The following is the text of a report, prepared for the purpose of incorporation in this document, received from the independent reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong.

[●] [●]

[●]

The Directors
Tsui Wah Holdings Limited
[●]
[●]

Dear Sirs,

We set out below our report on the financial information of Tsui Wah Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") comprising 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 each of the years ended 31 March 2010, 2011 and 2012, and the three-month period ended 30 June 2012 (the "Relevant Periods"), and the consolidated statements of financial position of the Group as at 31 March 2010, 2011 and 2012 and 30 June 2012, and the statement of financial position of the Company as at 30 June 2012, together with the notes thereto (the "Financial Information"), and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the three-month period ended 30 June 2011 (the "Interim Comparative Information"), prepared on the basis of presentation set out in note 2.1 of Section II below, for inclusion in the document of the Company dated [●] (the "Document") in connection with the [●] of the shares of the Company on the [●] of The [●] of Hong Kong Limited (the "[●]").

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 29 May 2012 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. Pursuant to a group reorganisation (the "Reorganisation") as set out in note 1 of Section II below, which was completed on 30 June 2012, the Company became the holding company of the subsidiaries now comprising the Group. Apart from the Reorganisation, the Company has not commenced any business or operation since its incorporation.

As at the date of this report, no statutory financial statements have been prepared for the Company, as it is not subject to statutory audit requirements under the relevant rules and regulations in its jurisdiction of incorporation.

As at the end of the Relevant Periods, the Company had direct and indirect interests in the subsidiaries as set out in note 1 of Section II below. Except for Shanghai Cai Hua Restaurants Management Company Limited, Shanghai Cui Sheng Restaurants Company Limited and Wuhan Cai Hua Restaurants Management Company Limited which have adopted 31 December as their financial year end date, all companies now comprising the Group have adopted 31 March as their financial year end date. The statutory financial statements or management accounts of the companies now comprising the Group were prepared in accordance with the relevant accounting principles applicable to these companies in the countries in which they were incorporated and/or established. Details of their statutory auditors during the Relevant Periods are set out in note 1 of Section II below.

For the purpose of this report, the directors of the Company (the "Directors") have prepared the consolidated financial statements of the Group (the "Underlying Financial Statements") 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 (the "HKICPA"). The Underlying Financial Statements for each of the years ended 31 March 2010, 2011 and 2012, and the three-month period ended 30 June 2012 were audited by us in accordance with Hong Kong Standards on Auditing issued by the HKICPA.

The Financial Information set out in this report has been prepared from the Underlying Financial Statements with no adjustments made thereon.

Directors' responsibility

The Directors are responsible for the preparation of the Underlying Financial Statements, the Financial Information and the Interim Comparative Information that give a true and fair view in accordance with HKFRSs, and for such internal control as the Directors determine is necessary to enable the preparation of the Underlying Financial Statements, the Financial Information and the Interim Comparative Information that are free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

It is our responsibility to form an independent opinion and a review conclusion on the Financial Information and the Interim Comparative Information, respectively, and to report our opinion and review conclusion thereon to you.

For the purpose of this report, we have carried out procedures on the Financial Information in accordance with [●] issued by the HKICPA.

We have also performed a review of the Interim Comparative Information in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the HKICPA. A review consists principally of making enquiries of management and applying analytical procedures to the financial information and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets and liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an opinion on the Interim Comparative Information.

Opinion in respect of the Financial Information

In our opinion, for the purpose of this report and on the basis of presentation set out in note 2.1 of Section II below, the Financial Information gives a true and fair view of the state of affairs of the Group as at 31 March 2010, 2011 and 2012 and 30 June 2012, and of the state of affairs of the Company as at 30 June 2012, and of the consolidated results and cash flows of the Group for each of the Relevant Periods.

Review conclusion in respect of the Interim Comparative Information

Based on our review which does not constitute an audit, for the purpose of this report, nothing has come to our attention that causes us to believe that the Interim Comparative Information is not prepared, in all material respects, in accordance with the same basis adopted in respect of the Financial Information.

I. FINANCIAL INFORMATION

Consolidated income statements

		Year ended 31 March			Three-month period ended 30 June	
	Notes	2010	2011	2012	2011	2012
		HK$'000	HK$'000	HK$'000	HK$'000 (Unaudited)	HK$'000
REVENUE	5	440,010	598,047	762,791	167,250	223,623
Other income and gains		1,630	1,956	1,975	248	356
Cost of inventories sold		(133,706)	(183,037)	(236,463)	(51,391)	(69,063)
Staff costs		(121,771)	(162,757)	(197,534)	(43,319)	(63,529)
Depreciation		(15,045)	(22,096)	(21,887)	(5,600)	(7,334)
Property rentals and related expenses		(45,684)	(75,019)	(96,171)	(22,490)	(30,475)
Fuel and utility expenses		(25,667)	(31,610)	(34,805)	(8,270)	(11,187)
Advertising and marketing expenses		(3,369)	(2,821)	(2,901)	(852)	(895)
Other operating expenses		(29,745)	(40,826)	(49,543)	(11,383)	(14,728)
Finance costs	6	(361)	(101)	(161)	(73)	(6)
Share of profits less losses of jointly-controlled entities	15	1,276	1,790	8,905	415	4,355
PROFIT BEFORE TAX	7	67,568	83,526	134,206	24,535	31,117
Income tax expense	10	(10,249)	(15,502)	(23,777)	(4,386)	(5,469)
PROFIT FOR THE YEAR/PERIOD		57,319	68,024	110,429	20,149	25,648
Attributable to:						
Owners of the Company		53,812	64,909	103,910	19,137	23,956
Non-controlling interests		3,507	3,115	6,519	1,012	1,692
		57,319	68,024	110,429	20,149	25,648

Details of the dividends payable and proposed for the Relevant Periods are disclosed in note 11 to the Financial Information.

Consolidated statements of comprehensive income

	Year ended 31 March			Three-month period ended 30 June	
	2010	2011	2012	2011	2012
	HK$'000	HK$'000	HK$'000	HK$'000 (Unaudited)	HK$'000
PROFIT FOR THE YEAR/PERIOD	57,319	68,024	110,429	20,149	25,648
Other comprehensive income, net of tax:					
Exchange differences on translation of foreign operations	12	421	(98)	205	500
TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD	57,331	68,445	110,331	20,354	26,148
Attributable to:					
Owners of the Company	53,824	65,330	103,812	19,342	24,456
Non-controlling interests	3,507	3,115	6,519	1,012	1,692
	57,331	68,445	110,331	20,354	26,148

Consolidated statements of financial position

		As at 31 March			As at 30 June
	Notes	2010	2011	2012	2012
		HK$'000	HK$'000	HK$'000	HK$'000
NON-CURRENT ASSETS					
Property, plant and equipment	14	27,000	45,711	87,221	93,012
Investments in jointly-controlled entities	15	4,628	10,291	17,204	21,621
Non-current rental deposits	18	4,782	18,021	19,614	23,963
Prepayments for purchases of items of property, plant and equipment		9,103	—	—	—
Deferred tax assets	25	7,988	7,119	5,824	6,466
Total non-current assets		53,501	81,142	129,863	145,062
CURRENT ASSETS					
Inventories	16	3,025	7,009	9,384	9,720
Trade receivables	17	493	873	2,964	3,989
Prepayments, deposits and other receivables	18	12,314	10,578	33,183	42,913
Due from directors	19	82,965	97,974	99,395	—
Due from related companies	19	110,928	138,432	141,126	—
Cash and cash equivalents	20	38,810	62,906	92,082	104,080
Total current assets		248,535	317,772	378,134	160,702
CURRENT LIABILITIES					
Trade payables	21	22,816	28,960	38,923	44,406
Other payables and accruals	22	27,258	33,842	49,850	62,321
Interest-bearing bank and other borrowings	23	139	12,957	143	143
Due to directors	19	25,423	32,532	44,609	—
Due to related companies	19	79,093	88,347	78,906	—
Tax payable		7,196	5,822	14,059	14,011
Total current liabilities		161,925	202,460	226,490	120,881
NET CURRENT ASSETS		86,610	115,312	151,644	39,821
TOTAL ASSETS LESS CURRENT LIABILITIES		140,111	196,454	281,507	184,883
NON-CURRENT LIABILITIES					
Interest-bearing bank and other borrowings	23	—	403	284	253
Deferred tax liabilities	25	128	460	435	550
Total non-current liabilities		128	863	719	803
Net assets		139,983	195,591	280,788	184,080
EQUITY					
Equity attributable to owners of the Company					
Issued capital	26	—	—	—	2,000
Reserves	27	127,686	180,962	258,632	182,002
		127,686	180,962	258,632	184,002
Non-controlling interests		12,297	14,629	22,156	78
Total equity		139,983	195,591	280,788	184,080

