CAFÉ DE CORAL HOLDINGS LIMITED

大 家 樂 集 團 有 限 公 司

(Incorporated in Bermuda with limited liability)

Website: http://www.cafedecoral.com

(Stock Code: 341)

INTERIM RESULTS ANNOUNCEMENT

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

HIGHLIGHTS

- **The year 2013 marks the Group's 45th anniversary. The Group continues to focus on serving our customers and the community and sustaining business growth.**

- **The Group's disciplined implementation of business plans and multi-branding initiatives brought solid growth in the interim period despite challenging operating environment.**

- **Revenue for the half year increased by 8.7%, reaching HK$3.41 billion.**

- **Profit attributable to shareholders for the half year increased by 9.8% to HK$243 million.**

- **Interim dividend of 17 HK cents per share (2012: 17 HK cents per share) was declared to shareholders.**

OPERATIONAL REVIEW

INTRODUCTION

The year 2013 marks the Café de Coral Group's 45th anniversary. Entering this milestone year, we have constantly reminded ourselves of the vision held by our founders when they first started the business, as well as the fine traditions and values that have kept us moving forward on this long journey.

The first six months of FY2013/14 witnessed continuous growth for the Group across its key business platforms. At the same time, however, we have faced constant pressure from rising rental costs and prices of raw materials. Although most of our employees are paid at rates higher than Hong Kong's statutory minimum hourly rate, labour shortages remain a constant challenge for our business. Economic uncertainties in the regions where we operate have brought additional challenges. However, these challenges have only fuelled our determination to continue strengthening our business, building up our brands, and exploring new revenue streams.

Knowing its niche and core strengths, the Group has a clear vision of who we always want to serve – the vast majority of the city's population. We aim to be an essential part of our customers' daily life by offering them affordable meals that meet their needs and satisfy their taste buds. Our business strategies have been tailored to capture the growth potential in this market.

Through disciplined implementation of its plans and targets, and constant fine-tuning against ever-changing market trends, the Group has achieved steady business growth. In the period under review, it achieved total turnover of HK$3.41 billion, representing growth of 8.7% compared with the same period last year. The Group's half-year profit surged to HK$243 million, rose by 9.8% over the same period in FY2012/13.

In view of the Group's encouraging financial performance during the first six months, the Board is pleased to declare the distribution of an interim dividend of 17 HK cents per share (2012: 17 HK cents) to shareholders whose names appear on the Register of Members of the Company on 18 December 2013.

HONG KONG OPERATIONS

The Group's Hong Kong operations recorded solid turnover growth of 8%, to HK$2.69 billion, during the first half of FY2013/14. Sales from comparable stores of **Café de Coral** fast food increased by approximately 7% over the same period in FY2012/13 despite fierce competition and an increasingly challenging business environment. While we are working to maintain the momentum of our business results by growing our business and upgrading our products and services, we have not lost sight of our core traditions and values. That involves remaining committed to staying abreast of our customers' needs, and constantly looking for ways to serve them better. For example, recognizing that our customers are facing the same inflationary pressures as we are, **Café de Coral** has launched a series of *Value Meals* to add value to their meal spending. Following an extensive marketing campaign, *Value Meals* have proven to be successful in generating sales, enhancing our brand, and fulfilling our corporate social responsibility.

The Group has continued to use multi-branding initiatives to drive its business growth and achieve further market penetration in our focused market sectors. **Super Super Congee & Noodles**, stemmed from our multi-branding effort, has been successful in capturing greater market share for the Group. This business achieved encouraging half-year results, recording growth of 16% in sales and a surge of comparable store sales of 11% over the same period last year. Our market penetration initiatives have also borne fruit through the Group's institutional catering brands, **Asia Pacific Catering** and **Luncheon Star**, which have become key revenue and profit contributors. Institutional catering market-leader **Asia Pacific Catering**, and Hong Kong's biggest school lunch provider **Luncheon Star**, both recorded significant growth in sales and profit during the period.

