CAFÉ DE CORAL HOLDINGS LIMITED

大 家 樂 集 團 有 限 公 司

(Incorporated in Bermuda with Limited Liability)

Website: http://www.cafedecoral.com

(Stock Code: 341)

ANNUAL RESULTS ANNOUNCEMENT

FOR THE YEAR ENDED 31ST MARCH, 2012

HIGHLIGHTS

- **Continuous sales growth for the 25th year, reaching HK$5.96 billion, recording a steady growth of 12% as compared with last year.**
- **Profit recorded at HK$474 million in face of rising food, labour and rental costs, recording a decline of 8% as compared with last year.**
- **Development of two new central food processing plants located respectively in Guangzhou, PRC and Tai Po, Hong Kong honed our competitive edges.**
- **Striving in expanding into the Greater China with outlets in PRC well over 120.**
- **Well-planned succession arrangement allows for sustainable management.**
- **Recommend a Final Dividend of 45 HK cents per share, with a total dividend payout ratio of 74.6% for the full year.**

CHAIRMAN’S MESSAGE

For Café de Coral, the year was one of changes and challenges. We faced trials on many fronts, primarily from short-term challenges on rising material, labour and rental costs, but in the same year, we also engaged in long-term investments towards our future. As we set our sights on expansion into the mainland China market, we were also challenged to remain competitive in Hong Kong. Our central strategy was not a quick fix, but to provide a solid foundation for sustainable growth down the road. We formulated strategies to address these issues, to improve on employee morale in the short term, to stabilise our raw material supply chain in the intermediate term, and to enhance our productivity and operational efficiencies over the long run.

To that end, I am pleased to announce the development of the two new central food processing plants in Guangzhou Development District, China, and Tai Po Industrial Estate, Hong Kong. These plants will hone our competitive edge by improving the logistics of our food processing system, saving time and freeing up valuable retail space on the front end.

Also high among our priorities has been ensuring a steady stream of capable and talented individuals to meet tomorrow's complex corporate needs. Our internal human resources program, via a vigorous recruitment and screening process, identifies high potential employees for the greater corporate good and sees to it that we have a sustainable pool of management talent to take us into the future in Hong Kong and in China.

After more than 40 years in business, we have found that the challenge lies not in the obstacles put before us, but to rise to the occasion to take on each and every one of these challenges. This year we built a solid foundation for the next phase of growth, which focuses on expansion and diversification.

In order to achieve a much more balanced revenue stream and to improve on the competitive position of the Group as a whole, we continued with our multi-brand strategy. We also further explored new opportunities for mergers and acquisitions as they arise in order to augment this strategy and build on our Group’s strengths. At the same time, we continued to focus our attention on mainland China, with plans to scale up our development pace in the South China market and proactively explore ways to fine-tune our Eastern China business model.

The future is rapidly changing before our eyes. Given the current challenging employment dynamics, the unceasing cost inflation, and the competitive leasing landscape, the rules of the game for business operation will never be the same. The challenges we faced this year alerted management to re-examine the way we run our business here in Hong Kong. It strengthened our resolve to further improve on our central production and operational efficiency in order to become more cost effective and price competitive. In the process, we recognise that our profit margin will inevitably be impacted in the short term.

However, in the longer view, we remain optimistic and confident about our future. I believe that the breadth of our management calibre and the depth of our operational experience will give us the edge to rise above any adversity and come out stronger and more resilient than ever.

Under this charted course, the Group has now reached a size and scale that require a new organisational structure in order to sustain organic growth and territorial expansion. I have managed Café de Coral Group from a homegrown enterprise to a multinational corporation with a market capitalisation increased well over 20 times since its public listing some 25 years ago. It is time, in my view, to hand over my role as Chief Executive Officer. It goes without saying that I will sadly miss the comradeship of the colleagues and partners who have joined me in this exciting journey in building the Group to what it is today. While counting the blessings of past years, I also look forward to my ongoing role as Chairman of the Company, to lead an effective Board on strategic direction and to ensure that the Group operates to a desired standard of corporate governance.

