



# Dining Concepts

Dining Concepts Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8056

2016 FIRST QUARTERLY REPORT

## CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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*This report, for which the directors (the “**Directors**”) of Dining Concepts Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

The board of Directors (the “**Board**”) is pleased to announce the unaudited condensed consolidated results of the Group for the three months ended 30 June 2016, together with the unaudited comparative figures for the corresponding period in 2015 as follows:

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 30 June 2016

	Notes	For the three months ended 30 June	
		2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)
Revenue	2	112,654	119,122
Cost of inventories consumed		(27,880)	(30,779)
Staff costs		(33,293)	(32,864)
Depreciation and amortisation		(5,708)	(8,700)
Rental and related expenses		(23,353)	(20,548)
Utilities and consumables		(4,462)	(5,254)
Listing expenses		(672)	(1,615)
Franchise and licensing fees		(3,036)	(3,462)
Other expenses		(10,880)	(11,333)
Other gains and losses		(62)	(208)
Profit before taxation		3,308	4,359
Taxation	3	(1,528)	(1,947)
<b>Profit and total comprehensive income for the periods attributable to owners of the Company</b>		1,780	2,412
<b>Earnings per share-basic (HK\$)</b>	5	0.003	0.004

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2016

	Attributable to owners of the Company				
	Share capital	Share premium	Other reserve	Retained profits	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
(Unaudited)					
At 1 April 2015	9	30,000	36,966	33,102	100,077
Profit and total comprehensive income recognised for the period	—	—	—	2,412	2,412
At 30 June 2015	9	30,000	36,966	35,514	102,489
<b>(Unaudited)</b>					
<b>At 1 April 2016</b>	9	30,000	36,966	51,222	118,197
<b>Profit and total comprehensive income recognised for the period</b>	—	—	—	1,780	1,780
<b>At 30 June 2016</b>	9	30,000	36,966	53,002	119,977



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2016

## 1. GENERAL INFORMATION, BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 22 May 2014 and its registered office is located at Clifton House, 75 Fort Street, Grand Cayman, KY1-1108, Cayman Islands and its principal place of business is located at Suite 1701-2 and 1704, 17th Floor, 17/F, Chinachem Hollywood Centre 1, 3, 5, 7, 9, 11 and 13 Hollywood Road, Central, Hong Kong. The shares of the Company were listed on the GEM of The Stock Exchange since 5 August 2016.

The Company is an investment holding company. The subsidiaries of the Company is principally engaged in operation of restaurants and provision of catering management and design services.

The unaudited condensed consolidated financial statements for the three months ended 30 June 2016 have been prepared in accordance with the accounting principles generally accepted in Hong Kong and comply with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosure provisions of Chapter 18 of the GEM Listing Rules.

The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements for the three months ended 30 June 2016 are consistent with those adopted in the preparation of accountants’ report included in the Company’s prospectus dated 27 July 2016 (the “**Prospectus**”), except for the adoption of the new and revised Hong Kong Financial Reporting Standards (the “**New and Revised HKFRSs**”) (which include all HKFRSs, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) issued by the HKICPA that are adopted for the first time for the current period’s financial statements.

The adoption of the New and Revised HKFRSs has had no significant effect on these unaudited condensed consolidated financial statements for the three months ended 30 June 2016 and there have been no significant changes to the accounting policies applied in these unaudited condensed consolidated financial statements for the three months ended 30 June 2016.

The Group has not applied new and revised standards, amendments or interpretations that have been issued but are not yet effective. The Group is currently assessing the impact of the adoption of such new and revised standards, amendments or interpretations to the Group but is yet to be in a position to state whether they would have any material financial impact on the Group’s results of operations and financial position.

The unaudited condensed consolidated financial statements for the three months ended 30 June 2016 have been prepared on the historical cost basis. The unaudited condensed consolidated financial statements for the three months ended 30 June 2016 are presented in Hong Kong dollars (“**HK\$**”), which is the functional currency of the Company and its subsidiaries.