Consolidated statements of changes in equity

		Attributable to owners of the Company							
	Notes	Issued capital	Statutory reserve	Merger reserve	Exchange fluctuation reserve	Retained profits	Total	Non-controlling interests	Total equity
		HK$'000	HK$'000 (Note 27(c))	HK$'000 (Note 27(b))	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 April 2009		—	—	1,702	—	93,256	94,958	9,247	104,205
Profit for the year		—	—	—	—	53,812	53,812	3,507	57,319
Other comprehensive income for the year:									
Exchange differences on translation of foreign operations		—	—	—	12	—	12	—	12
Total comprehensive income for the year		—	—	—	12	53,812	53,824	3,507	57,331
Dividend paid to the non-controlling shareholders		—	—	—	—	—	—	(457)	(457)
2010 interim dividend	11	—	—	—	—	(5,030)	(5,030)	—	(5,030)
Shares issued by subsidiaries to the Controlling Shareholders		—	—	380	—	—	380	—	380
Deemed distribution to the Controlling Shareholders	2.1	—	—	(16,446)	—	—	(16,446)	—	(16,446)
Transfer to statutory reserve		—	336	—	—	(336)	—	—	—
At 31 March 2010 and 1 April 2010		—	336*	(14,364)*	12*	141,702*	127,686	12,297	139,983
Profit for the year		—	—	—	—	64,909	64,909	3,115	68,024
Other comprehensive income for the year:									
Exchange differences on translation of foreign operations		—	—	—	421	—	421	—	421
Total comprehensive income for the year		—	—	—	421	64,909	65,330	3,115	68,445
Dividend paid to the non-controlling shareholders		—	—	—	—	—	—	(783)	(783)
2011 interim dividend	11	—	—	—	—	(12,067)	(12,067)	—	(12,067)
Shares issued by subsidiaries to the Controlling Shareholders		—	—	13	—	—	13	—	13
Transfer to statutory reserve		—	974	—	—	(974)	—	—	—
At 31 March 2011 and 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	27(d)	—	—	(2,823)	—	—	(2,823)	—	(2,823)
Dividends paid to non-controlling shareholders		—	—	—	—	—	—	(1,539)	(1,539)
2012 interim dividend	11	—	—	—	—	(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 and 1 April 2012		—	2,893*	(25,204)*	335*	280,608*	258,632	22,156	280,788
Profit for the period		—	—	—	—	23,956	23,956	1,692	25,648
Other comprehensive income for the period:									
Exchange differences on translation of foreign operations		—	—	—	500	—	500	—	500
Total comprehensive income for the period		—	—	—	500	23,956	24,456	1,692	26,148
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	27(e)	—	—	1,399	—	—	1,399	(1,399)	—
2013 interim dividend	11	—	—	—	—	(117,856)	(117,856)	—	(117,856)
Issue of shares to the then equity holders	26	2,000	—	—	—	—	2,000	—	2,000
Considerations paid by the Company in respect of acquisition of Kang Wang and Cui Xin		—	—	(2,000)	—	—	(2,000)	—	(2,000)
At 30 June 2012		2,000	2,893*	(8,434)*	835*	186,708*	184,002	78	184,080
(Unaudited)									
At 1 April 2011		—	1,310	(14,351)	433	193,570	180,962	14,629	195,591
Profit for the period		—	—	—	—	19,137	19,137	1,012	20,149
Other comprehensive income for the period:									
Exchange differences on translation of foreign operations		—	—	—	205	—	205	—	205
Total comprehensive income for the period		—	—	—	205	19,137	19,342	1,012	20,354
Dividend paid to the non-controlling shareholders		—	—	—	—	—	—	(83)	(83)
2012 interim dividend	11	—	—	—	—	(1,417)	(1,417)	—	(1,417)
At 30 June 2011		—	1,310	(14,351)	638	211,290	198,887	15,558	214,445

* These reserve accounts comprise the consolidated reserves of HK$127,686,000, HK$180,962,000, HK$258,632,000 and HK$182,002,000 in the consolidated statements of financial position as at 31 March 2010, 2011 and 2012 and 30 June 2012, respectively.

Consolidated statements of cash flows

		Year ended 31 March			Three-month period ended 30 June	
	Notes	2010	2011	2012	2011	2012
		HK$'000	HK$'000	HK$'000	HK$'000 (Unaudited)	HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit before tax		67,568	83,526	134,206	24,535	31,117
Adjustments for:						
Interest income	7	(14)	(45)	(79)	(14)	(28)
Share of profits less losses of jointly-controlled entities		(1,276)	(1,790)	(8,905)	(415)	(4,355)
Depreciation	7	15,045	22,096	21,887	5,600	7,334
Write-off of items of property, plant and equipment	7	287	—	—	—	—
Gain on disposal of items of property, plant and equipment	7	—	—	(2)	—	—
Finance costs	6	361	101	161	73	6
		81,971	103,888	147,268	29,779	34,074
(Increase)/decrease in inventories		(1,031)	(3,984)	(2,375)	225	(336)
Increase in trade receivables		(493)	(380)	(2,091)	(580)	(1,025)
Decrease/(increase) in prepayments, deposits and other receivables		1,388	(11,503)	(24,198)	(1,032)	(14,079)
Decrease in amounts due to related companies		(5,165)	(14,084)	(16,379)	(3,283)	(3,275)
Increase in trade payables		4,054	6,144	9,963	3,692	5,483
Increase/(decrease) in other payables and accruals		8,509	6,584	16,008	(1,631)	12,471
Cash generated from operations		89,233	86,665	128,196	27,170	33,313
Interest received		14	45	79	14	28
Interest paid		(361)	(101)	(161)	(73)	(6)
Hong Kong profits tax paid		(7,961)	(12,573)	(10,656)	(2,521)	(5,076)
PRC tax paid		—	(3,102)	(3,614)	(603)	(968)
Net cash flows from operating activities		80,925	70,934	113,844	23,987	27,291
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchases of items of property, plant and equipment		(14,996)	(31,022)	(63,255)	(4,800)	(13,316)
Proceeds from disposal of items of property, plant and equipment		—	—	13	—	—
Increase in prepayments for purchase of items of property, plant and equipment		(9,103)	—	—	—	—
Dividends received from a jointly-controlled entity		—	2,080	320	—	—
Capital contribution to a jointly-controlled entity		—	(17)	—	—	—
(Increase)/decrease in amounts due from related companies		(53,085)	(27,504)	(2,694)	(13,763)	10,612
Repayment of loan from/(advance to) jointly-controlled entities		1,440	(5,936)	1,600	320	—
Increase in amounts due from directors		(16,949)	(15,009)	(1,421)	(2,801)	(1,482)
Net cash flows used in investing activities		(92,693)	(77,408)	(65,437)	(21,044)	(4,186)

	Notes	Year ended 31 March			Three-month period ended 30 June	
		2010	2011	2012	2011	2012
		HK$'000	HK$'000	HK$'000	HK$'000 (Unaudited)	HK$'000
CASH FLOWS FROM FINANCING ACTIVITIES						
Increase/(decrease) in amounts due to related companies		28,856	23,338	6,938	2,565	(6,773)
(Decrease)/increase in amounts due to directors		(139)	7,109	923	554	68
New bank loans		—	12,814	—	—	—
Repayment of bank loans		(5,996)	—	(12,814)	(3,819)	—
Capital element of finance lease rental payments		(13)	(232)	(119)	(29)	(31)
Capital contributions from the Controlling Shareholders		380	13	2,728	—	—
Capital contributions from the non-controlling shareholders		—	—	120	—	—
Acquisition of non-controlling interests		—	—	—	—	(5,000)
Deemed distribution to the Controlling Shareholders	2.1	(837)	—	—	—	—
Dividends paid to the Controlling Shareholders		(5,030)	(12,067)	(15,289)	(1,417)	—
Dividends paid to non-controlling shareholders		(457)	(783)	(1,539)	(83)	—
Net cash flows from/(used in) financing activities		16,764	30,192	(19,052)	(2,229)	(11,736)
NET INCREASE IN CASH AND CASH EQUIVALENTS		4,996	23,718	29,355	714	11,369
Cash and cash equivalents at beginning of year/period		33,802	38,810	62,906	62,906	92,082
Effect of foreign exchange rate changes, net		12	378	(179)	82	629
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD		38,810	62,906	92,082	63,702	104,080
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS						
Cash and cash equivalents as stated in the consolidated statements of financial position	20	38,810	62,906	92,082	63,702	104,080

Statement of financial position

	Notes	30 June 2012
		HK$'000
NON-CURRENT ASSETS		
Investments in subsidiaries	(i)	1,202,754
Net assets		1,202,754
EQUITY		
Issued capital	26	2,000
Contributed surplus	(ii)	1,200,754
Total equity		1,202,754

(i) The investments in subsidiaries are unlisted shares at cost. Details of the subsidiaries are disclosed in note 1 to the Financial Information.