As a seasoned veteran of the Company for the last 29 years, Mr. Sunny Lo assumed the role of Chief Executive Officer of the Company. He has been my life-long partner in overseeing the great growth and expansion of the Group in the past and has accumulated a tremendous wealth of experience over the years. I strongly believe that these well-planned succession arrangements will allow for a more effective management of our diverse and fast-growing business, and pave the way for a more promising future for the Group in the years to come.

Chan Yue Kwong, Michael
Chairman

Hong Kong, 26th June, 2012

Business Review

In the past year, the catering industry has seen skyrocketing material costs, which have driven up operational costs around the world. In Hong Kong, we have also found ourselves struggling under increased labour and rental costs. Recognising that these increases will be an ongoing issue in the foreseeable future, the Group implemented a number of measures to address these impositions, such as improving the efficiency of our existing shops to deal with last year's introduction of the minimum wage.

Two new central food processing plants have been developed and will take over the majority of back-end food preparation. Our local businesses will be supported by the plant under development in Hong Kong, while the PRC plant and accompanying training centre currently in operation will support business development in China. Together these new plants will allow us to make improvements in quality and implement cost control measures uniformly across brands. They will also permit us to accelerate our expansion strategy and dynamically introduce new brands with simplified menus, while freeing retail space on the front-end to generate larger sales.

There is growing demand among China's swelling middle class for quality quick service restaurants and Western eateries, and expansion in that fertile market is a priority for the Group. Our strategy is one of multi-branding and the flexibility to adapt, which requires both careful investment of resources and time to develop. The brands **Café de Coral** and **The Spaghetti House** have already been successfully introduced in Southern China.

Exploratory studies are underway on the prospect of scaling up our Eastern China business platform, about which we are optimistic due to our experience and knowledge developed in the region.

In light of the challenges we faced this past year, the Group recorded a steady growth of 12% in total turnover to HK$5.96 billion, whilst profit attributable to shareholders was HK$474 million, a decline of 8% compared to the previous year. The Directors recommend a final dividend of 45 HK cents per share to be paid to shareholders for the past year.

Hong Kong Business Platform

Despite the challenging environment on operational costs this year, **Café de Coral** showed modest growth and continued its expansion strategy. This included investing more than HK$37 million in renovations at existing shops to offer customers a superior dining experience and keep our outlets fresh and competitive in the eyes of our customers. A total of 13 shops received renovations, with two existing shops at New Town Plaza and Shatin City One Plaza, and one new shop at Hennessy House, specially selected to receive a newly launched 5G design.

Seven new **Super Super Congee & Noodles** shops were opened in the past year, including three outlets opened in private residential areas such as Whampoa Garden, Kingswood Ginza and Marina Square. The brand remains popular and successful, thanks to its health-conscious product range tapping into the public trend for green living, with broad recognition amongst our customers in the public housing estates, office districts and private residential developments.

Specialising in freshly made sandwiches, **Oliver's Super Sandwiches** performed well this year. The brand's focus on increased efficiency, with smaller footprint retail spaces functioning at reduced operating costs, allows its locations to maximise both production and profits.

This year, **Asia Pacific Catering** renewed seven existing contracts and added 16 new branches, including Hong Kong Airport Services, Hong Kong Coliseum and Queen Elizabeth Stadium, which are outside of our tradition venues such as banks, hospitals, universities and canteens. Though sales remained positive, the profit margin was unavoidably affected by rising costs and the implementation of the minimum wage, leading to strict cost control measures. Nevertheless, to ensure the budget is met and profits remain within acceptable levels, clients have been approached regarding a price increase.

Already a very strong brand in the market, **The Spaghetti House** met rising food costs and intense competition with a series of successful marketing initiatives at its 25 locations. These included VIP membership promotions appealing to customer loyalty, joint promotions with banks, and advertising campaigns to promote new dishes such as the Fondue Combination Menu. Regular renovation has kept the brand's image fresh, and a new menu was regularly introduced to spark renewed customer interest.