The condensed consolidated financial statements have not been audited by the Company’s auditors, but have been reviewed by the audit committee of the Company.

## 2. REVENUE

The Group’s revenue represents the amount received and receivable for the operation of restaurants, net of discounts.

### 3. TAXATION

	For the three months ended 30 June	
	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)
Hong Kong Profits Tax	1,528	1,947

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the relevant periods.

### 4. DIVIDENDS

Pursuant to the written resolution of the Company's shareholders passed on 14 July 2016, the Company declared dividends of approximately HK\$7.3 million to our then shareholders and the amount was settled on 18 July 2016 with internal resources.

Save as disclosed above, the Board did not recommend the payment of dividend for the three months ended 30 June 2016 (three months ended 30 June 2015: nil).

### 5. EARNINGS PER SHARE

The basic earnings per share is calculated based on the profit attributable to the owners of the Company and the weighted average number of ordinary shares for the relevant periods on the assumption that the Group's reorganisation and capitalisation issue of the shares of the Company had been effective on 1 April 2015.

	For the three months ended 30 June	
	2016 (Unaudited)	2015 (Unaudited)
Profit for the period attributable to owners of the Company for the purpose of basic earnings per share (HK\$'000)	1,780	2,412
Weighted average number of ordinary shares for the purpose of basic earnings per share (in thousands)	659,010	659,010

The diluted earnings per share for the respective periods equal to the earnings per share as there is no potential dilutive ordinary share in issue.

## 6. EVENTS AFTER THE REPORTING PERIOD

The following events took place subsequent to 30 June 2016:

On 14 July 2016, the Pre-IPO Share Option Scheme was conditionally approved and adopted. Details of the Pre-IPO Share Option Scheme are set out in the section headed "Share Option Schemes — Pre-IPO Share Option Scheme" in Appendix IV to the Prospectus.

Pursuant to written resolutions of the Company's shareholders passed on 14 July 2016, (i) the authorised share capital of the Company was increased from US\$50,000 to US\$100,000,000 by the creation of an additional 9,995,000,000 new shares, such new shares ranking pari passu in all respects with the existing shares; (ii) conditional upon the crediting of the share premium account of the Company as a result of the issue of shares pursuant to the placing set out in the section headed "Share Capital" in the Prospectus, the directors of the Company had authorised to allot and issue a total of 658,900,165 shares, by way of capitalisation of the sum of approximately US\$6,589,000 standing to the credit of the share premium account of the Company, credited as fully paid at par to the shareholders as appearing on the register of members of the Company, details are set out in Appendix IV to the Prospectus.

On 5 August 2016, the shares of the Company were listed on GEM.

## MANAGEMENT DISCUSSION AND ANALYSIS

During the three months ended 30 June 2016 and up to the date of this report, the Group had been principally engaged in serving a variety of cuisines, mainly Asian, Western and Italian, targeting different customer segments with mid to high spending power.

### Business Review

During the three months ended 30 June 2016, the Group maintained its focus in serving a variety of cuisines at varying prices under different brands to a diversified customer base in Hong Kong. The Group has kept its strength in striving to uphold its core value, "Value for Money", through providing the customers with a boutique dining experience of quality dishes, attentive service and a relaxing environment.

The Directors believe that their dedication to delivering value-for-money dining experience, attentive service and relaxing environment is the key to success in their business operations. Owing to this reason, the Group had been voted as one of Hong Kong's most valuable companies in 2014 and 2015 by MediaZone Hong Kong.

The Directors also believe that the diversity of restaurants and cuisines offered by the Group allows them to adapt to the tastes and preferences of customers in different market segments and then broaden customer base, thereby reducing their reliance on and exposure to risk in any particular customer segment, increasing the market share and providing support to continual expansion in the future.

### Financial Review

#### Revenue

During the relevant periods, our Group's revenue was generated from the operation of restaurants in Hong Kong. As at 30 June 2015 and 2016, we were operating 24 and 23 restaurants, of which one restaurant was newly established for the three months ended 30 June 2016.

