



新雀意控股有限公司
Food Idea Holdings Limited

(Incorporated in the Cayman Islands with limited liability)
Stock Code : 8179



2016

Interim 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 Food Idea Holdings Limited (the “Company”) 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.

CORPORATE INFORMATION

Board of Directors

Executive Directors

Mr. Wong Kwan Mo (*Chairman*)
Ms. Lau Lan Ying (*Chief executive officer*)
Mr. Yu Ka Ho

Independent non-executive Directors

Mr. Li Fu Yeung
Mr. Kwan Wai Yin, William
Mr. Tam Lok Hang
(appointed on 7 January 2016)
Ms. Chiu Man Yee
(resigned on 7 January 2016)

Compliance Officer

Ms. Lau Lan Ying

Authorised Representatives

Ms. Lau Lan Ying
Mr. Wong Tin King, Richard, *CPA, FCA*

Company Secretary

Mr. Wong Tin King, Richard, *CPA, FCA*

Audit Committee Members

Mr. Li Fu Yeung (*Chairman*)
Mr. Kwan Wai Yin, William
Mr. Tam Lok Hang
(appointed on 7 January 2016)
Ms. Chiu Man Yee
(resigned on 7 January 2016)

Remuneration Committee Members

Mr. Tam Lok Hang (*Chairman*)
(appointed on 7 January 2016)
Mr. Li Fu Yeung
Mr. Kwan Wai Yin, William
Ms. Chiu Man Yee
(resigned on 7 January 2016)

Nomination Committee Members

Mr. Li Fu Yeung (*Chairman*)
Mr. Kwan Wai Yin, William
Mr. Tam Lok Hang
(appointed on 7 January 2016)
Ms. Chiu Man Yee
(resigned on 7 January 2016)

Auditor

SHINEWING (HK) CPA Limited
Certified Public Accountants

Legal Adviser to the Company

Michael Li & Co.

Principal Banker

The Hongkong and Shanghai Banking
Corporation Limited

Registered Office

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PO Box 2681
Grand Cayman
KY1-1111
Cayman Islands

Head Office, Headquarter and Principal Place of Business in Hong Kong

Shop No. 46, Ground Floor
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No. 10 Sai Ching Street
Yuen Long
New Territories
Hong Kong

Hong Kong Share Registrar and Transfer Office

Union Registrars Limited
Suites 3301-04, 33/F.,
Two Chinachem Exchange Square,
338 King's Road,
North Point, Hong Kong

Company Website

www.foodidea.com.hk

GEM Stock Code

8179



HIGHLIGHTS

- The Group's revenue from continuing operations for the six months ended 30 June 2016 increased by approximately 18% to approximately HK\$50,496,000 (2015 (restated): HK\$42,962,000).
- Loss attributable to the owners of the Company for the six months ended 30 June 2016 was approximately HK\$66,893,000 (2015: profit attributable to the owners of the Company for the six months ended 30 June 2015: HK\$125,588,000).
- Basic loss per share for the six months ended 30 June 2016 was approximately HK10.25 cents (basic earnings per share for the six months ended 30 June 2015 (restated): HK35.35 cents).

The board of Directors (the “Board”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the three months and six months ended 30 June 2016 (the “Interim Financial Statements”), 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 (UNAUDITED)

For the three months and six months ended 30 June 2016

	Notes	For the three months ended 30 June		For the six months ended 30 June	
		2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited) (Restated)	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited) (Restated)
Continuing operations					
Revenue	6	24,353	22,104	50,496	42,962
Other income		83	–	115	33
Cost of inventories consumed		(9,102)	(10,132)	(18,958)	(18,951)
Employee benefits expenses		(7,684)	(6,919)	(15,946)	(13,546)
Depreciation		(861)	(566)	(1,698)	(1,110)
Amortisation		(45)	–	(90)	–
Operating lease rentals and related expenses		(1,217)	(126)	(2,458)	(252)
Utilities expenses		(267)	(155)	(500)	(316)
(Loss) gain on fair value change of financial assets at fair value through profit or loss		(99,481)	157,035	(45,016)	142,970
Change in fair value of contingent consideration payable	18	–	(836)	(1,220)	(836)
Other operating expenses		(13,223)	(7,044)	(22,782)	(12,949)
Share of (loss) profit of an associate		(2,044)	13,895	(3,652)	13,895
Finance costs	7	(1,682)	(142)	(1,856)	(293)
(Loss) profit before tax from continuing operations	8	(111,170)	167,114	(63,565)	151,607
Income tax credit (expenses)	9	15,138	(25,907)	4,451	(23,586)
(Loss) profit for the period from continuing operations		(96,032)	141,207	(59,114)	128,021
Discontinued operation					
Loss for the period from a discontinued operation	24	(5,893)	(8,098)	(7,583)	(3,056)
(Loss) profit for the period		(101,925)	133,109	(66,697)	124,965