PRC Business Platform

Café de Coral is already well represented in PRC, with 90 locations in first-tier and second-tier developed cities throughout Southern China. In the past year, we experienced rental cost increases in these cities, and cost increases at our food processing plant and supporting facilities. Though this resulted in short-term profit impact, we continued to move forward in our goal of expanding into this affluent market by opening 13 new **Café de Coral** branches in carefully selected locations, some of which are located in developing cities in Southern China where the rent is less costly but these trade areas take time to mature.

With the support of our new food processing plant and training centre in Guangzhou, we expect to accelerate this expansion in the future. We anticipate that the logistical back-up provided by the plant, coupled with our flexible business model, will largely counteract rising rental costs in prime cities.

In Eastern China, we have 12 **Café de Coral** locations. While we continued to adjust our business model to adapt to the Eastern China market, we recently opened our Nanjing outlet, converting our semi-service mode to full-service mode and enhancing the menu offering. The initial result looks promising in terms of customer count and per head spending. We are currently evaluating the proposition to adopt the same full-service operating mode in Eastern China, and aim to open eight new stores in the coming year.

In recent years, **Asia Pacific Catering** has successfully opened catering units in United International College in Zhuhai, PRC. This proved to the Group, upon strategic review, that the brand has the potential to grow beyond its traditional client base in the low value-added manufacturing sector and to explore expanding its market share among other high value-added institutional clientele in the Pearl River Delta Region.

North America Business Platform

This was a challenging year for **Manchu WOK**. Though the business delivered healthy cash flow this year, the North American economic recovery has been slow and shaky, with many in the restaurant industry adversely affected by overly cautious developers and increased operational costs. As a result of these obstacles, consumer spending is down on all fronts.

Traditional mall locations continue to be a challenge, due to stagnation in the building industry as pertains to malls, untenable rent and competitive bids.

As of 31st March 2012, **Manchu WOK** had 150 locations operating throughout the United States and Canada. After a comprehensive strategic review by management, the Group is now focussing on expanding its business in traditional mall and off-mall locations in Canada, whilst expanding its non-traditional business in North America in the year ahead.

Prospects

As an innovator and leader in the competitive catering industry, the Group has been able to achieve sustainable growth in the highly competitive operating environment of Hong Kong, even during these challenging times.

Now we have set ourselves a new challenge: to tap into the dynamic business environment of China. The efficiency of our operation is under constant enhancement as we break new ground in this promising frontier, with a solid foundation underfoot upon which to expand, a flexible strategy for the mission ahead, and an understanding both of customer eating habits and unique PRC market dynamics. We will penetrate into this market through a multi-brand strategy to achieve a greater presence and customer awareness. To meet this goal, we will invest greatly in the year ahead in human resources to build a team with the knowledge and skills necessary to tackle the challenges before us and to anticipate challenges we have not yet encountered.

In the face of the high labour, raw material and rental costs facing the catering industry in Hong Kong and worldwide, we must do more than get by. We must strive for excellence, improve efficiency, and establish a diverse multi-regional, multi-brand platform for sustainable growth into the future.

The Group will become more cost effective without sacrificing on quality or value, and we will persevere in an increasingly competitive industry.

RESULTS

The board of directors is pleased to announce the audited consolidated results of Café de Coral Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") for the year ended 31st March, 2012, together with the comparative figures for the previous year, as follows:

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2012

	Note	**2012**	2011
		HK$'000	*HK$'000*
Revenue	**4**	**5,956,438**	**5,332,639**
Cost of sales	6	(5,142,737)	(4,528,864)
Gross profit		813,701	803,775
Other gains, net	5	62,883	89,546
Administrative expenses		(317,950)	(283,706)
Operating profit		**558,634**	**609,615**
Finance income	7	9,016	7,298
Share of profit of associates		310	2,645
Share of loss of jointly controlled entities		(333)	(67)
Profit before income tax		**567,627**	**619,491**
Income tax expense	8	(94,144)	(105,169)
Profit for the year		473,483	514,322
Allocated as:			
Loss attributable to non-controlling interests		(318)	(6)
Profit attributable to equity holders of the Company		**473,801**	**514,328**
Earnings per share for profit attributable to the equity holders of the Company			
- Basic	**9**	**83.78 HK cents**	**91.58 HK cents**
- Diluted	9	83.19 HK cents	90.49 HK cents
Dividends	10	353,286	490,747