Our Group served mainly three categories of cuisines during the relevant periods. The table below sets forth a breakdown of our Group's revenue generated by operation of restaurants by type of cuisine and as a percentage of total revenue generated by operation of restaurants during the relevant periods:

	For the three months ended 30 June			
	2016		2015	
	Revenue	% of total	Revenue	% of total
	(HK\$'000)	(%)	(HK\$'000)	(%)
	(Unaudited)		(Unaudited)	
Western style	60,713	53.9	62,878	52.8
Italian style	29,880	26.5	37,060	31.1
Asian style	22,061	19.6	19,184	16.1
Total	112,654	100.0	119,122	100.0

Our total revenue generated from operation of restaurants amounted to approximately HK\$119.1 million and HK\$112.7 million for the three months ended 30 June 2015 and 2016, respectively. The decrease in revenue was mainly due to (i) the decrease in number of our restaurants from 24 as at 30 June 2015 to 23 as at 30 June 2016 (including our new restaurant Ophelia which commenced operation on 11 May 2016); and (ii) the reduction of guest traffic at our restaurants as a result of the continuous slowdown of Hong Kong economy. According to the report released by the Census and Statistics Department of Hong Kong, the value of total restaurant receipts of non-Chinese restaurants in Hong Kong increased by 2.8% from the second quarter of 2015 to the second quarter of 2016, while it increased by 6.0% from the second quarter of 2014 to the second quarter of 2015.



### **Cost of inventories consumed**

Our cost of inventories consumed mainly represents the costs of food ingredients and beverages for the operation of our Group's restaurants. The major food ingredients purchased by our Group includes, but is not limited to, vegetable, meat, seafood and frozen food. Cost of inventories consumed is one of the major components of our Group's operating expenses which amounted to approximately HK\$30.8 million and HK\$27.9 million for each of three months period ended 30 June 2015 and 2016, respectively, representing approximately 25.8% and 24.8% of our Group's total revenue generated from operation of restaurants for the corresponding period.

### **Staff costs**

During the relevant period, staff costs represented one of the major components of our Group's operating expenses, which primarily consisted of Directors' emoluments, salaries, retirement benefit scheme contributions and other benefits. Our staff costs increased by approximately HK\$0.4 million from approximately HK\$32.9 million for the three months ended 30 June 2015 to approximately HK\$33.3 million for the three months ended 30 June 2016. The slightly increase in staff costs was mainly due to the maintaining of the Group's competitiveness in human resources.

### **Rental and related expenses**

Our rental and related expenses increased by approximately HK\$2.9 million from approximately HK\$20.5 million for the three months ended 30 June 2015 to approximately HK\$23.4 million for the three months ended 30 June 2016. The increase was mainly due to amortisation of pre-renovation rental for three restaurants to be opened subsequent to 30 June 2016 and also increases in rent for some of the existing restaurants upon the renewal of tenancy agreements.

### **Other expenses**

Other expenses mainly include advertising, cleaning and laundry expenses, credit card commission, packing and printing materials and repair and maintenance. During the three months ended 30 June 2015 and 2016, the Group recognised other expenses of approximately HK\$11.3 million and HK\$10.9 million, respectively, representing approximately 9.5% and 9.7% of our Group's total revenue for the corresponding period.

### **Profit attributable to owners of our Company**

The decrease in profit attributable to owners of our Company during the three months ended 30 June 2016 as compared with that for the three months ended 30 June 2015 was mainly due to (i) the decrease in profit before taxation for the restaurants as a result of the recent deterioration in the performance of restaurant industry due to the continuous slow down of Hong Kong economy; (ii) the start-up operating costs of approximately HK\$2.9 million incurred during the three months ended 30 June 2016 for the five new restaurants to be opened subsequent to 31 March 2016 while two restaurants opened subsequent to 31 March 2015 incurred start-up operating cost of approximately HK\$0.1 million during the three months ended 30 June 2015. The decrease in profit was lessened by the disposal and closure of our loss-making restaurants during the year ended 31 March 2016.

