ per share)	2.27

The expected life of the options is based on the estimation by the directors and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

No other feature of the options granted was incorporated into the measurement of fair value.

At the date of approval of these financial statements, the Company had 99,304,274 share options outstanding under the Pre-IPO Share Option Scheme, which represented approximately 7.2% of the Company's shares in issue as at that date.

## 28. RESERVES

### (a) GROUP

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statements of changes in equity on page 50 of the financial statements.

#### (i) Merger reserve

The merger reserve represents the reserve arising pursuant to the Reorganisation.

#### (ii) Statutory reserve

Transfers from retained profits to the statutory reserve were made in accordance with the relevant PRC rules and regulations and the articles of association of the Company's subsidiaries established in the PRC, and were approved by the respective boards of directors.

#### (iii) Considerations paid in the Kang Wang/Cui Xin Restructuring

The considerations paid in the Kang Wang/Cui Xin Restructuring represent the considerations paid to the Controlling Shareholders in respect of the Kang Wang/Cui Xin Restructuring (as defined in the prospectus of the Company dated 14 November 2012).

#### (iv) Acquisition of non-controlling interests by deemed capital contribution from the Controlling Shareholders

The movement in merger reserve represents deemed capital contribution from the Controlling Shareholders in respect of the acquisition of non-controlling interests pursuant to the Reorganisation (note 29(iii)).



**28. RESERVES** (Continued)  
**(b) COMPANY**

	Notes	Share premium account HK\$'000	Contributed surplus HK\$'000	Share option reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1 April 2011, 31 March 2012 and 1 April 2012		–	–	–	–	–
Arising from Kang Wang/Cui Xin Restructuring		–	1,200,754	–	–	1,200,754
Profit and total comprehensive income for the year	11	–	–	–	47,466	47,466
Capitalisation issue of shares	26	(8,000)	–	–	–	(8,000)
Issuance of new shares	26	866,335	–	–	–	866,335
Share issue expenses		(75,817)	–	–	–	(75,817)
Equity-settled share option arrangements	27	–	–	5,422	–	5,422
Special dividend	12	–	–	–	(53,474)	(53,474)
At 31 March 2013		782,518	1,200,754	5,422	(6,008)	1,982,686

The Company's contributed surplus represents the excess of the fair value of the shares of the subsidiaries acquired pursuant to the Reorganisation, over the nominal value of the Company's shares issued in exchange therefor. Pursuant to the Cayman Islands company law, a company may make distributions to its members out of the contributed surplus in certain circumstances.

The share option reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payments in note 3.1 to the financial statements. The amount will either be transferred to the share premium account when the related options are exercised, or be transferred to retained profits should the related options expire or be forfeited.

# NOTES TO FINANCIAL STATEMENTS



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## 29. MAJOR NON-CASH TRANSACTIONS

- (i) During the year ended 31 March 2012, the Group acquired certain non-controlling interests at a total cash consideration of HK\$8,331,000 settled by the Controlling Shareholders on behalf of the Group.
- (ii) During the year ended 31 March 2012, the Group acquired the interests in subsidiaries in respect of the Kang Wang/Cui Xin Restructuring at a total consideration of HK\$2,823,000 settled by the Controlling Shareholders on behalf of the Group.
- (iii) During the year ended 31 March 2013, pursuant to the Reorganisation, the Group acquired non-controlling interests in consideration of 4,088 shares in Kang Wang transferred from the Controlling Shareholders to the non-controlling shareholder.
- (iv) During the year ended 31 March 2013, pursuant to the Reorganisation, the Company acquired the shares in Kang Wang and Cui Xin at a total cash consideration of HK\$2,000,000 settled by offsetting against the consideration receivable from issue of shares of the Company to the then equity holders pursuant to the Reorganisation.
- (v) During the year ended 31 March 2013, Kang Wang declared a special dividend of HK\$117,856,000 to its then shareholders to offset the Group's outstanding balances with directors and related companies pursuant to the deed of assignments. Before the settlement of the balances, the amounts due from the directors and the related companies were HK\$100,877,000 and HK\$130,514,000, respectively, and the amounts due to the directors and the related companies were HK\$44,677,000 and HK\$68,858,000, respectively.
- (vi) During the year ended 31 March 2013, the Group entered into finance lease arrangements in respect of motor vehicles with a total capital value at the inception of the leases of HK\$1,247,000 (2012: Nil).