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH, 2012

	2012	2011
	HK$'000	*HK$'000*
Profit for the year	473,483	514,322
Other comprehensive income/(loss):		
Exchange differences arising from translation of foreign subsidiaries, associates and jointly controlled entities	10,065	34,361
Actuarial losses on retirement benefit obligation recognised in reserve	(28,455)	(17,001)
Deferred income tax effect on actuarial (gains)/losses of retirement benefit obligation recognised in reserve	(1,004)	2,805
Fair value gains/(losses) on available-for-sale financial assets	136,129	(19,428)
Reserve released upon disposal of available-for-sale financial assets	(3,992)	(18,490)
Total comprehensive income for the year	**586,226**	**496,569**
Attributable to:		
- Equity holders of the Company	586,544	496,575
- Non-controlling interests	(318)	(6)
	586,226	496,569

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH, 2012

	Note	As at 31st March, **2012** *HK$'000*	2011 *HK$'000*
ASSETS			
Non-current assets			
Leasehold land and land use rights		97,143	67,810
Property, plant and equipment		1,482,562	1,175,764
Investment properties		326,200	316,200
Intangible assets		172,652	190,676
Investments in associates		18,505	21,271
Investments in jointly controlled entities		11,060	4,240
Deferred income tax assets		18,075	14,160
Retirement benefit assets		-	14,361
Available-for-sale financial assets		417,667	324,052
Non-current prepayments and deposits		229,505	228,369
Financial assets at fair value through profit or loss		14,745	38,392
		2,788,114	2,395,295
Current assets			
Inventories		172,099	170,986
Trade and other receivables	11	73,889	54,333
Prepayments and deposits		99,070	101,534
Financial assets at fair value through profit or loss		55,135	65,902
Bank deposits with maturity over three months		31,033	-
Cash and cash equivalents		854,417	993,333
		1,285,643	1,386,088
Total assets		4,073,757	3,781,383
EQUITY			
Capital and reserves attributable to the equity holders of the Company			
Share capital		56,956	56,313
Other reserves		1,057,413	836,259
Retained earnings			
- Proposed dividends		256,997	395,098
- Others		1,877,632	1,778,160
		3,248,998	3,065,830
Non-controlling interests		1,271	1,589
Total equity		3,250,269	3,067,419

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31ST MARCH, 2012

	Note	As at 31st March, **2012** *HK$'000*	2011 *HK$'000*
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		62,021	61,117
Provision for long service payments		9,872	14,249
Retirement benefit liabilities		12,328	-
		84,221	75,366
Current liabilities			
Trade payables	12	171,250	172,413
Other creditors and accrued liabilities		535,286	440,361
Current income tax liabilities		32,731	25,824
		739,267	638,598
Total liabilities		823,488	713,964
Total equity and liabilities		4,073,757	3,781,383
Net current assets		546,376	747,490
Total assets less current liabilities		3,334,490	3,142,785

Notes: -

1 Basis of preparation

The consolidated financial statements of the Company and its subsidiaries (the "Group") have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, available-for-sale financial assets and financial assets at fair value through profit or loss, which are carried at fair value.

The preparation of consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

2 Accounting policies

The following new standards and amendments to standards are effective for the financial year ended 31st March, 2012 and are relevant to the Group.

- HKAS 1 (Amendment) 'Presentation of Financial Statements'. This amendment clarifies that entities may present an analysis of the components of other comprehensive income by item either in the statement of changes in equity or within the notes. The adoption of this amendment does not have any impact on the presentation of the Group's consolidated financial statements.

- HKFRS 3 'Business Combinations'. This amendment clarifies that only when the acquiree has present ownership instruments that entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the acquirer can choose to measure the non-controlling interest at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. This revision does not have any material financial impact on the Group.