## OUTLOOK

The Company's shares were successfully listed on GEM on 5 August 2016 (the "**Listing Date**") by way of placing of a total of 200,000,000 shares, at the placing price of HK\$0.45 per share (the "**Placing**"). The net proceeds received by the Group as a result of the Placing, after deducting the underwriting fees and other expenses, was approximately HK\$26.8 million.

The Directors believe that the multi-brand business model and "cluster" management strategy are crucial to the Company's success and they intend to continue to expand the restaurant network in Hong Kong through these strategies. Among these, four new restaurants (of which three restaurants were already opened in May 2016, July 2016 and early August 2016) are expected to be opened for the year ending 31 March 2017.

The Group will also keep up with our current strategies in promoting our brands and restaurants and increasing customer traffic in our restaurants through our marketing initiatives and cooperation with well-recognised brands and chefs. For the year ending 31 March 2017, the Group will upgrade two of our existing restaurants (of which one restaurant was renovated and recommenced its operation in July 2016), through new renovations, in order to stay competitive in the market and to attract new and returning customer traffic.

The Group will continue to devote resources in various marketing channels to promote overall brand image. It can be achieved by continuing the collaboration with various credit card companies, membership clubs and shopping malls by offering discounts and promotions, introducing promotional or festive dishes as part of the Company's marketing campaign to enhance the brand recognition.

Apart from achieving higher restaurant sales through expansion of restaurant network and enhancement of brand awareness, the Group intends to increase the profitability by controlling our operating costs. We will continue to centralise our purchase negotiations with our suppliers to leverage our extensive restaurant network for reduced costs and negotiate with our lessors for leases of longer terms and favourable conditions so as to reduce our rental costs.

Notwithstanding the foregoing, as discussed in the Prospectus, the Directors consider that the financial results of our Group for the year ending 31 March 2017 will be significantly affected by the factors below:

- i. opening of new restaurants incurred higher start-up operating costs at the initial stage which has affected the financial performance of our Group;
- ii. the non-recurring listing expenses of approximately HK\$11.4 million is expected to be recognised as expenses in our consolidated statement of comprehensive income for the year ending 31 March 2017;
- iii. the share-based compensation in respect of the options granted under the Pre-IPO Share Option Scheme, which will be recognised in our consolidated statement of profit or loss and other comprehensive income over the vesting periods up to one year of such options;
- iv. the recent deterioration in the performance of restaurant industry as affected by the slowdown of Hong Kong economy;
- v. the increasing trend of rental and related expenses of our Group and the escalation clauses in some of the existing lease agreements entered into by our Group; and
- vi. a one-off bonus of HK\$6 million and the increase in annual remuneration payable to a director of the Company.

## DISCLOSURE OF ADDITIONAL INFORMATION

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at the date of this report, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rule 5.46 of the GEM Listing Rules, were as follows:

#### Long positions in the shares as at the date of this report:

Name of Director	Capacity/Nature of interest	No. of shares held/interested in	Approximate shareholding percentage of interest (%)
Mr. Sandeep Sekhri ("Mr. Sekhri") <sup>Note 1</sup>	Interest in controlled corporation	260,598,000 shares	32.41%
Mr. Jugdish Johnny Uttamchandani ("Mr. Uttamchandani") <sup>Note 2</sup>	Beneficial owner	34,782,000 shares	4.33%
Ms. Shalu Anil Dayaram ("Ms. Dayaram") <sup>Note 3</sup>	Interest in controlled corporation	82,542,000 shares	10.27%

#### Notes:

1. These shares are held by Dining Concepts (International) Limited, a company wholly owned by Total Commitment Holdings Limited which is in turn wholly owned by Mr. Sekhri. By virtue of the SFO, Mr. Sekhri is deemed to be interested in the shares held by Dining Concepts (International) Limited. Mr. Sekhri is also a director of Total Commitment Holdings Limited and Dining Concepts (International) Limited.
2. Mr. Uttamchandani is also a director of Indo Gold Limited, one of the Controlling Shareholders. Indo Gold Limited is owned as to 25% by Mr. Uttamchandani.
3. These shares are held by Ideal Winner Investments Limited, a company which is wholly owned by Ms. Dayaram. By virtue of the SFO, Ms. Dayaram is deemed to be interested in the shares held by Ideal Winner Investments Limited. Ms. Dayaram is also a director of Ideal Winner Investments Limited.