(ii) 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 thereof. Pursuant to the Cayman Islands company law, a company may make distributions to its members out of the contributed surplus in certain circumstances.

II. NOTES TO THE FINANCIAL INFORMATION

1. Corporate Information

The Company was incorporated as Tsui Wah Holdings Limited 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 is an investment holding company. During the Relevant Periods, 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") (the "Relevant Business").

The Company and its subsidiaries now comprising the Group underwent the Reorganisation as set out in the sub-section headed "Our Corporate Development — Reorganization" in the section headed "History, Development and Reorganization" in the Document. The Company became the holding company of the subsidiaries now comprising the Group upon completion of the Reorganisation.

The Company was incorporated with authorized 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 on 29 May 2012.

As at the end of the Relevant Periods, the Company had direct and indirect interests in the following subsidiaries, all of which are private limited liability companies in Hong Kong (or, if incorporated outside Hong Kong, have substantially similar characteristics to a private company incorporated in Hong Kong), the particulars of which are set out below:

Company name	Place and date of incorporation/ registration and place of 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")[1] 康旺控股有限公司	British Virgin Islands ("BVI")/Hong Kong 12 July 2011	HK$1,000,000	100	—	Investment holding
Cui Xin Holdings Limited ("Cui Xin")[1] 翠新控股有限公司	BVI/Hong Kong 28 September 2011	HK$1,000,000	100	—	Investment holding
Kenglory Limited[2] 維勤有限公司	Hong Kong 5 December 1996	HK$9,000	—	100	Restaurant operation
Happy Oasis Limited[2] 愉園有限公司	Hong Kong 6 October 2004	HK$10,000	—	100	Restaurant operation
Green Wave Limited[2] 綠波有限公司	Hong Kong 6 January 2006	HK$10,000	—	100	Restaurant operation
Tsui Wah Restaurant (Holding) Limited[3] 翠華餐廳(集團)有限公司	Hong Kong 12 August 1993	HK$9,400	—	100	Restaurant operation
Win Idea Investments Limited[3] 同合投資有限公司	Hong Kong 25 July 1989	HK$1,400,000	—	99.23	Restaurant operation

Company name	Place and date of incorporation/ registration and place of operations	Nominal value of issued ordinary share capital/ paid-up registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Euro Success Limited[2] 歐羅有限公司	Hong Kong 6 January 2006	HK$1,225	—	100	Restaurant operation
Senfield Limited[2] 誠發有限公司	Hong Kong 16 March 1998	HK$10,000	—	100	Restaurant operation
Billioncom (Hong Kong) Limited[2] 富澤(香港)有限公司	Hong Kong 7 September 1998	HK$100	—	100	Restaurant operation
Sky Oasis (HK) Limited[2] 天澤(香港)有限公司	Hong Kong 10 December 2004	HK$8	—	100	Restaurant operation
Royal Gold International Limited[2] 皇金國際有限公司	Hong Kong 1 February 2007	HK$8	—	100	Restaurant operation
Tsui Wah Efford Management Limited[2] 翠華怡富管理有限公司	Hong Kong 20 March 1998	HK$10	—	100	Management service
Dragonsea Limited[3] 游龍有限公司	Hong Kong 12 December 2005	HK$10	—	100	Food factory
Tsui Wah Catering Limited[2] 翠華飲食有限公司	Hong Kong 21 October 1998	HK$10	—	100	Restaurant operation
Tsui Wah Catering Management Limited[2] 翠華餐飲管理有限公司	Hong Kong 29 December 2006	HK$1,200,000	—	100	Investment holding
Shanghai Cai Hua Restaurants Management Company Limited*#4 上海采華餐飲管理有限公司	the PRC 27 April 2009	HK$1,200,000	—	100	Restaurant operation
Joyhale Limited[2] 溢欣有限公司	Hong Kong 3 July 2008	HK$10,000	—	100	Investment holding
Shanghai Cui Sheng Restaurants Company Limited*#4 上海翠盛餐飲有限公司	the PRC 8 September 2010	HK$4,300,000	—	100	Restaurant operation
Golden York World Limited[3] 金旭滙有限公司	Hong Kong 3 August 2009	HK$10	—	100	Restaurant operation
China Sure Limited[2] 確華有限公司	Hong Kong 14 January 2009	HK$10	—	100	Restaurant operation
Pioneer Ray Limited[2] 領熙有限公司	Hong Kong 23 November 2009	HK$10	—	100	Restaurant operation
Special Wise Limited[5] 維特有限公司	Hong Kong 23 April 2010	HK$10	—	100	Restaurant operation
Common Way Limited[5] 錦日有限公司	Hong Kong 7 April 2010	HK$10	—	100	Restaurant operation
Richberg Development Limited[3] 智庫發展有限公司	Hong Kong 8 August 2007	HK$10	—	100	Restaurant operation

Company name	Place and date of incorporation/ registration and place of operations	Nominal value of issued ordinary share capital/ paid-up registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Ever Million Rich Limited[5] 永萬富有限公司	Hong Kong 7 April 2010	HK$10	—	100	Restaurant operation
Famous China Enterprise Limited[2] 釆華企業有限公司	Hong Kong 5 March 2003	HK$10	—	100	Owner of trademarks
Flying Gold Limited[5] 翔金有限公司	Hong Kong 16 June 2011	HK$10	—	100	Restaurant operation
Happy Billions Limited[5] 逸億有限公司	Hong Kong 18 July 2011	HK$10	—	100	Restaurant operation
Summer Rich Limited[5] 夏富有限公司	Hong Kong 14 June 2011	HK$10	—	100	Restaurant operation
Tsui Wah International Patent Limited[1] 翠華國際品牌有限公司	BVI 3 February 2010	US$8	—	100	Owner of trademarks
Popular Green Limited[1] 翠盛有限公司	BVI 17 December 2009	US$50,000	—	100	Investment holding
Wuhan Cai Hua Restaurants Management Company Limited**#5 武漢釆華餐飲管理有限公司	the PRC 25 April 2012	RMB2,000,000	—	100	Restaurant operation
Green Luck Limited[5] 祥翠有限公司	Hong Kong 1 April 2012	HK$10,000	—	100	Dormant
New Power Zone Limited[5] 新力天有限公司	Hong Kong 11 April 2012	HK$10,000	—	100	Dormant
New Top Star Limited[5] 新富星有限公司	Hong Kong 11 April 2012	HK$10,000	—	100	Dormant

* 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.

1 No audited financial statements have been prepared for these companies as these entities were not subject to any statutory audit requirements under the relevant rules and regulations in their jurisdiction of incorporation.

2 The statutory financial statements of these entities for the years ended 31 March 2010 and 2011 (or since the date of incorporation, where later than the beginning of the Relevant Periods) prepared under HKFRSs were audited by FTW & Partners CPA Limited, certified public accountants registered in Hong Kong.

3 The statutory financial statements of these entities for the years ended 31 March 2010, 2011 and 2012 (or since the date of incorporation, where later than the beginning of the Relevant Periods) prepared under HKFRSs were audited by FTW & Partners CPA Limited, certified public accountants registered in Hong Kong.

4 The statutory financial statements of these entities for the years ended 31 December 2009, 2010 and 2011 (or since the date of incorporation, where later than the beginning of the Relevant Periods) prepared under PRC Generally Accepted Accounting Principles were audited by Shanghai Dongzhou Zhengxin Certified Public Accountants Co., Ltd., certified public accountants registered in the PRC.

5 No audited financial statements have been prepared for these entities.

2.1 Basis of Presentation

Pursuant to the Reorganisation as more fully explained in the sub-section headed "Our Corporate Development — Reorganization" in the section headed "History, Development and Reorganization" in the Document, the Company became the holding company of the companies now comprising the Group on 30 June 2012. The companies now comprising the Group were under the common control of the Controlling Shareholders (as defined in the Document) before and after the Reorganisation. Accordingly, for the purpose of this report, the Financial Information and the Interim Comparative Information have been prepared by applying the principles of merger accounting, as if the Reorganisation had been completed at the beginning of the Relevant Periods.