- HKAS 24 (Revised) clarifies and simplifies the definitions of related parties. The new definitions emphasis a symmetrical view of related party relationships and clarify the circumstances in which persons and key management personnel affect related party relationships of an entity. The revised standard also introduces an exemption from the general related party disclosure requirements for transactions with a government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. The accounting policy for related parties has been revised to reflect the changes in the definitions of related parties under the revised standard. The adoption of the revised standard does not have any impact on the financial position or performance of the Group.

2 Accounting policies (Continued)

Other new standards, amendments to standards and interpretations, which are mandatory for the first time for the financial year beginning 1st April, 2011, are not currently relevant for the Group or do not have material impact on the Group for the year ended 31st March, 2012.

The following new standards, amendments to standards and interpretations have been issued, but are not effective for the financial year beginning 1st April, 2011 and have not been early adopted by the Group:

		Effective for accounting periods beginning on or after
New or revised standards, interpretations and amendments		
HKAS 1 (Amendment)	Presentation of financial statements	1st July, 2012
HKAS 12 (Amendment)	Deferred Tax: Recovery of underlying assets	1st January, 2012
HKAS 19 (Amendment)	Employee benefits	1st January, 2013
HKAS 27 (Revised)	Separate financial statements	1st January, 2013
HKAS 28 (Revised)	Associates and joint ventures	1st January, 2013
HKAS 32 (Amendment)	Financial Instruments: Presentation-Offsetting financial assets and financial liabilities	1st January, 2014
HKFRS 1 (Amendment)	Severe hyperinflation and removal of fixed dates for first-time adopters	1st July, 2011
HKFRS 7 (Amendment)	Financial Instruments: Disclosures - Transfers of financial assets	1st July, 2011
HKFRS 7 (Amendment)	Financial Instruments: Disclosures - Offsetting of financial assets and financial liabilities	1st January, 2013
HKFRS 9	Financial instruments	1st January, 2015
HKFRS 10	Consolidated financial statements	1st January, 2013
HKFRS 11	Joint arrangements	1st January, 2013
HKFRS 12	Disclosure of interests in other entities	1st January, 2013
HKFRS 13	Fair value measurements	1st January, 2013
HK(IFRIC)-Int 20	Stripping costs in the production phase of a surface mine	1st January, 2013
HKFRS 7 and HKFRS 9	Mandatory effective date and transition disclosures	1st January, 2015

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

3 Segment information

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

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

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

	Hong Kong *HK$'000*	Mainland China *HK$'000*	North America *HK$'000*	Group *HK$'000*
Year ended 31st March, 2012				
Total segment revenue	4,786,507	1,074,925	203,884	6,065,316
Inter-segment revenue *(Note i)*	(2,517)	(106,361)	-	(108,878)
Revenue (from external revenue) *(Note ii)*	4,783,990	968,564	203,884	5,956,438
Segment results *(Note iii)*	700,660	87,510	14,477	802,647
Depreciation and amortisation	171,064	57,023	15,926	244,013
Finance income	6,081	2,753	182	9,016
Share of profit/(loss) of associates	1,742	(1,812)	380	310
Share of loss of jointly controlled entities	(279)	(54)	-	(333)
Income tax expense/(credit)	81,516	13,842	(1,214)	94,144

3 Segment information (Continued)

	Hong Kong *HK$'000*	Mainland China *HK$'000*	North America *HK$'000*	Group *HK$'000*
Year ended 31st March, 2011				
Total segment revenue	4,355,687	862,749	215,258	5,433,694
Inter-segment revenue *(Note i)*	(4,176)	(96,879)	-	(101,055)
Revenue (from external revenue) *(Note ii)*	4,351,511	765,870	215,258	5,332,639
Segment results *(Note iii)*	700,854	120,051	13,693	834,598
Depreciation and amortisation	152,856	56,803	15,324	224,983
Finance income	5,600	1,435	263	7,298
Share of profit of associates	2,300	107	238	2,645
Share of loss of a jointly controlled entity	-	(67)	-	(67)
Income tax expense/(credit)	90,200	16,896	(1,927)	105,169

(i) Inter-segment transactions were entered into in the normal course of business.