The Spaghetti House, the Group's scalable specialty restaurant chain and a key pillar of our mid-end lifestyle dining portfolio, performed satisfactorily during the period. Meanwhile, our **Oliver's Super Sandwiches**, **MIX**, **Espressamente illy** and **85°C** brands have striven to capture opportunities arising from the increasing popularity of café and bakery-style eateries, especially among the young generation looking for new delicacies and new dining styles. These restaurants are reaching out to our target customers by offering a wider variety of affordable lifestyle dining experiences.

We have continued to maintain our focus on maintaining the Group's competitive edge. Phased renovations and face-lifts to our existing shops and outlets have progressed satisfactorily, helping enhance customer experience and boost sales. Our new central food processing plant in Tai Po has also helped enhance the Group's overall business efficiency.

PRC OPERATIONS

The Group's China business continues to be an important business platform. Both our South China Fast Food operation and Eastern China chain performed positively, tracking targets during the period. The South China Fast Food chain recorded comparable sales growth of approximately 3% during the first half of FY2013/14, and results for the Eastern China chain also improved compared with the same period last year. These improvements can be attributed to the positive response from customers to our marketing initiatives and efforts in menu design. Our investment in the central food processing centre in Guangdong is gradually resulting in contributions, as the centre helps improve our business efficiencies.

We did see some impact on the fine dining sector in the PRC from the government's measures during the year. These tightening policies, however, have not affected our business and our first-half results are encouraging. We are monitoring the country's changing dining reception habits closely to determine if they will lead to increasing sales for our mid-priced restaurants, but we remain cautious due to current economic conditions and surging operating costs in China. However, the Group is determined to persevere with the process of growing and expanding its business in China, albeit with prudence and patience.

NORTH AMERICA OPERATIONS

As of 30 September 2013, the Group operated a total of 143 **Manchu WOK** outlets in the United States and Canada. Despite signs of gradual recovery in the US economy, consumer confidence and customer spending remain weak and this has affected our business. This is a challenging situation that is likely to persist for at least the rest of the year. Also in the period, sales at a number of our high-volume stores were temporarily affected by renovation and construction work taking place in the malls where they are located. The Group is focusing on improving the results of **Manchu WOK** by implementing a series of strategic near-term and long-term growth initiatives for the business.

OUTLOOK

The Group has experienced a challenging first half, as the global economy remains short on momentum. We have continued to feel the pressure of inflation on all the key components of our operating costs. In the face of these challenges, the Group has been proactive in formulating and implementing plans and strategies to maintain its competitive edge and to grow its business. We are striving to constantly improve our business efficiencies in ways that will drive sales and sustain the Group's commitment to creating customer value, in turn increasing shareholder value.

Multi-branding remains a vital part of the Group's strategy. We are using it to drive growth and market penetration in the Group's focused segments. As for our long-term business growth plans, we are eyeing on expanding our share in the mid-end dining sector, through both organic and inorganic growth.

People are our greatest asset, and are key to the Group's ongoing growth and business sustainability. We are continuing to invest in our people to retain and acquire talents. We are also proactively preparing for contingencies by strengthening our IT systems further to ensure smooth business operations.

The Group is making careful plans to maintain and grow its business, both near-term and in the long run, and we are confident that results will continue to be strong. We are looking forward to the second half of the current financial year, when we expect to see our business plans for the year bear fruit.

On behalf of the Board, I would like to express our gratitude to our staff for the dedication and loyalty they have shown, which has underpinned the Group's growth over past decades. We are also grateful for the support from our customers, business partners and shareholders, all of whom have helped make the Café de Coral dream of 45 years ago a reality today.