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 Relevant Periods and the three-month period ended 30 June 2011 include the results and cash flows of all companies now comprising the Group from the earliest date presented or since the date when the subsidiaries and/or businesses first came under the common control of the Controlling Shareholders, where this is a shorter period, and the results and cash flows of Joy Express Limited ("Joy Express") for the period from 1 April 2009 to the date of cessation of its involvement in the Relevant Business as further explained below. The consolidated statements of financial position of the Group as at 31 March 2010, 2011 and 2012 and 30 June 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 and/or businesses 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. All intra-group transactions and balances have been eliminated on consolidation.

Joy Express is a private limited liability company incorporated in Hong Kong on 3 April 1998 and is wholly owned by the Controlling Shareholders. It has been engaged in the Relevant Business for the period from the beginning of the Relevant Periods to 30 September 2009, the date of cessation of its involvement in the Relevant Business, and thereafter has been engaged in the property investment business. For the purpose of this report, the Directors have consolidated the results, cash flows, assets and liabilities of Joy Express in the Financial Information for the period from the beginning of the Relevant Periods to the date of cessation of its involvement in the Relevant Business, and the net assets retained by Joy Express on 1 October 2009 were derecognized by way of deemed distribution of the entire equity interests in Joy Express to the Controlling Shareholders.

The income statement of Joy Express for the period from the beginning of the Relevant Periods to the date of cessation of its involvement in the Relevant Business is as follows:

	Period from 1 April 2009 to 30 September 2009
	HK$'000
REVENUE	19,667
Other income and gains	87
Cost of inventories sold	(6,403)
Staff costs	(4,588)
Depreciation	(767)
Property rentals and related expenses	(199)
Fuel and utility expenses	(1,418)
Advertising and marketing expenses	(48)
Other operating expenses	(1,350)
Finance costs	(341)
PROFIT BEFORE TAX	4,640
Income tax expense	(1,466)
PROFIT FOR THE PERIOD	3,174

The net assets retained by Joy Express on 1 October 2009 are as follows:

	As at 1 October 2009
	HK$'000
NON-CURRENT ASSETS	
Property, plant and equipment	48,769
CURRENT ASSETS	
Prepayments, deposits and other receivables	680
Due from related companies	30,416
Cash and cash equivalents	837
Total current assets	31,933
CURRENT LIABILITIES	
Other payables and accruals	847
Interest-bearing bank and other borrowings	25,892
Due to directors	29,019
Due to related companies	7,443
Tax payable	1,055
Total current liabilities	64,256
Net assets	16,446

2.2 Basis of Preparation

The Financial Information has been prepared in accordance with HKFRSs (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) issued by the HKICPA and accounting principles generally accepted in Hong Kong. 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 Information throughout the Relevant Periods and the period covered by the Interim Comparative Information.

The Financial Information has been prepared under the historical cost convention. The Financial Information is presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

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 Information.

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

1 *Effective for annual periods beginning on or after 1 July 2012*
2 *Effective for annual periods beginning on or after 1 January 2013*
3 *Effective for annual periods beginning on or after 1 January 2014*
4 *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

Basis of consolidation

The Financial Information incorporates the financial statements of the Company and its subsidiaries for the Relevant Periods. 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 merger method of 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, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated on consolidation.

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

Non-controlling interests represent the equity in a subsidiary not attributable, directly or indirectly, to a parent. Total comprehensive income within a subsidiary is attributed to the non-controlling interest even if that results in a deficit balance.

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. Unrealized 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 unrealized losses provide evidence of an impairment of the asset transferred.

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.

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 derecognized 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 derecognized 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.

An assessment is made at the end of each of the Relevant Periods as to whether there is any 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 period 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.

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 finance income 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 derecognized 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 of the Relevant Periods 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.

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, interest-bearing bank and other borrowings and amounts due to directors and related companies.

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 derecognized 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 derecognized 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 statements 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 consolidated statements of financial position, cash and cash equivalents comprise cash on hand and at banks which are not restricted as to use.

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 each of the Relevant Periods, 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 each of the Relevant Periods 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 of the Relevant Periods 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 of the Relevant Periods 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.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period 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 each of the Relevant Periods.

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.

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.

Dividends

Interim 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.

Foreign currencies

The Financial Information is 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 retranslated at the functional currency rates of exchange ruling at the end of each of the Relevant Periods. All differences arising on settlement or translation of monetary items are taken to 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 retranslation of a non-monetary item 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 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 dollars. As at the end of each of the Relevant Periods, 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 statements 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 each of the Relevant Periods.

3.2 Significant Accounting Estimates

The preparation of the Financial Information and the Interim Comparative Information requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of each of the Relevant Periods. However, 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 each of the Relevant Periods, 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 amounts of deferred tax assets relating to recognised tax losses at 31 March 2010, 2011 and 2012 and 30 June 2012 were HK$5,464,000, HK$4,158,000, HK$2,131,000 and HK$1,496,000, respectively.

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 Relevant Periods and certain non-current asset information as at 31 March 2010, 2011 and 2012 and 30 June 2012, by geographic area.

(a) Revenue from external customers

	Year ended 31 March			Three-month period ended 30 June	
	2010	2011	2012	2011	2012
	HK$'000	HK$'000	HK$'000	HK$'000 (Unaudited)	HK$'000
Hong Kong	404,710	540,415	675,293	147,669	188,832
Mainland China	35,300	57,632	80,915	18,648	32,535
Macau*	—	—	6,583	933	2,256
	440,010	598,047	762,791	167,250	223,623

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 Relevant Periods, 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

	As at 31 March			As at 30 June
	2010	2011	2012	2012
	HK$'000	HK$'000	HK$'000	HK$'000
Hong Kong	35,142	41,100	71,805	75,474
Mainland China	2,237	5,614	18,209	20,725
Macau	—	—	6,665	10,688
	37,379	46,714	96,679	106,887

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

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:

	Year ended 31 March			Three-month period ended 30 June	
	2010	2011	2012	2011	2012
	HK$'000	HK$'000	HK$'000	HK$'000 (Unaudited)	HK$'000
Revenue					
Restaurant operations	435,771	592,675	748,322	164,707	219,035
Sale of food	4,239	5,372	14,469	2,543	4,588
	440,010	598,047	762,791	167,250	223,623

6. Finance Costs

	Year ended 31 March			Three-month period ended 30 June	
	2010	2011	2012	2011	2012
	HK$'000	HK$'000	HK$'000	HK$'000 (Unaudited)	HK$'000
Interest on bank loans wholly repayable within five years	342	54	134	66	—
Interest on finance leases	19	47	27	7	6
	361	101	161	73	6

7. Profit before Tax

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

	Note	Year ended 31 March			Three-month period ended 30 June	
		2010	2011	2012	2011	2012
		HK$'000	HK$'000	HK$'000	HK$'000 (Unaudited)	HK$'000
Cost of inventories sold		133,706	183,037	236,463	51,391	69,063
Depreciation	14	15,045	22,096	21,887	5,600	7,334
Lease payments under operating leases in respect of land and buildings:						
Minimum lease payments		43,254	63,991	74,687	18,001	23,064
Contingent rents		—	6,528	14,841	3,164	5,582
		43,254	70,519	89,528	21,165	28,646
Employee benefit expenses (excluding directors' remuneration (note 8)):						
Wages and salaries		112,318	152,264	185,439	40,551	59,456
Retirement benefit scheme contributions		5,278	6,347	7,835	1,703	3,008
		117,596	158,611	193,274	42,254	62,464
Auditors' remuneration		393	494	981	172	200
Write-off of items of property, plant and equipment	14	287	—	—	—	—
Gain on disposal of items of property, plant and equipment		—	—	(2)	—	—
Foreign exchange differences, net		43	(293)	(650)	(172)	(158)
Bank interest income		(14)	(45)	(79)	(14)	(28)

8. Directors' Remuneration

Directors' remuneration for the Relevant Periods and the three-month period ended 30 June 2011, disclosed pursuant to the [●] and Section 161 of the Hong Kong Companies Ordinance, is as follows:

	Year ended 31 March			Three-month period ended 30 June	
	2010	2011	2012	2011	2012
	HK$'000	HK$'000	HK$'000	HK$'000 (Unaudited)	HK$'000
Fees	—	—	—	—	—
Other emoluments:					
Salaries, allowances and benefits in kind	4,115	4,086	4,200	1,050	1,050
Discretionary bonuses	—	—	—	—	—
Retirement benefit scheme contributions	60	60	60	15	15
	4,175	4,146	4,260	1,065	1,065