## 30. CONTINGENT LIABILITIES

At the end of the reporting period, contingent liabilities not provided for in the financial statements were as follows:

	Notes	Group		Company	
		2013 HK\$'000	2012 HK\$'000	2013 HK\$'000	2012 HK\$'000
Guarantee in respect of a banking facility granted to a subsidiary	(a)	–	–	60,000	–
Bank guarantees in lieu of rental deposits	(b)	1,463	–	–	–
		1,463	–	60,000	–

Notes:

- (a) As at 31 March 2013, the banking facility granted to a subsidiary subject to the guarantee given to the bank by the Company was not utilised (2012: Nil).
- (b) The bank guarantees were given in favour of landlords in lieu of rental deposits.



### 31. OPERATING LEASE COMMITMENTS

The Group leases certain of its restaurants, office premises and warehouses under operating lease arrangements. Leases for these properties are negotiated for terms ranging from one to ten years.

At 31 March 2013, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	2013 HK\$'000	2012 HK\$'000
Within one year	95,889	73,985
In the second to fifth years, inclusive	112,228	90,616
After five years	19,017	21,324
	<b>227,134</b>	<b>185,925</b>

In addition, the operating lease rentals for certain restaurants are based on the higher of a fixed rental and a contingent rent depending on the sales of these restaurants pursuant to the terms and conditions as set out in the respective rental agreements. As the future sales of these restaurants could not be reliably determined, the relevant contingent rent has not been included above and only the minimum lease commitments have been included in the above table.

### 32. COMMITMENTS

In addition to the operating lease commitments detailed in note 31 above, the Group had the following capital commitments at the end of the reporting period.

	2013 HK\$'000	2012 HK\$'000
Contracted, but not provided for leasehold improvements	–	5,222
Authorised, but not contracted for leasehold improvements	5,283	4,000
	<b>5,283</b>	<b>9,222</b>

At the end of the reporting period, the Company had no significant commitments.

# NOTES TO FINANCIAL STATEMENTS



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## 33. RELATED PARTY TRANSACTIONS

- (i) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the year:

	2013 HK\$'000	2012 HK\$'000
Sale of food to jointly-controlled entities	18,772	12,483
Purchase of food from a jointly-controlled entity	1,899	1,268
Rental fee paid and payable to:		
Fame City International Limited	659	659
Success Path Limited	3,290	1,140
Champion Stage Limited	1,572	1,572
Joy Express Limited	9,600	9,600
Service fee charged by		
Quick Time Networking Limited	—	158
Purchase of property, plant and equipment from		
Quick Time Networking Limited	—	1,103

The transactions were conducted at terms and conditions mutually agreed between the relevant parties. The directors are of the opinion that these related party transactions were conducted in the ordinary course of business of the Group.

During the year, Quick Time Networking Limited licensed the point-of-sale system to the Group for free.

Unless otherwise stated, all of the above related parties are controlled by the Controlling Shareholders.

The related party transactions in respect of rental fee above also constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules.

- (ii) The Group's profits tax loan facilities in the prior year were guaranteed by the Company's directors, Mr. Lee Yuen Hong, Mr. Ho Ting Chi, Mr. Cheung Yu To, Mr. Cheung Wai Keung and Mr. Cheung Yue Pui. As at 1 April 2011, the profits tax loan facilities granted to the Group of HK\$12,814,000 were utilised to the extent of HK\$12,814,000. The profits tax loans were fully paid during the year ended 31 March 2012.



### 33. RELATED PARTY TRANSACTIONS *(Continued)*

- (iii) Compensation of key management personnel of the Group, including directors' and the chief executive's remuneration as disclosed in note 8 to the financial statements, is as follows:

	2013 HK\$'000	2012 HK\$'000
Short term employee benefits	11,097	6,215
Equity-settled share option expenses	3,653	–
Post-employment benefits	97	84
	<b>14,847</b>	<b>6,299</b>

### 34. FINANCIAL INSTRUMENTS BY CATEGORY

As at 31 March 2013 and 2012, all the financial assets and liabilities of the Group and the Company were loans and receivables and financial liabilities at amortised cost, respectively.

### 35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents and finance lease payables. The Group has various other financial assets and liabilities such as trade receivables, deposits and other receivables, trade payables, other payables and accruals and balances with directors, jointly-controlled entities and related parties.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below.

#### INTEREST RATE RISK

The Group only has finance lease payables with fixed interest rate and thus, the directors believe the Group's exposure to interest rate risk is minimal.