By order of the Board
Lo Hoi Kwong, Sunny
Chief Executive Officer

Hong Kong, 29 November 2013

FINANCIAL REVIEW

As at 30 September 2013, the Group's financial position was strong, with net cash of close to HK$752 million and available banking facilities of HK$536 million. The Group had no external borrowing (31 March 2013: Nil) and gearing (total borrowings over shareholders' funds) of Nil (31 March 2013: Nil). No material changes in contingent liabilities or charges on assets have occurred since 31 March 2013.

As at 30 September 2013, the Company had given guarantees of approximately HK$536 million (31 March 2013: HK$536 million) to financial institutions in connection with the banking facilities granted to its subsidiaries.

Regarding foreign exchange fluctuations, for the six months' period under review, the Group earned revenue and incurred costs and expenses mainly denominated in Hong Kong dollars, while those of our North America and PRC subsidiaries and joint ventures are denominated in United States dollars, Canadian dollars and Renminbi respectively. While foreign currency exposure did not pose a significant risk for the Group, we will continue to be proactive and closely monitor our exposure to currency movements.

CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

	Note	**Six months ended 30 September 2013** *HK$'000*	2012 *HK$'000*
Revenue	**4**	**3,408,505**	3,135,574
Cost of sales		(2,977,635)	(2,739,738)
Gross profit		430,870	395,836
Administrative expenses		(158,266)	(143,425)
Other gains, net	5	12,633	11,453
Operating profit	**6**	**285,237**	263,864
Finance income	7	6,326	4,934
Share of profit/(loss) of associates		98	(2,189)
Share of loss of joint ventures		(2,194)	(3,028)
Profit before income tax		**289,467**	263,581
Income tax expense	8	(46,224)	(41,820)
Profit for the period		243,243	221,761
Allocated as:			
Profit attributable to non-controlling interest		374	623
Profit attributable to equity holders of the Company		**242,869**	221,138
Earnings per share for profit attributable to the equity holders of the Company			
- Basic	**9**	**42.23 HK cents**	38.71 HK cents
- Diluted	9	41.96 HK cents	38.42 HK cents
Dividend			
- Interim	10	97,910	97,287

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

	Six months ended 30 September	
	2013	2012
	HK$'000	*HK$'000*
Profit for the period	243,243	221,761
Other comprehensive income:		
Items that may be reclassified to profit or loss:		
Exchange differences arising from translation of foreign subsidiaries, associates and joint ventures	6,846	2,482
Fair value gains on available-for-sale financial assets	121,444	17,100
Reserve released upon disposal of available-for-sale financial assets	(3)	-
Total comprehensive income for the period	**371,530**	241,343
Attributable to:		
- Equity holders of the Company	371,156	240,720
- Non-controlling interests	374	623
	371,530	241,343

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 30 SEPTEMBER 2013

	Note	**As at 30 September 2013** *HK$'000* (Unaudited)	As at 31 March 2013 *HK$'000* (Audited)
ASSETS			
Non-current assets			
Leasehold land and land use rights		93,207	94,411
Property, plant and equipment		1,710,552	1,672,430
Investment properties		385,000	385,000
Intangible assets		105,668	111,579
Investments in associates		1,218	11,780
Investments in joint ventures		22,178	24,372
Deferred income tax assets		25,113	24,320
Available-for-sale financial assets		572,523	451,087
Non-current prepayments and deposits		264,229	268,633
Financial assets at fair value through profit or loss		7,706	33,094
		3,187,394	3,076,706
Current assets			
Inventories		246,756	204,548
Trade and other receivables	11	136,148	147,671
Prepayments and deposits		108,246	124,966
Financial assets at fair value through profit or loss		31,330	56,077
Bank deposits with maturity over three months		31,035	31,076
Cash and cash equivalents		751,766	772,694
		1,305,281	1,337,032
Total assets		4,492,675	4,413,738
EQUITY			
Capital and reserves attributable to the equity holders of the Company			
Share capital		57,576	57,407
Other reserves		1,319,029	1,164,384
Retained earnings			
- Proposed dividends		97,910	419,790
- Others		2,052,237	1,907,793
		3,526,752	3,549,374
Non-controlling interests		2,645	2,271
Total equity		3,529,397	3,551,645