(ii) The Group has a large number of customers. For the year ended 31st March, 2012, no revenue derived from transactions with a single external customer represented 10% or more of the Group's total revenue.

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

	31st March, 2012 ***HK$'000***	31st March, 2011 *HK$'000*
Segment results	**802,647**	834,598
Depreciation and amortisation	**(244,013)**	(224,983)
Operating profit	**558,634**	609,615
Finance income	**9,016**	7,298
Share of profit of associates	**310**	2,645
Share of loss of jointly controlled entities	**(333)**	(67)
Profit before income tax	**567,627**	619,491

3 Segment information (Continued)

	Hong Kong *HK$'000*	Mainland China *HK$'000*	North America *HK$'000*	Group *HK$'000*
Year ended 31st March, 2012				
Segment assets	2,470,971	822,554	274,610	3,568,135
Segment assets include:				
Investments in associates	1,869	15,402	1,234	18,505
Investments in jointly controlled entities	6,721	4,339	-	11,060
Additions to non-current assets (other than financial instruments, deferred tax assets and retirement benefit assets)	513,954	129,442	16,381	659,777
Year ended 31st March, 2011				
Segment assets	2,252,421	785,993	286,102	3,324,516
Segment assets include:				
Investments in associates	1,966	16,730	2,575	21,271
Investment in a jointly controlled entity	-	4,240	-	4,240
Additions to non-current assets (other than financial instruments, deferred tax assets and retirement benefit assets)	268,160	117,654	17,783	403,597

As at 31st March, 2012, the total non-current assets (other than financial instruments, deferred tax assets and retirement benefit assets) located in Hong Kong is HK$1,631,799,000 (As at 31st March, 2011: HK$1,341,176,000), in Mainland China is HK$497,023,000 (As at 31st March, 2011: HK$438,022,000) and in North America is HK$208,805,000 (As at 31st March, 2011: HK$225,132,000).

3 Segment information (Continued)

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

	31st March, 2012 *HK$'000*	31st March, 2011 *HK$'000*
Total segment assets	**3,568,135**	3,324,516
Deferred income tax assets	**18,075**	14,160
Available-for-sale financial assets	**417,667**	324,052
Financial assets at fair value through profit or loss	**69,880**	104,294
Retirement benefit assets	**-**	14,361
Total assets	**4,073,757**	3,781,383

4 Revenue

	2012 *HK$'000*	2011 *HK$'000*
Sales of food and beverages	**5,814,409**	5,202,910
Rental income	**40,917**	38,408
Royalty income	**41,929**	41,178
Management and service fee income	**8,805**	9,622
Franchise income	**3,553**	2,369
Sundry income	**46,825**	38,152
	5,956,438	5,332,639

5 Other gains, net

	2012	2011
	HK$'000	*HK$'000*
Fair value (loss)/gain on financial assets at fair value through profit or loss	**(1,993)**	4,876
Loss on disposal of financial assets at fair value through profit or loss	**(24)**	(12)
Gain on disposal of available-for-sale financial assets	**3,249**	18,490
Dividend income from listed investments	**13,693**	15,808
Fair value gains on investment properties	**45,000**	50,100
Loss on disposal of property, plant and equipment	**(14,571)**	(5,444)
Gain on disposal of investment property	**6,142**	-
Gain on disposal of trademark	**11,387**	-
Negative goodwill arising from acquisition of a subsidiary	**-**	3,692
Others	**-**	2,036
	62,883	89,546

6 Expenses by nature

Expenses included in cost of sales and administrative expenses are analysed as follows:

	2012	2011
	HK$'000	*HK$'000*
Cost of raw materials and consumables used	**1,989,670**	1,718,281
Employee benefit expense	**1,512,811**	1,315,568
Operating lease rentals in respect of rented premises	**668,137**	599,093
Depreciation of property, plant and equipment	**228,933**	209,486
Amortisation of leasehold land and land use rights	**2,767**	2,170
Amortisation of intangible assets	**12,313**	13,327
Provision for impairment of property, plant and equipment	**-**	1,239
Provision for impairment of trade receivables	**123**	57