#### FOREIGN CURRENCY RISK

The Group's monetary assets, liabilities and transactions are principally denominated in Hong Kong dollars or Renminbi. Given that fluctuations between Renminbi and Hong Kong dollars are under the control of the PRC government, the foreign currency risk is considered not material and the Group therefore does not have a foreign currency hedging policy. However, the management monitors the Group's foreign exchange exposure and will consider hedging significant foreign currency exposure when the need arises.



31 March 2013

## 35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### LIQUIDITY RISK

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank borrowings. The Group regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, was as follows:

#### Group

##### 31 March 2013

	Less than 1 year HK\$'000	In the second year HK\$'000	In the third to fifth years HK\$'000	Total HK\$'000
Trade payables	55,222	–	–	55,222
Financial liabilities included in other payables and accruals	87,738	–	–	87,738
Finance lease payables	422	422	589	1,433
Bank guarantee in lieu of rental deposits	1,463	–	–	1,463
	144,845	422	589	145,856

##### 31 March 2012

	Less than 1 year HK\$'000	In the second year HK\$'000	In the third to fifth years HK\$'000	Total HK\$'000
Trade payables	38,923	–	–	38,923
Financial liabilities included in other payables and accruals	49,850	–	–	49,850
Due to directors	44,609	–	–	44,609
Due to related companies	78,906	–	–	78,906
Finance lease payables	147	147	172	466
	212,435	147	172	212,754



## 35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### LIQUIDITY RISK (Continued)

#### Company

Less than 1 year or on demand	2013	2012
	HK\$'000	HK\$'000
Other payables and accruals	2,150	–
Due to subsidiaries	36,804	–
Guarantee given to a bank in connection with facilities granted to a subsidiary	60,000	–
	<b>98,954</b>	<b>–</b>

### CAPITAL MANAGEMENT

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise the shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to the shareholders, return capital to the shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year.

The Group monitors capital using a gearing ratio, which is expressed as a percentage of interest-bearing bank and other borrowings over capital. Capital represents equity attributable to owners of the Company. The gearing ratios as at the end of the reporting periods were as follows:

	Group	
	2013	2012
	HK\$'000	HK\$'000
Finance lease payables	1,324	427
Equity attributable to owners of the Company	1,037,132	258,632
Gearing ratio	0.13%	0.17%

## 36. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 25 June 2013.



# FOUR YEAR FINANCIAL SUMMARY



A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last four financial years, as extracted from the prospectus of the Company dated 14 November 2012, is as follows.

## RESULTS

	Year ended 31 March			
	2013 HK\$'000	2012 HK\$'000	2011 HK\$'000	2010 HK\$'000
REVENUE	1,084,415	762,791	598,047	440,010
PROFIT BEFORE TAX	158,129	134,206	83,526	67,568
Income tax expense	(26,832)	(23,777)	(15,502)	(10,249)
PROFIT FOR THE YEAR	131,297	110,429	68,024	57,319
Profit attributable to:				
Owners of the Company	129,598	103,910	64,909	53,812
Non-controlling interests	1,699	6,519	3,115	3,507
	131,297	110,429	68,024	57,319

## ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

	As at 31 March			
	2013 HK\$'000	2012 HK\$'000	2011 HK\$'000	2010 HK\$'000
TOTAL ASSETS	1,191,580	507,997	398,914	302,036
TOTAL LIABILITIES	(154,363)	(227,209)	(203,323)	(162,053)
	1,037,217	280,788	195,591	139,983
EQUITY:				
Equity attributable to owners of the Company	1,037,132	258,632	180,962	127,686
Non-controlling interests	85	22,156	14,629	12,297
	1,037,217	280,788	195,591	139,983



魚蛋類新  
咖哩樹豆  
翠華餐廳

順德魚腐

咖哩雞飯

冰鎮芥蘭

馬來咖哩牛腩

翠華餐廳

河粉米線

脆嘩奶油豬

熱鴛鴦

潮州墨魚丸

招牌忌廉咖啡

生磨蛋白杏仁露

鮮茄蓉豬扒飯

豬軟骨

桂圓紅棗茶

公司尖通粉

奶醬厚多士

鮑汁肉絲炒麵

海南文昌雞

至潮魚蛋片頭

炒滑蛋三文治

翠華餐廳

清翠利樂

翠華餐廳

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