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED) (CONTINUED)
AS AT 30 SEPTEMBER 2013

	Note	**As at 30 September 2013** ***HK$'000*** (Unaudited)	As at 31 March 2013 *HK$'000* (Audited)
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		29,991	31,616
Provision for long service payments		20,048	19,680
Retirement benefit liabilities		23,881	25,670
		73,920	76,966
Current liabilities			
Trade payables	12	221,495	179,103
Other creditors and accrued liabilities		605,733	563,216
Current income tax liabilities		62,130	42,808
		889,358	785,127
Total liabilities		963,278	862,093
Total equity and liabilities		4,492,675	4,413,738
Net current assets		415,923	551,905
Total assets less current liabilities		3,603,317	3,628,611

Notes:

1 Basis of preparation

This condensed consolidated interim financial information for the six months ended 30 September 2013 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants.

This condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2013, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS").

2 Accounting policies

(i) New standards, new interpretation and amendments to existing standards adopted by the Group

The following new standards, new interpretation and amendments to existing standards are mandatory for accounting period beginning on or after 1 April 2013:

		Effective for accounting periods beginning on or after
HKAS 1 (Amendment)	Presentation of financial statements	1 January 2013
HKFRS 1 (Amendment)	Government loans	1 January 2013
HKAS 19 (Revised 2011)	Employee benefits	1 January 2013
HKAS 27 (Revised 2011)	Separate financial statements	1 January 2013
HKAS 28 (Revised 2011)	Investment in associates and joint ventures	1 January 2013
HKFRS 7 (Amendment)	Financial instruments: Disclosures – Offsetting financial assets and liabilities	1 January 2013
HKFRS 10	Consolidated financial statements	1 January 2013
HKFRS 11	Joint arrangements	1 January 2013
HKFRS 12	Disclosure of interests in other entities	1 January 2013
HKFRS 13	Fair value measurement	1 January 2013
Annual improvement Projects	Improvements to HKASs and HKFRSs 2011	1 January 2013
HK(IFRIC) – Int 20	Stripping costs in the production phase of a surface mine	1 January 2013

2 Accounting policies *(Continued)*

Management of the Group has assessed the impact of the above new standards or amendments to standards and considered that they do not have any impact on the Group's current year's financial statements, except for HKAS 19 (revised) 'Employee benefits' which the Group has applied the standard retrospectively in accordance with the transition provisions of the standard. Such new standard replaces the interest cost on the defined benefit obligation and the expected return on plan assets with a net interest cost based on the net defined benefit asset or liability and the discount rate, resulting in an increase in income statement charge as the discount rate applied to assets under the new standard would be lower than the expected return on assets as previously adopted. This has no effect on total comprehensive income as the increased charge in profit or loss would be offset by a credit in other comprehensive income. In addition, the new standard also introduced a new term called "remeasurement", which is made up of actuarial gains and losses as the difference between actual investment returns and the return implied by the net interest cost.

The impact of this new accounting standard has not been reflected in the accompanying interim condensed consolidated financial information as it is not considered material to the Group's results of operations as a whole. Also, the adoption of revised standard has no impact on the amount of retirement benefit assets/ liabilities recognised in the condensed consolidated statement of financial position, as well as the condensed consolidated statement of cash flows.

(ii) New standards and amendments have been issued but are not effective for the financial year beginning 1 April 2013 and have not been early adopted.