(a) Independent non-executive directors

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

	Fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement benefit scheme contributions	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Year ended 31 March 2010					
Mr. Yim Kwok Man	—	—	—	—	—
Mr. Wong Chi Kin	—	—	—	—	—
Mr. Goh Choo Hwee	—	—	—	—	—
	—	—	—	—	—
Year ended 31 March 2011					
Mr. Yim Kwok Man	—	—	—	—	—
Mr. Wong Chi Kin	—	—	—	—	—
Mr. Goh Choo Hwee	—	—	—	—	—
	—	—	—	—	—
Year ended 31 March 2012					
Mr. Yim Kwok Man	—	—	—	—	—
Mr. Wong Chi Kin	—	—	—	—	—
Mr. Goh Choo Hwee	—	—	—	—	—
	—	—	—	—	—
Three-month period ended 30 June 2012					
Mr. Yim Kwok Man	—	—	—	—	—
Mr. Wong Chi Kin	—	—	—	—	—
Mr. Goh Choo Hwee	—	—	—	—	—
	—	—	—	—	—
Three-month period ended 30 June 2011 (Unaudited)					
Mr. Yim Kwok Man	—	—	—	—	—
Mr. Wong Chi Kin	—	—	—	—	—
Mr. Goh Choo Hwee	—	—	—	—	—
	—	—	—	—	—

(b) Executive directors

	Fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement benefit scheme contributions	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Year ended 31 March 2010					
Mr. Lee Yuen Hong	—	782	—	12	794
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	—	813	—	12	825
	—	4,115	—	60	4,175
Year ended 31 March 2011					
Mr. Lee Yuen Hong	—	726	—	12	738
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
	—	4,086	—	60	4,146
Year ended 31 March 2012					
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
Three-month period ended 30 June 2012					
Mr. Lee Yuen Hong	—	210	—	3	213
Mr. Ho Ting Chi	—	210	—	3	213
Mr. Cheung Yu To	—	210	—	3	213
Mr. Cheung Wai Keung	—	210	—	3	213
Mr. Cheung Yue Pui	—	210	—	3	213
	—	1,050	—	15	1,065
Three-month period ended 30 June 2011 (Unaudited)					
Mr. Lee Yuen Hong	—	210	—	3	213
Mr. Ho Ting Chi	—	210	—	3	213
Mr. Cheung Yu To	—	210	—	3	213
Mr. Cheung Wai Keung	—	210	—	3	213
Mr. Cheung Yue Pui	—	210	—	3	213
	—	1,050	—	15	1,065

There was no arrangement under which a director waived or agreed to waive any remuneration during the Relevant Periods and the three-month period ended 30 June 2011.

During the Relevant Periods and the three-month period ended 30 June 2011, no remuneration was paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office.

9. Five Highest Paid Employees

4, 4, 4, 4 and 3 of the highest paid individuals were directors of the Company for the years ended 31 March 2010, 2011 and 2012 and the three-month period ended 30 June 2011 and 2012, respectively.

Details of the remuneration of the remaining non-director, highest paid employees for each of the Relevant Periods and the three-month period ended 30 June 2011 are analysed as follows:

	Year ended 31 March			Three-month period ended 30 June	
	2010	2011	2012	2011	2012
	HK$'000	HK$'000	HK$'000	HK$'000 (Unaudited)	HK$'000
Salaries, allowances and benefits in kind	540	986	1,182	250	463
Retirement benefit scheme contributions	12	12	12	3	7
	552	998	1,194	253	470

The number of the non-director, highest paid employees whose remuneration fell within the following bands is as follows:

	Year ended 31 March			Three-month period ended 30 June	
	2010	2011	2012	2011	2012
	HK$'000	HK$'000	HK$'000	HK$'000 (Unaudited)	HK$'000
Nil to HK$1,000,000	1	1	—	1	2
HK$1,000,001 to HK$1,500,000	—	—	1	—	—
	1	1	1	1	2

During the Relevant Periods and the three-month period ended 30 June 2011, no remuneration was paid by the Group to any of the five highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office.

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% during the Relevant Periods. 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 being effective on 1 January 2008, the PRC corporate income tax rate of the Group's subsidiaries operated in Mainland China during the Relevant Periods was 25% on their taxable profits.

The major components of the income tax expense for the Relevant Periods and the three-month period ended 30 June 2011 are as follows:

	Year ended 31 March			Three-month period ended 30 June	
	2010	2011	2012	2011	2012
	HK$'000	HK$'000	HK$'000	HK$'000 (Unaudited)	HK$'000
Current — Hong Kong					
Charge for the year	11,492	11,050	19,303	3,803	4,820
Underprovision in prior years	831	—	23	—	—
Current — Elsewhere					
Charge for the year	660	3,251	3,181	556	1,176
Underprovision in prior years	458	—	—	—	—
Deferred tax (note 25)	(3,192)	1,201	1,270	27	(527)
Total tax charge for the year	10,249	15,502	23,777	4,386	5,469

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 2010					
	Hong Kong		The PRC		Total	
	HK$'000	%	HK$'000	%	HK$'000	%
Profit before tax	64,928		2,640		67,568	
Tax at the statutory tax rates	10,713	16.5	660	25.0	11,373	16.8
Adjustment in respect of current tax of previous periods	831	1.3	458	17.3	1,289	1.9
Expenses not deductible for tax	5	—	—	—	5	—
Tax losses utilised from previous periods	(2,207)	(3.4)	—	—	(2,207)	(3.2)
Profits attributable to a jointly-controlled entity	(211)	(0.3)	—	—	(211)	(0.3)
Tax charge at the Group's effective rates	9,131	14.1	1,118	42.3	10,249	15.2

	Year ended 31 March 2011					
	Hong Kong		The PRC		Total	
	HK$'000	%	HK$'000	%	HK$'000	%
Profit before tax	72,330		11,196		83,526	
Tax at the statutory tax rates	11,934	16.5	2,799	25.0	14,733	17.6
Income not subject to tax	(1)	—	—	—	(1)	—
Expenses not deductible for tax	613	0.8	452	4.0	1,065	1.3
Profits less losses attributable to jointly-controlled entities	(295)	(0.4)	—	—	(295)	(0.3)
Tax charge at the Group's effective rates	12,251	16.9	3,251	29.0	15,502	18.6

	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

	Three-month period ended 30 June 2012					
	Hong Kong		The PRC		Total	
	HK$'000	%	HK$'000	%	HK$'000	%
Profit before tax	29,633		1,484		31,117	
Tax at the statutory tax rates	4,887	16.5	371	25.0	5,258	16.9
Income not subject to tax	(1)	—	—	—	(1)	—
Expenses not deductible for tax	253	0.8	—	—	253	0.8
Tax losses not recognised	677	2.3	—	—	677	2.2
Profits attributable to jointly-controlled entities	(718)	(2.4)	—	—	(718)	(2.3)
Tax charge at the Group's effective rates	5,098	17.2	371	25.0	5,469	17.6

	Three-month period ended 30 June 2011					
	Hong Kong		The PRC		Total	
	HK$'000 (Unaudited)	%	HK$'000 (Unaudited)	%	HK$'000 (Unaudited)	%
Profit before tax	22,558		1,977		24,535	
Tax at the statutory tax rates	3,722	16.5	494	25.0	4,216	17.2
Income not subject to tax	(2)	—	—	—	(2)	—
Expenses not deductible for tax	178	0.8	62	3.1	240	1.0
Profits attributable to a jointly-controlled entity	(68)	(0.3)	—	—	(68)	(0.3)
Tax charge at the Group's effective rates	3,830	17.0	556	28.1	4,386	17.9

The share of tax attributable to jointly-controlled entities amounting to HK$251,000, HK$357,000, HK$1,342,000, HK$82,000 and HK$638,000 for the years ended 31 March 2010, 2011 and 2012, and three-month periods ended 30 June 2011 and 2012, respectively, is included in the "Share of profits less losses of jointly-controlled entities" in the consolidated income statements.

11. Dividends

The dividends paid by the Company’s subsidiaries to the then shareholders during the Relevant Periods and the three-month period ended 30 June 2011 were as follows:

	Year ended 31 March			Three-month period ended 30 June	
	2010	2011	2012	2011	2012
	HK$’000	HK$’000	HK$’000	HK$’000 (Unaudited)	HK$’000
Interim dividend	5,030	12,067	15,289	1,417	117,856

No dividends have been declared by the Company during the Relevant Periods.