7 Finance income

	2012	2011
	HK$'000	*HK$'000*
Interest income	**9,016**	7,298

8 Income tax expense

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

The amount of taxation charged to the consolidated income statement represents:

	2012	2011
	HK$'000	*HK$'000*
Current income tax:		
- Hong Kong profits tax	**86,627**	85,002
- Overseas taxation	**15,429**	16,879
Deferred income tax relating to the origination and reversal of temporary differences	**(3,277)**	2,383
(Over)/under-provision in prior years	**(4,635)**	905
	94,144	105,169

9 Earnings per share

Basic

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

	2012	2011
Profit attributable to equity holders of the Company *(HK$'000)*	**473,801**	514,328
Weighted average number of ordinary shares in issue *('000)*	**565,517**	561,640
Basic earnings per share *(HK cents per share)*	**83.78 HK cents**	91.58 HK cents

Diluted

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

9 Earnings per share (Continued)

***Diluted* (Continued)**

	2012	2011
Profit attributable to equity holders of the Company *(HK$'000)*	**473,801**	514,328
Weighted average number of ordinary shares in issue *('000)*	**565,517**	561,640
Adjustment for share options *('000)*	**4,034**	6,730
	569,551	568,370
Diluted earnings per share *(HK cents per share)*	**83.19 HK cents**	90.49 HK cents

10 Dividends

	2012 *HK$'000*	2011 *HK$'000*
- Interim dividend, paid, of 17 HK cents (2011: 17 HK cents) per ordinary share	**96,289**	95,649
- Final dividend, proposed, 45 HK cents (2011: 45 HK cents) per ordinary share	**256,997**	253,992
- Special dividend, proposed, Nil (2011: 25 HK cents) per ordinary share	**-**	141,106
	353,286	490,747

A final dividend of 45 HK cents per ordinary share in respect of the year ended 31st March, 2012, amounting to a total final dividend of approximately HK$256,997,000, was proposed. Such final dividend is to be approved by the shareholders at the upcoming annual general meeting. These financial statements do not reflect this dividend payable.

11 Trade and other receivables

	2012	2011
	HK$'000	*HK$'000*
Trade receivables	**35,969**	23,002
Less: provision for impairment of receivables	**(595)**	(718)
Trade receivables - net	**35,374**	22,284
Other receivables	**38,515**	32,049
	73,889	54,333

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

The ageing analysis of trade receivables is as follows:

	2012	2011
	HK$'000	*HK$'000*
0 - 30 days	**25,176**	19,123
31 - 60 days	**6,319**	1,838
61 - 90 days	**1,458**	517
Over 90 days	**3,016**	1,524
	35,969	23,002

12 Trade payables

The ageing analysis of trade payables is as follows:

	2012	2011
	HK$'000	*HK$'000*
0 - 30 days	**153,201**	162,929
31 - 60 days	**10,348**	4,473
61 - 90 days	**2,260**	2,629
Over 90 days	**5,441**	2,382
	171,250	172,413

13 Commitments

As at 31st March, 2012, the Group had the following capital commitments:

	2012	2011
	HK$'000	*HK$'000*
Acquisition of property, plant and equipment		
Authorised and contracted for	**85,361**	350,546
Authorised but not contracted for	**519,023**	267,824
	604,384	618,370

FINAL DIVIDEND

The Directors recommended a final dividend of 45 HK cents (2011: final dividend: 45 HK cents) per share, resulting in a total dividend of 62 HK cents (2011: final and interim dividends: 62 HK cents; special dividend: 25 HK cents) per share for the year ended 31st March, 2012, to those persons registered as shareholders on 11th September, 2012. Subject to shareholders' approval at the forthcoming annual general meeting of the Company, the final dividend will be paid on 27th September, 2012.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Friday, 7th September, 2012 to Tuesday, 11th September, 2012 (both days inclusive) during which period no transfers of shares will be effected. To determine the entitlement to attend and vote at the forthcoming annual general meeting of the Company, all completed transfer forms, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong Branch Share Registrars, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 6th September, 2012.