		Effective for accounting periods beginning on or after
HKAS 32 (Amendment)	Financial Instruments: Presentation – offsetting financial assets and liabilities	1 January 2014
HKFRS 7 and HKFRS 9 (Amendments)	Financial Instruments: Disclosures – Mandatory effective date of HKFRS 9 and transition disclosures	1 January 2015
HKFRS 9	Financial instruments	1 January 2015
HKFRS 10, HKFRS 12 and HKAS 27 (2011) Amendment	Investment entities	1 January 2014

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

3 Segment information

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

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

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

	Hong Kong *HK$'000* **(Unaudited)**	**Mainland China** *HK$'000* **(Unaudited)**	**North America** *HK$'000* **(Unaudited)**	**Group** *HK$'000* **(Unaudited)**
Six months ended 30 September 2013				
Total segment revenue	**2,687,614**	**692,639**	**82,598**	**3,462,851**
Inter-segment revenue *(Note i)*	**(1,576)**	**(52,770)**	**-**	**(54,346)**
Revenue (from external revenue) *(Note ii)*	**2,686,038**	**639,869**	**82,598**	**3,408,505**
Segment results *(Note iii)*	**357,129**	**64,637**	**(659)**	**421,107**
Depreciation and amortisation	**94,125**	**33,406**	**8,339**	**135,870**
Finance income	**4,371**	**1,875**	**80**	**6,326**
Share of profit of associates	**-**	**-**	**98**	**98**
Share of loss of joint ventures	**(2,126)**	**(68)**	**-**	**(2,194)**
Income tax expense/(credit)	**40,508**	**7,314**	**(1,598)**	**46,224**
Six months ended 30 September 2012				
Total segment revenue	2,480,453	612,460	95,646	3,188,559
Inter-segment revenue *(Note i)*	(1,358)	(51,627)	-	(52,985)
Revenue (from external revenue) *(Note ii)*	2,479,095	560,833	95,646	3,135,574
Segment results *(Note iii)*	342,869	44,569	2,409	389,847
Depreciation and amortisation	86,554	31,241	8,188	125,983
Finance income	3,421	1,488	25	4,934
Share of profit/(loss) of associates	385	(2,713)	139	(2,189)
Share of loss of joint ventures	(3,002)	(26)	-	(3,028)
Income tax expense/(credit)	38,607	5,916	(2,703)	41,820

3 Segment information *(Continued)*

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

(ii) The Group has a large number of customers. For the period ended 30 September 2013, no revenue derived from transactions with a single external customer represented 10% or more of the Group's total revenue.

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

	Six months ended 30 September	
	2013	2012
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Segment results	**421,107**	389,847
Depreciation and amortisation	**(135,870)**	(125,983)
Operating profit	**285,237**	263,864
Finance income	**6,326**	4,934
Share of profit/(loss)of associates	**98**	(2,189)
Share of loss of joint ventures	**(2,194)**	(3,028)
Profit before income tax	**289,467**	263,581

3 Segment information *(Continued)*

	Hong Kong *HK$'000* **(Unaudited)**	**Mainland China** *HK$'000* **(Unaudited)**	**North America** *HK$'000* **(Unaudited)**	**Group** *HK$'000* **(Unaudited)**
As at 30 September 2013				
Segment assets	**2,785,955**	**866,866**	**203,182**	**3,856,003**
Segment assets include:				
Investments in associates	**-**	**-**	**1,218**	**1,218**
Investments in joint ventures	**21,527**	**651**	**-**	**22,178**
Additions to non-current assets (other than financial instruments and deferred tax assets)	**221,714**	**34,343**	**2,225**	**258,282**
As at 31 March 2013				
Segment assets	2,819,095	814,867	215,198	3,849,160
Segment assets include:				
Investments in associates	-	10,577	1,203	11,780
Investments in joint ventures	23,726	646	-	24,372
Additions to non-current assets (other than financial instruments and deferred tax assets)	418,324	107,656	14,125	540,105

As at 30 September 2013, the total non-current assets (other than financial instruments and deferred tax assets) located in Hong Kong is HK$1,949,780,000 (As at 31 March 2013: HK$1,905,781,000), in Mainland China is HK$488,608,000 (As at 31 March 2013: HK$508,483,000) and in North America is HK$143,663,000 (As at 31 March 2013: HK$153,940,000).