12. Profit attributable to Owners of the Company

The consolidated profit attributable to owners of the Company for the three-month period ended 30 June 2012 were all generated by the subsidiaries now comprising the Group.

13. Earnings per share attributable to Ordinary Equity Holders of the Company

Earnings per share information is not presented as its inclusion, for the purpose of this report, is not considered meaningful due to the Reorganisation and the preparation of the results of the Group for the Relevant Periods as disclosed in note 2.1 above.

14. Property, Plant and Equipment

	Land and buildings	Leasehold improvements	Furniture and fixtures	Catering and other equipment	Motor vehicles	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
31 March 2010						
At 1 April 2009:						
Cost	61,760	63,633	8,975	18,069	969	153,406
Accumulated depreciation	(11,097)	(46,401)	(4,881)	(14,313)	(609)	(77,301)
Net carrying amount	50,663	17,232	4,094	3,756	360	76,105
At 1 April 2009, net of accumulated depreciation	50,663	17,232	4,094	3,756	360	76,105
Additions	—	6,621	1,391	6,984	—	14,996
Deemed distribution to the Controlling Shareholders*	(48,769)	—	—	—	—	(48,769)
Write-off	—	(286)	—	(1)	—	(287)
Depreciation provided during the year	(724)	(9,576)	(1,507)	(2,969)	(269)	(15,045)
At 31 March 2010, net of accumulated depreciation	1,170	13,991	3,978	7,770	91	27,000
At 31 March 2010:						
Cost	1,427	61,363	10,366	22,237	969	96,362
Accumulated depreciation	(257)	(47,372)	(6,388)	(14,467)	(878)	(69,362)
Net carrying amount	1,170	13,991	3,978	7,770	91	27,000
31 March 2011						
At 31 March 2010 and 1 April 2010:						
Cost	1,427	61,363	10,366	22,237	969	96,362
Accumulated depreciation	(257)	(47,372)	(6,388)	(14,467)	(878)	(69,362)
Net carrying amount	1,170	13,991	3,978	7,770	91	27,000
At 1 April 2010, net of accumulated depreciation	1,170	13,991	3,978	7,770	91	27,000
Additions	—	22,796	2,206	15,123	639	40,764
Depreciation provided during the year	(20)	(13,570)	(2,267)	(6,084)	(155)	(22,096)
Exchange realignment	—	2	8	33	—	43
At 31 March 2011, net of accumulated depreciation	1,150	23,219	3,925	16,842	575	45,711
At 31 March 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

	Land and buildings	Leasehold improvements	Furniture and fixtures	Catering and other equipment	Motor vehicles	Construction in progress	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
31 March 2012							
At 31 March 2011 and 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
30 June 2012							
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	—	5,314	3,249	4,421	332	—	13,316
Depreciation provided during the period	(5)	(3,997)	(680)	(2,560)	(92)	—	(7,334)
Transfers	—	8,033	2,397	3,147	—	(13,577)	—
Exchange realignment	—	(103)	(21)	(62)	(5)	—	(191)
At 30 June 2012, net of accumulated depreciation	1,125	48,288	10,923	31,564	1,112	—	93,012
At 30 June 2012:							
Cost	1,427	109,159	19,324	57,012	2,533	—	189,455
Accumulated depreciation	(302)	(60,871)	(8,401)	(25,448)	(1,421)	—	(96,443)
Net carrying amount	1,125	48,288	10,923	31,564	1,112	—	93,012

* It represented the land and buildings retained by Joy Express on 1 October 2009 (note 2.1). The Group has entered into a lease agreement with Joy Express and continued to use these land and buildings through operating lease arrangements.

The net carrying amounts of the Group's property, plant and equipment held under finance leases included in the total amounts of motor vehicles as at 31 March 2010, 2011 and 2012 and 30 June 2012 were HK$84,000, HK$575,000, HK$384,000 and HK$336,000, respectively.

The Group's land and buildings included in property, plant and equipment with net carrying amounts of HK$1,170,000, HK$1,150,000, HK$1,130,000 and HK$1,125,000 as at 31 March 2010, 2011 and 2012 and 30 June 2012, respectively, are situated in Hong Kong and are held under a medium term lease.

15. Investments in Jointly-controlled Entities

Group

	As at 31 March			As at 30 June
	2010	2011	2012	2012
	HK$'000	HK$'000	HK$'000	HK$'000
Share of net assets	1,276	1,003	9,458	13,875
Loan to jointly-controlled entities	3,352	9,288	7,746	7,746
	4,628	10,291	17,204	21,621

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 2010, 2011 and 2012 and 30 June 2012 totalling HK$90,000, HK$324,000, HK$41,000 and HK$133,000, respectively, 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 2010, 2011 and 2012 totalling HK$62,000, HK$291,000 and HK$371,000, respectively, are unsecured, interest-free and have no fixed terms of repayment.

The Group's trade receivable and payable balances with the jointly-controlled entities are disclosed in notes 17 and 21 to the Financial Information, respectively.

Particulars of the jointly-controlled entities at the end of the Relevant Periods 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.

* During the Relevant Periods, 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.

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

	As at 31 March			As at 30 June
	2010	2011	2012	2012
	HK$'000	HK$'000	HK$'000	HK$'000
Share of the jointly-controlled entities' assets and liabilities:				
Current assets	3,408	2,117	24,730	21,992
Non-current assets	3,825	3,013	9,474	8,656
Current liabilities	(5,957)	(4,127)	(24,746)	(16,773)
Net assets	1,276	1,003	9,458	13,875

	Year ended 31 March			Three-month period ended 30 June	
	2010	2011	2012	2011	2012
	HK$'000	HK$'000	HK$'000	HK$'000 (Unaudited)	HK$'000
Share of the jointly-controlled entities' results:					
Revenue	24,096	25,861	64,130	10,956	20,349
Other income	9	1	215	1	99
	24,105	25,862	64,345	10,957	20,448
Total expenses	(22,072)	(23,851)	(53,962)	(11,698)	(15,455)
Income tax expense	(251)	(357)	(1,342)	(82)	(638)
Profit/(loss) after tax	1,782	1,654	9,041	(823)	4,355
Losses in excess of investment cost not shared by the Group in current year/period	—	136	—	1,238	—
Previous losses in excess of investment cost shared by the Group in current year/period	(506)	—	(136)	—	—
Profit for the year/period shared by the Group	1,276	1,790	8,905	415	4,355

16. Inventories

	As at 31 March			As at 30 June
	2010	2011	2012	2012
	HK$'000	HK$'000	HK$'000	HK$'000
Food and beverage, and other operating items for restaurant operations	3,025	7,009	9,384	9,720

17. Trade Receivables

Group

	As at 31 March			As at 30 June
	2010	2011	2012	2012
	HK$'000	HK$'000	HK$'000	HK$'000
Trade receivables	493	873	2,964	3,989

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

	As at 31 March			As at 30 June
	2010	2011	2012	2012
	%	%	%	%
Largest customer	61	52	46	37
Five largest customers	100	100	83	84

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

Group

	As at 31 March			As at 30 June
	2010	2011	2012	2012
	HK$'000	HK$'000	HK$'000	HK$'000
Within 1 month	493	873	2,054	2,768
1 to 2 months	—	—	910	1,221
	493	873	2,964	3,989

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

Group

	As at 31 March			As at 30 June
	2010	2011	2012	2012
	HK$'000	HK$'000	HK$'000	HK$'000
Neither past due nor impaired	493	873	2,102	2,849
Less than 1 month past due	—	—	862	1,140
	493	873	2,964	3,989

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$299,000, HK$365,000, HK$1,938,000 and HK$2,217,000 as at 31 March 2010, 2011 and 2012 and 30 June 2012, respectively, which are repayable on similar credit terms to those offered to the major customers of the Group.

18. Prepayments, Deposits and Other Receivables

Group

	As at 31 March			As at 30 June
	2010	2011	2012	2012
	HK$'000	HK$'000	HK$'000	HK$'000
Prepayments	423	2,849	12,366	24,204
Deposits	15,585	23,626	37,751	39,223
Other receivables	1,088	2,124	2,680	3,449
	17,096	28,599	52,797	66,876
Current portion included in prepayments, deposits and other receivables	(12,314)	(10,578)	(33,183)	(42,913)
Non-current portion included in rental deposits	4,782	18,021	19,614	23,963

At 31 March 2010, 2011 and 2012 and 30 June 2012, the balances of deposits and other receivables were neither past due nor impaired. Financial assets included in the above balances relate to receivables for which there was no recent history of default.