In addition, the Register of Member of the Company will also be closed on Monday, 17th September, 2012 during which no transfer of shares will be effected. In order to qualify for the proposed final dividend, if approved at the forthcoming annual general meeting of the Company, all completed transfer forms, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong Branch Share Registrars, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 14th September, 2012.

HUMAN RESOURCES

As at 31st March, 2012, the Group (other than associated companies and jointly controlled entity) employed approximately 16,000 employees. Remuneration packages are generally structured by reference to market terms and individual qualifications and experience. With a Share Option Scheme together with profit sharing bonus and performance incentive system, employees were entitled to share in the growth of the Group.

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

To equip for our 5-year plan execution, we have also instituted an Executive Development Program to enhance on the depth and breadth of our management staff for purpose of their future career development.

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

In addition, formalized recreational clubs were organized for our employees through the staff wellness plan, aiming to strike a work-life balance among our employees.

FINANCIAL REVIEW

The Group's financial position, as at 31st March, 2012, continues to be very strong, with a net cash of close to about HK$854 million and available banking facilities of HK$536 million.

As at 31st March, 2012, the Group did not have any external borrowing (31st March, 2011: Nil) and maintained a healthy gearing (being total borrowings over shareholders' funds) of Nil (31st March, 2011: Nil). There has been no material change in contingent liabilities or charges on assets since 31st March, 2012.

As at 31st March, 2012, the Company has given guarantees approximately HK$536,000,000 (31st March, 2011: HK$626,000,000) to financial institutions in connection with the banking facilities granted to its subsidiaries.

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

PURCHASE, SALE OR REDEMPTION OF SHARES

There were no purchases, sales or redemptions by the Company or any of its subsidiaries, of the Company's listed securities during the year ended 31st March, 2012.

CORPORATE GOVERNANCE

The Company has complied with all the code provisions set out in Appendix 14 – Code on Corporate Governance Practices of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the financial year ended 31st March, 2012, except for the deviation from Code Provision A.2.1.

For the purpose of complying with revised code as set out in the Appendix 14 of the Listing Rules, which has taken effect on 1st April 2012, the Company has complied with the revised code as appropriate and will report the compliance status at the next interim and annual reports.

Starting from 1st April 2012, the Code Provision A.2.1 was complied since the roles of Chairman and Chief Executive Officer were held by Mr. Chan Yue Kwong, Michael and Mr. Lo Hoi Kwong, Sunny respectively subsequent to Mr. Chan Yue Kwong, Michael's redesignation as a non-executive director whilst remaining as the Chairman, and the appointment of Mr. Lo Hoi Kwong, Sunny as the Chief Executive Officer on 1st April 2012. The Board considers that, given the current Board structure, a clear division of responsibilities between the Chairman and the Chief Executive Officer has been achieved to ensure effective running of the Board and the day-to-day management of the businesses of the Group.

REVIEW OF THE RESULTS

The Audit Committee and the Board of Directors have reviewed the accounting principles and the practices adopted by the Group and discussed internal control and financial reporting matters, including a review of the annual results, related to the preparation of the 2011/2012 annual report.

By Order of the Board
Chan Yue Kwong, Michael
Chairman

Hong Kong, 26th June, 2012

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Lo Hoi Kwong, Sunny, Ms. Lo Pik Ling, Anita and Mr. Lo Tak Shing, Peter as executive directors; Mr. Chan Yue Kwong, Michael, Mr. Lo Tang Seong, Victor, Mr. Lo Ming Shing, Ian and Mr. Hui Tung Wah, Samuel as non-executive directors; Mr. Choi Ngai Min, Michael, Mr. Li Kwok Sing, Aubrey, Mr. Kwok Lam Kwong, Larry and Mr. Look Guy as independent non-executive directors.