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

	30 September 2013 *HK$'000* **(Unaudited)**	31 March 2013 *HK$'000* (Audited)
Total segment assets	**3,856,003**	3,849,160
Deferred income tax assets	**25,113**	24,320
Available-for-sale financial assets	**572,523**	451,087
Financial assets at fair value through profit or loss	**39,036**	89,171
Total assets	**4,492,675**	4,413,738

4 Revenue

	Six months ended 30 September	
	2013	2012
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Sales of food and beverages	**3,340,636**	3,069,046
Rental income	**18,104**	16,065
Royalty income	**16,915**	18,913
Management and service fee income	**6,286**	5,393
Sundry income	**26,564**	26,157
	3,408,505	3,135,574

5 Other gains, net

	Six months ended 30 September	
	2013	2012
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Gain on disposals of financial assets at fair value through profit or loss	**1,280**	263
Gain on disposals of available-for-sale financial assets	**3**	-
Dividend income from listed investments	**13,267**	13,106
Fair value gains on financial assets at fair value through profit or loss	**993**	885
Others	**(2,910)**	(2,801)
	12,633	11,453

6 Operating profit

The following items have been charged to the operating profit during the interim period:

	Six months ended 30 September	
	2013	2012
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Cost of raw materials and consumables used	**1,100,640**	1,020,920
Staff costs	**910,475**	815,536
Operating lease rentals in respect of rented premises	**371,956**	346,939
Depreciation of property, plant and equipment	**129,906**	119,303
Amortisation of leasehold land and land use rights	**1,508**	1,509
Amortisation of trademarks and franchise rights	**4,456**	5,171
Loss on disposal of property, plant and equipment	**2,910**	3,944

7 Finance income

	Six months ended 30 September	
	2013	2012
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest income	**6,326**	4,934

8 Income tax expense

The Company is exempted from taxation in Bermuda until 2016. Hong Kong profits tax has been provided for at the rate of 16.5% (2012: 16.5%) on the estimated assessable profit for the period. Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group operates.

The amount of taxation charged / (credited) to the condensed consolidated income statement represents:

	Six months ended 30 September	
	2013	2012
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current income tax:		
- Hong Kong profits tax	**40,404**	38,049
- Overseas taxation	**7,314**	4,870
Deferred income tax relating to the origination and reversal of temporary differences	**(1,494)**	(1,099)
	46,224	41,820

9 Earnings per share

Basic

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

	Six months ended 30 September	
	2013	2012
	(Unaudited)	(Unaudited)
Profit attributable to equity holders of the Company *(HK$'000)*	**242,869**	221,138
Weighted average number of ordinary shares in issue *('000)*	**575,044**	571,222
Basic earnings per share *(HK cents per share)*	**42.23 HK cents**	38.71 HK cents

9 Earnings per share *(Continued)*

Diluted

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

	Six months ended 30 September	
	2013	2012
	(Unaudited)	(Unaudited)
Profit attributable to equity holders of the Company *(HK$'000)*	**242,869**	221,138
Weighted average number of ordinary shares in issue *('000)*	**575,044**	571,222
Adjustment to share options *('000)*	**3,822**	4,382
	578,866	575,604
Diluted earnings per share *(HK cents per share)*	**41.96 HK cents**	38.42 HK cents

10 Dividend

	Six months ended 30 September	
	2013	2012
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Dividend proposed - Interim dividend, 17 HK cents (2012: 17 HK cents) per ordinary share	**97,910**	97,287

The interim dividend was declared on 29 November 2013. This condensed consolidated interim financial information does not reflect this dividend payable.