19. 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 2010

Group

	31 March 2010	Maximum amount outstanding during the year	1 April 2009
	HK$'000	HK$'000	HK$'000
Due from directors			
Mr. Lee Yuen Hong	22,123	22,123	19,677
Mr. Ho Ting Chi	25,757	25,757	18,210
Mr. Cheung Yu To	9,915	9,915	7,842
Mr. Cheung Wai Keung	19,494	19,494	16,033
Mr. Cheung Yue Pui	5,676	5,676	4,254
	82,965		66,016
Due from related companies			
Best Giant Limited	1,710	17,410	17,410
Champion Stage Limited	9,848	9,848	5,437
Fame City International Limited	4,706	4,706	3,866
Goodman Bond International Limited	17,623	17,623	3,004
Joint Resources Limited	10	10	10
Joy Express Limited	12,474	12,474	—
Profit More Corporation Limited	4	4	—
Quick Time Networking Limited	28	189	189
Sartoria Limited	—	16	16
Success Path Limited	26,163	26,163	22,018
Tsui Wah Estates (Hong Kong) Limited	4,123	4,123	4,123
Tsui Wah Food Limited	1,765	1,765	1,765
Tsui Wah Management Limited	32,474	32,474	30,421
	110,928		88,259

31 March 2011

Group

	31 March 2011	Maximum amount outstanding during the year	1 April 2010
	HK$'000	HK$'000	HK$'000
Due from directors			
Mr. Lee Yuen Hong	29,413	29,413	22,123
Mr. Ho Ting Chi	32,316	32,316	25,757
Mr. Cheung Yu To	11,291	11,291	9,915
Mr. Cheung Wai Keung	19,425	19,494	19,494
Mr. Cheung Yue Pui	5,529	5,676	5,676
	97,974		82,965
Due from related companies			
Best Giant Limited	1,751	1,751	1,710
Champion Stage Limited	8,116	9,848	9,848
Fame City International Limited	5,546	5,546	4,706
Goodman Bond International Limited	42,111	42,111	17,623
Great List Limited	940	940	—
Joint Resources Limited	10	10	10
Joy Express Limited	4,733	12,474	12,474
Profit More Corporation Limited	4	4	4
Quick Time Networking Limited	49	49	28
Sartoria Limited	100	100	—
Success Path Limited	33,063	33,063	26,163
Tsui Wah Estates (Hong Kong) Limited	4,123	4,123	4,123
Tsui Wah Food Limited	1,765	1,765	1,765
Tsui Wah Management Limited	36,121	36,121	32,474
	138,432		110,928

31 March 2012

Group

	31 March 2012	Maximum amount outstanding during the year	1 April 2011
	HK$'000	HK$'000	HK$'000
Due from directors			
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
	99,395		97,974
Due from related companies			
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
	141,126		138,432

30 June 2012

Group

	30 June 2012	Maximum amount outstanding during the period	1 April 2012
	HK$'000	HK$'000	HK$'000
Due from directors			
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
Due from related companies			
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

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

	As at 31 March			As at 30 June
	2010	2011	2012	2012
	HK$'000	HK$'000	HK$'000	HK$'000
Due to directors				
Mr. Lee Yuen Hong	7,449	11,933	17,661	—
Mr. Ho Ting Chi	8,238	9,771	14,184	—
Mr. Cheung Yu To	3,132	4,223	5,873	—
Mr. Cheung Wai Keung	3,317	3,318	3,461	—
Mr. Cheung Yue Pui	3,287	3,287	3,430	—
	25,423	32,532	44,609	—

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

Group

	As at 31 March			As at 30 June
	2010	2011	2012	2012
	HK$'000	HK$'000	HK$'000	HK$'000
Due to related companies				
Best Giant Limited	188	141	141	—
Champion Stage Limited	7,481	7,481	5,782	—
Goodman Bond International Limited	—	—	200	—
Joy Express Limited	17,554	25,556	17,448	—
Joint Resources Limited	3,460	3,460	3,452	—
Quick Time Networking Limited	173	619	986	—
Success Path Limited	—	853	659	—
Tsui Wah Estates (Hong Kong) Limited	50,028	50,028	50,028	—
Tsui Wah Management Limited	209	209	210	—
	79,093	88,347	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 related to receivables for which there was no recent history of default.

20. Cash and Cash Equivalents

Group

	As at 31 March			As at 30 June
	2010	2011	2012	2012
	HK$'000	HK$'000	HK$'000	HK$'000
Cash and bank balances	38,810	62,906	92,082	104,080
Cash and cash equivalents denominated in:				
HK$	30,475	49,297	73,494	83,692
Renminbi ("RMB")	8,335	13,609	18,588	20,388
	38,810	62,906	92,082	104,080

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 authorized 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.

21. Trade Payables

An aged analysis of the trade payables as at the end of each of the Relevant Periods, based on the invoice date, is as follows:

Group

	As at 31 March			As at 30 June
	2010	2011	2012	2012
	HK$'000	HK$'000	HK$'000	HK$'000
Within 1 month	11,549	15,931	21,360	24,679
Over 1 month but less than 2 months	11,267	13,029	17,563	19,727
	22,816	28,960	38,923	44,406

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

Included in the Group's trade payables as at 30 June 2012 is a trade payable of HK$707,000 due to the Group's jointly-controlled entity which is repayable on similar credit terms to those offered by the major suppliers of the Group.

22. Other Payables and Accruals

Group

	As at 31 March			As at 30 June
	2010	2011	2012	2012
	HK$'000	HK$'000	HK$'000	HK$'000
Other payables	10,135	10,843	21,692	23,733
Accruals	17,123	22,999	28,158	38,588
	27,258	33,842	49,850	62,321

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

23. Interest-bearing Bank and Other Borrowings

Group

	As at 31 March									As at 30 June		
	2010			2011			2012			2012		
	Effective interest rate (%)	Maturity	HK$'000	Effective interest rate (%)	Maturity	HK$'000	Effective interest rate (%)	Maturity	HK$'000	Effective interest rate (%)	Maturity	HK$'000
Current												
Finance lease payables (note 24)	8.2	2011	139	5.8	2012	143	5.8	2013	143	5.8	2013	143
Bank loans — unsecured	—	—	—	2.3	2012	12,814	—	—	—	—	—	—
			139			12,957			143			143
Non-current												
Finance lease payables (note 24)	—	—	—	5.8	2016	403	5.8	2016	284	5.8	2016	253
			—			403			284			253
			139			13,360			427			396

Group

	As at 31 March			As at 30 June
	2010	2011	2012	2012
	HK$'000	HK$'000	HK$'000	HK$'000
Analysed into:				
Bank loans repayable:				
Within one year or on demand	—	12,814	—	—
Other borrowings repayable:				
Within one year or on demand	139	143	143	143
In the second year	—	135	135	135
In the third to fifth years, inclusive	—	268	149	118
	139	546	427	396
	139	13,360	427	396

(a) Certain directors of the Company, namely Mr. Lee Yuen Hong, Mr. Ho Ting Chi, Mr. Cheung Yu To, Mr. Cheung Wai Keung and Mr. Cheung Yue Pui, have guaranteed the Group's bank borrowings up to HK$12,814,000 as at 31 March 2011.

(b) All the Group's bank and other borrowings as at the end of each of the Relevant Periods are denominated in Hong Kong dollars.