Save as disclosed above, none of the Directors and chief executive of the Company has any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rules 5.46 to 5.47 of the GEM Listing Rules.

## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at the date of this report, the interests and short positions of substantial shareholders and other persons (not being a Director or chief executive of the Company) in the shares and underlying shares which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or required to be entered in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

### Long positions of the shares as at the date of this report:

Name	Capacity/Nature of interest	No. of shares held/interest in	Approximate shareholding percentage of interest (%)
Dining Concepts (International) Limited	Beneficial owner	260,598,000 shares	32.41%
Total Commitment Holdings Limited <sup>Note 1</sup>	Interest in controlled corporation	260,598,000 shares	32.41%
Ideal Winner Investments Ltd. <sup>Note 2</sup>	Beneficial owner	82,542,000 shares	10.27%
Indo Gold Ltd.	Beneficial owner	97,074,000 shares	12.07%
Prometheus Capital (International) Co. Ltd <sup>Note 3</sup>	Beneficial owner	80,880,000 shares	10.06%

Notes:

1. Dining Concepts (International) Limited is wholly owned by Total Commitment Holdings Limited which is in turn wholly-owned by Mr. Sekhri. By virtue of the SFO, Mr. Sekhri and Total Commitment Holdings Limited are deemed to be interested in the shares held by Dining Concepts (International) Limited.
2. Ideal Winner Investments Ltd. is wholly owned by Ms. Dayaram. By virtue of the SFO, Ms. Dayaram is deemed to be interested in the shares held by Ideal Winner Investments Ltd.
3. Prometheus Capital (International) Co. Ltd is wholly owned by Mr. Wang Sicong. By virtue of the SFO, Mr. Wang Sicong is deemed to be interested in the shares held by Prometheus Capital (International) Co. Ltd.

## SHARE OPTIONS

The Company has conditionally adopted the pre-IPO share option scheme (the “**Pre-IPO Share Option Scheme**”) and the post-IPO share option scheme (the “**Post-IPO Share Option Scheme**”) on 14 July 2016. The principal terms of the share option schemes are summarised in the section headed “Share Option Scheme” in the Appendix IV of the Prospectus.

### (a) Pre-IPO Share Option Scheme

Pursuant to the Pre-IPO Share Option Scheme, the principal terms of which were set out in the Prospectus, there were 51,000,000 options granted under the Pre-IPO Share Option Scheme (“**Option**”) to the grantees thereunder (“**Grantees**”). Details of which are as follows:

Name of grantee	Total number of shares subject to the options	Number of shares subject to the options which may be exercisable on or after	
		Upon the Listing Date	1st anniversary of the Listing Date
1. Mr. Cheng Yuk Kin	6,250,000	6,250,000	—
2. Ivory Capital	18,750,000	8,750,000	10,000,000
3. Mr. Sandip Gupta	8,000,000	4,000,000	4,000,000
4. Mr. Kamal Sachar	6,000,000	2,000,000	4,000,000
5. Ms. Ana Maria Lopez Donoso	6,000,000	2,000,000	4,000,000
6. Mr. Lau Yik Cheung	6,000,000	2,000,000	4,000,000

A total number of 51,000,000 Options were granted to the Grantees on 15 July 2016.

As at the date of this report, 4,000,000 Options were exercised.

### (b) Post-IPO Share Option Scheme

Pursuant to written resolution passed by the shareholders of the Company on 14 July 2016, the Company conditionally adopted the share option scheme, the principal terms of which are set out in the section head “Share Option Schemes” on Appendix IV of the Prospectus. As at the date of this report, no option has been granted by the Company pursuant to such share option scheme.

## PURCHASE, SALES OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the three months ended 30 June 2016 and up to the date of this report.

## DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted written guidelines regarding Directors’ securities transactions on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, the Directors confirmed that they have complied with the required standard of dealings and the said guidelines regarding Directors’ securities transactions from the Listing Date up to the date of this report.

## COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

To the best knowledge of the Directors, the Directors consider that since the Listing Date and up to the date of this report, the Company has complied with the applicable code provisions of Corporate Governance Code as set out in Appendix 15 of the GEM Listing Rules, except for certain deviations as specified with considered reasons for such deviations as explained below.

Under Code Provision A.2.1 of the Corporate Governance Code, the roles of the chairman and chief executive officer should be separated and should not be performed by the same individual.

During the three months ended 30 June 2016 under review, the Company has not separated the roles of chairman and chief executive officer of the Company. Mr. Sekhri is our chairman and chief executive officer. With extensive experience in the restaurant industry, Mr. Sekhri is responsible for the overall strategic planning, management and operation of our Group and is instrumental to our growth and business expansion since our establishment in 2002. Our Board considers that vesting the roles of chairman and chief executive officer in the same person is beneficial to the management of our Group. The balance of power and authority is ensured by the operation of the senior management and our Board, which comprises experienced and high-calibre individuals. Our Board currently comprises two executive Directors (including Mr. Sekhri), two non-executive Directors and three independent non-executive Directors and therefore has a fairly strong independence element in its composition.

## INTEREST OF THE COMPLIANCE ADVISER

As confirmed by the Company's compliance adviser, Quam Capital Limited (the "**Compliance Adviser**"), save for the compliance adviser agreement entered into between the Company and the Compliance Adviser dated 22 September 2015, none of the Compliance Adviser or its directors, employees or close associates (as defined under the GEM Listing Rules) had any interest in the Group or in the share capital of any member of the Group which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

## AUDIT COMMITTEE

Pursuant to Rule 5.28 of the GEM Listing Rules, the Company established an audit committee (the "**Audit Committee**") with written terms of reference aligned with the provision of the code provisions set out in Appendix 15 of the GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control procedures of the Group. As at the date of this report, the Audit Committee comprises Mr. Zen Chung Hey, Hayley (chairman of the Audit Committee), Mr. Chan Ming Sun Jonathan and Mr. Amit Agarwal, all of whom are independent non-executive Directors.

The Audit Committee had reviewed with management of the Company the accounting principles and practices adopted by the Group, this report and the first quarter results announcement of the Group for the three months ended 30 June 2016. The condensed consolidated financial results for the three months ended 30 June 2016 are unaudited, but have been reviewed by the Audit Committee.

## DIVIDEND

Pursuant to the written resolution of the Company's shareholders passed on 14 July 2016, the Company declared dividends of approximately HK\$7.3 million to our then shareholders and the amount was settled on 18 July 2016 with internal resources.

Save as disclosed above, the Board did not recommend the payment of dividend to shareholders of the Company for the three months ended 30 June 2016.



## **DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN COMPETING BUSINESS**

Each of the Directors or the controlling shareholders of the Company and their respective associates (as defined in the GEM Listing Rules) has confirmed that none of them had any business or interest in any company that competes or may compete with the business of the Group or any other conflict of interests with the interests of the Group during the three months ended 30 June 2016.

## **MATERIAL ACQUISITION AND DISPOSAL**

The Group did not have any material acquisition or disposal of subsidiaries or associates during the three months ended 30 June 2016.

By order of the Board

**Dining Concepts Holdings Limited**

**Sandeep Sekhri**

*Chief executive officer and executive Director*

Hong Kong, 12 August 2016

*As at the date of this report, the executive Directors are Mr. Sandeep Sekhri and Mr. Sandip Gupta; the non-executive Directors are Mr. Jugdish Johnny Uttamchandani and Ms. Shalu Anil Dayaram; and the independent non-executive Directors are Mr. Chan Ming Sun Jonathan, Mr. Zen Chung Hei, Hayley and Mr. Amit Agarwal.*