11 Trade and other receivables

	30 September 2013 *HK$'000* **(Unaudited)**	31 March 2013 *HK$'000* (Audited)
Trade receivables	**39,824**	37,665
Less: provision for impairment of receivables	**(197)**	(129)
Trade receivables - net	**39,627**	37,536
Other receivables	**96,521**	110,135
	136,148	147,671

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

The ageing analysis of trade receivables is as follows:

	30 September 2013 *HK$'000* **(Unaudited)**	31 March 2013 *HK$'000* (Audited)
0 - 30 days	**30,931**	23,321
31 - 60 days	**6,857**	7,484
61 - 90 days	**66**	2,801
Over 90 days	**1,970**	4,059
	39,824	37,665

Included in other receivables is the Group's investment in Café de Coral New Asia Group Co., Limited, formerly an associate, amounting to HK$10,577,000 (2012: Nil), which the Group will be disposed of within the next twelve months, pursuant to a conditional sale and purchase agreement dated 25 May 2013.

12 Trade payables

The ageing analysis of trade payables is as follows:

	30 September 2013 *HK$'000* **(Unaudited)**	31 March 2013 *HK$'000* (Audited)
0 - 30 days	**208,096**	172,078
31 - 60 days	**7,848**	3,079
61 - 90 days	**737**	1,163
Over 90 days	**4,814**	2,783
	221,495	179,103

INTERIM DIVIDEND

The Directors have declared the payment of an interim dividend of 17 HK cents per share (2012: 17 HK cents per share) in respect of the six months ended 30 September 2013 payable on 30 December 2013 to the shareholders whose names appear on the Register of Members of the Company on 18 December 2013.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determination of entitlement to the interim dividend, the Register of Members of the Company will be closed on 18 December 2013 (Wednesday) on which no transfer of shares will be effected. In order to qualify for the interim dividend, all completed transfer forms accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 17 December 2013 (Tuesday).

HUMAN RESOURCES AND TRAINING

As of 30 September 2013, the Group (excluding associated companies and joint ventures) employed approximately 17,300 employees. Remuneration packages including those of Directors are generally structured by reference to market benchmarks, individual qualifications, experience, duties and responsibilities. Employees share results of the Group's growth through share option schemes together with profit-sharing bonus and performance incentive programmes. During the period, the Company adopted a share award scheme to recognize and reward selected participants for their contributions to the business and development of the Group. The scheme also purports to provide a competitive remuneration and/or incentive package in order to attract and retain talent for the development of the Group's business, and to promote long term success of the Group by aligning the interests of selected participants and shareholders, through the award of the Company's shares to selected participants.

During the period, the Company continued to enrich its training programs for its staff. Employees are provided with regular trainings in areas such as occupational health and safety and management skills. A Mentorship Programme and an Executive Development Programme have been conducted to help our executives progress and excel in their career development. The Group also provides employees and their families with comprehensive employee benefits, including medical and group life insurance plans, housing scheme, and scholarship and education fund.

CORPORATE GOVERNANCE

The Board and management of the Group are committed to maintaining a high standard of corporate governance and striving for a transparent, responsible and value-driven management focused on enhancing and safeguarding shareholder value and interest. The Board continuously reviews, with a view to improving, the Group's corporate governance practices and maintaining its ethical corporate culture.

The corporate governance principles and practices adopted by the Group during the six months period ended 30 September 2013 are in line with the corporate governance statements set out in the Company's 2013 Annual Report. During the period, the management streamlined the Company's policy and practices on compliance with legal and regulatory requirements and the said policy was reviewed by the Audit Committee in June 2013. With the said review of the policy, the Company's corporate governance practices have complied with all the code provisions as set out in the Corporate Governance Code ("CG Code") under Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The Company also adheres to the recommended best practices of the CG Code insofar as they are relevant and practicable.

AUDIT COMMITTEE

The Audit Committee of the Company, which consists of the four independent non-executive Directors of the Company, has reviewed the Group's unaudited interim results for the six months ended 30 September 2013.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 September 2013, neither the Company nor any of its subsidiaries had purchased, sold or redeemed the Company's listed securities.

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