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 the end of each of the Relevant Periods, 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			
	As at 31 March			As at 30 June	As at 31 March			As at 30 June
	2010	2011	2012	2012	2010	2011	2012	2012
	HK$'000							
Amounts payable:								
Within one year	145	147	147	147	139	143	143	143
In the second year	—	147	147	147	—	135	135	135
In the third to fifth years, inclusive	—	318	172	135	—	268	149	118
Total minimum finance lease payments	145	612	466	429	139	546	427	396
Future finance charges	(6)	(66)	(39)	(33)				
Total net finance lease payables	139	546	427	396				
Portion classified as current liabilities (note 23)	(139)	(143)	(143)	(143)				
Non-current portion (note 23)	—	403	284	253				

25. Deferred Tax

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

Deferred tax assets

	Others	Depreciation in excess of related depreciation allowance	Losses available for offsetting against future taxable profits	Total
	HK$'000	HK$'000	HK$'000	HK$'000
At 1 April 2009	—	325	4,405	4,730
Deferred tax credited to the consolidated income statement during the year (note 10)	—	2,199	1,059	3,258
At 31 March 2010 and 1 April 2010	—	2,524	5,464	7,988
Deferred tax credited/(charged) to the consolidated income statement during the year (note 10)	—	437	(1,306)	(869)
At 31 March 2011 and 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 period (note 10)	805	472	(635)	642
At 30 June 2012	805	4,165	1,496	6,466

Deferred tax liabilities

	Depreciation allowance in excess of related depreciation
	HK$'000
At 1 April 2009	62
Deferred tax charged to the consolidated income statement during the year (note 10)	66
At 31 March 2010 and 1 April 2010	128
Deferred tax charged to the consolidated income statement during the year (note 10)	332
At 31 March 2011 and 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 charged to the consolidated income statement during the period (note 10)	115
At 30 June 2012	550

Certain subsidiaries of the Group have tax losses arising in Hong Kong in total of HK$5,893,000 and HK$9,998,000 as at 31 March 2012 and 30 June 2012, respectively, 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 the PRC. 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 the PRC in respect of earnings generated from 1 January 2008.

At the end of each of the Relevant Periods, 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$3,024,000, HK$11,791,000, HK$21,173,000 and HK$22,286,000 at 31 March 2010, 2011 and 2012 and 30 June 2012, respectively.

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

26. Issued Capital

The Company is a limited liability company incorporated in the Cayman Islands on 29 May 2012. The authorized share capital of the Company was HK$100,000,000 divided into 10,000,000,000 shares of HK$0.01 each.

There was no authorized and issued capital as at 31 March 2010, 2011 and 2012 since the Company has not yet been incorporated.

Company

	As at 30 June 2012
	HK$'000
Issued and fully paid:	
200,000,000 ordinary shares of HK$0.01 each	2,000

During the three-month period ended 30 June 2012, the movements in the share capital were as follows:

(a) 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.

(b) 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.

Please refer to the details as set out in the sub-section headed "Our Corporate Development — Reorganization" in the section headed "History, Development and Reorganization" in the Document.

27. Reserves

(a) Group

The amounts of the Group's reserves and the movements therein for each of the Relevant Periods and the three-month period ended 30 June 2011 are presented in the consolidated statements of changes in equity on page I-6 of this report.

(b) Merger reserve

The merger reserve represents the reserve arising pursuant to the Reorganisation as detailed in note 1 above.

(c) 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.

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

For the purpose of this report, 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 Document).

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

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

28. Related Party Transactions

(i) In addition to the transactions and balances detailed elsewhere in this report, the Group had the following material transactions with related parties during the Relevant Periods and the three-month period ended 30 June 2011:

	Year ended 31 March			Three-month period ended 30 June	
	2010	2011	2012	2011	2012
	HK$'000	HK$'000	HK$'000	HK$'000 (Unaudited)	HK$'000
Sale of food to jointly-controlled entities	3,651	4,605	12,483	2,100	4,020
Purchase of food from a jointly-controlled entity	—	—	1,268	268	359
Rental fee paid and payable to:					
Fame City International Limited	240	240	659	165	165
Success Path Limited	—	855	1,140	285	500
Champion Stage Limited	960	960	1,572	393	393
Joy Express Limited	2,805	9,600	9,600	2,400	2,400
Service fee charged by Quick Time Networking Limited	905	570	158	40	—
Purchase of property, plant and equipment from Quick Time Networking Limited	255	1,859	1,103	—	—

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

During the Relevant Periods, 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.

(ii) The Group's profits tax loan facilities are 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 31 March 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 (note 23(a)). The profits tax loans were fully paid during the year ended 31 March 2012.

(iii) Compensation of key management personnel of the Group, including directors' remuneration as disclosed in note 8 to the Financial Information, is as follows:

	Year ended 31 March			Three-month period ended 30 June	
	2010	2011	2012	2011	2012
	HK$'000	HK$'000	HK$'000	HK$'000 (Unaudited)	HK$'000
Short term employee benefits	4,115	5,072	6,215	1,508	1,565
Post-employment benefits	60	72	84	21	23
	4,175	5,144	6,299	1,529	1,588

29. Major Non-cash Transactions

(i) During the year ended 31 March 2011, the Group entered into a finance lease arrangement in respect of a motor vehicle with a total capital value at the inception of the lease of HK$639,000.

(ii) During the year ended 31 March 2012, the Group acquired certain non-controlling interests for a total cash consideration of HK$8,331,000 settled on behalf by the Controlling Shareholders.

(iii) During the year ended 31 March 2012, the Group acquired the interests in subsidiaries in respect of the Kang Wang/Cui Xin Restructuring for a total consideration of HK$2,823,000 settled on behalf by the Controlling Shareholders.

(iv) During the three-month period ended 30 June 2012, 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.

(v) During the three-month period ended 30 June 2012, pursuant to the Reorganisation, the Company acquired the shares in Kang Wang and Cui Xin for 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.

(vi) During the three-month period ended 30 June 2012, 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.

30. 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.

As at the end of each of the Relevant Periods, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	As at 31 March			As at 30 June
	2010	2011	2012	2012
	HK$'000	HK$'000	HK$'000	HK$'000
Within one year	30,384	53,661	73,985	66,307
In the second to fifth years, inclusive	27,542	63,062	90,616	106,355
Beyond five years	1,165	311	21,324	12,153
	59,091	117,034	185,925	184,815

In addition, the operating lease rentals for certain restaurants are based on the higher of a fixed rental and contingent rent based 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.

31. Commitments

In addition to the operating lease commitments detailed in note 30 above, the Group had the following capital commitments at the end of each of the Relevant Periods.

	As at 31 March			As at 30 June
	2010	2011	2012	2012
	HK$'000	HK$'000	HK$'000	HK$'000
Contracted, but not provided for leasehold improvements	4,743	13,873	5,222	327
Authorized, but not contracted for leasehold improvements	—	—	4,000	—
	4,743	13,873	9,222	327

32. Financial Instruments by Category

As at the end of each of the Relevant Periods, all the financial assets and liabilities of the Group were loans and receivables and financial liabilities at amortised cost, respectively.

33. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise cash and cash equivalents and interest-bearing bank and other borrowings. 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 bank and other borrowings 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.

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 each of the Relevant Periods, based on the contractual undiscounted payments, was as follows:

	31 March 2010
	Less than 1 year
	HK$'000
Trade payables	22,816
Financial liabilities included in other payables and accruals	27,258
Due to directors	25,423
Due to related companies	79,093
Interest-bearing bank and other borrowings	145
	154,735

	31 March 2011		
	Less than 1 year	Over 1 year	Total
	HK$'000	HK$'000	HK$'000
Trade payables	28,960	—	28,960
Financial liabilities included in other payables and accruals	33,842	—	33,842
Due to directors	32,532	—	32,532
Due to related companies	88,347	—	88,347
Interest-bearing bank and other borrowings	13,249	465	13,714
	196,930	465	197,395

	31 March 2012		
	Less than 1 year	Over 1 year	Total
	HK$'000	HK$'000	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
Interest-bearing bank and other borrowings	147	319	466
	212,435	319	212,754

	30 June 2012		
	Less than 1 year	Over 1 year	Total
	HK$'000	HK$'000	HK$'000
Trade payables	44,406	—	44,406
Financial liabilities included in other payables and accruals	62,321	—	62,321
Interest-bearing bank and other borrowings	147	282	429
	106,874	282	107,156

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 Relevant Periods.

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 each of the Relevant Periods were as follows:

Group

	As at 31 March			As at 30 June
	2010	2011	2012	2012
	HK$'000	HK$'000	HK$'000	HK$'000
Interest-bearing bank and other borrowings	139	13,360	427	396
Equity attributable to owners of the Company	127,686	180,962	258,632	184,002
Gearing ratio	0.1%	7.4%	0.2%	0.2%

III. EVENTS AFTER THE REPORTING PERIOD

(a) On 5 November 2012, the Company adopted a [●] share option scheme, pursuant to which the Company conditionally granted share options to certain employees, executives and officers of the Group and a director of the Company. Further details of the [●] share option scheme and the share options granted are set out in the section headed "E. Share Option Schemes — [●] Share Option Scheme" in Appendix IV in the Document.

(b) In October 2012, the Company declared a special dividend of HK$53,474,000 to its then shareholders. Such dividend was not accounted for in the Financial Information during the Relevant Periods.

IV. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Group or any of its subsidiaries in respect of any period subsequent to 30 June 2012.

Yours faithfully,
[●]
Certified Public Accountants
Hong Kong