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

For the three months and six months ended 30 June 2016

Notes	For the three months ended 30 June		For the six months ended 30 June	
	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited) (Restated)	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited) (Restated)
Other comprehensive (expenses) income for the period: <i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange differences on translation of foreign operations	(16)	(1)	(10)	1
Share of foreign currency translation reserve of an associate	(2,445)	–	(1,785)	–
	(2,461)	(1)	(1,795)	1
Total comprehensive (expenses) income for the period	(104,386)	133,108	(68,492)	124,966
(Loss) profit for the period attributable to:				
Owners of the Company				
– continuing operations	(96,176)	141,577	(59,443)	128,427
– discontinued operation	(5,797)	(7,711)	(7,450)	(2,839)
	(101,973)	133,866	(66,893)	125,588
Non-controlling interests				
– continuing operations	144	(370)	329	(406)
– discontinued operation	(96)	(387)	(133)	(217)
	48	(757)	196	(623)
	(101,925)	133,109	(66,697)	124,965
Total comprehensive (expenses) income for the period attributable to:				
Owners of the Company				
– continuing operations	(98,637)	141,576	(61,238)	128,428
– discontinued operation	(5,797)	(7,711)	(7,450)	(2,839)
	(104,434)	133,865	(68,688)	125,589
Non-controlling interests				
– continuing operations	144	(370)	329	(406)
– discontinued operation	(96)	(387)	(133)	(217)
	48	(757)	196	(623)
	(104,386)	133,108	(68,492)	124,966
(Loss) earnings per share				
From continuing and discontinued operations				
Basic and diluted (HK cents per share)	10	(15.62)	35.73	(10.25)
From continuing operations				
Basic and diluted (HK cents per share)	10	(14.73)	37.79	(9.11)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2016

	Notes	As at 30 June 2016 HK\$'000 (Unaudited)	As at 31 December 2015 HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment	12	17,067	39,387
Goodwill		6,186	6,186
Intangible asset		4,546	4,636
Interest in an associate	13	92,390	97,827
Available-for-sale investment		1,000	2
Rental deposits		314	7,703
Deposits paid for acquisition of property, plant and equipment		5,455	3,387
Deferred tax assets		292	3,102
Loan to an associate	13	–	2,959
Loan receivables	14	56,500	56,500
		183,750	221,689
Current assets			
Inventories		273	8,215
Loan and interest receivables	14	89,590	73,187
Trade receivables	15	7,493	9,112
Loan to an associate	13	3,084	–
Amount due from an associate	13	33	29
Prepayments, deposits and other receivables		1,675	17,163
Income tax recoverable		181	3,034
Financial assets at fair value through profit or loss	16	349,085	422,569
Pledged bank deposits		2,012	3,531
Bank balances and cash		24,313	96,654
		477,739	633,494
Assets of a disposal group classified as held for sale	24	158,570	–
Total current assets		636,309	633,494

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2016

	Notes	As at 30 June 2016 HK\$'000 (Unaudited)	As at 31 December 2015 HK\$'000 (Audited)
Current liabilities			
Trade payables	17	4,002	15,481
Other payables, accruals and deposits received		10,601	38,082
Provision for reinstatement costs		–	762
Income tax payable		344	362
Borrowings	19	34,695	35,769
		49,642	90,456
Liabilities of a disposal group classified as held for sale	24	79,455	–
Total current liabilities		129,097	90,456
Net current assets		507,212	543,038
Total assets less current liabilities		690,962	764,727
Non-current liabilities			
Contingent consideration payable	18	–	94,780
Promissory note	18	97,440	–
Provision for reinstatement costs		–	3,321
Deferred tax liabilities		35,615	40,227
		133,055	138,328
		557,907	626,399
Capital and reserves			
Share capital	20	6,528	6,528
Reserves		548,746	617,434
Equity attributable to owners of the Company		555,274	623,962
Non-controlling interests		2,633	2,437
		557,907	626,399

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months ended 30 June 2016

	Attributable to owners of the Company								
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000 (Note i)	Other reserve HK\$'000 (Note ii)	Foreign currency translation reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Balance at 1 January 2016	6,528	397,701	106	(1,154)	(6,330)	227,111	623,962	2,437	626,399
(Loss) profit for the period	-	-	-	-	-	(66,893)	(66,893)	196	(66,697)
Other comprehensive expenses for the period									
Exchange differences on translation of foreign operations	-	-	-	-	(10)	-	(10)	-	(10)
Share of foreign currency translation reserve of an associate	-	-	-	-	(1,785)	-	(1,785)	-	(1,785)
Total comprehensive (expenses) income for the period	-	-	-	-	(1,795)	(66,893)	(68,688)	196	(68,492)
Balance at 30 June 2016	6,528	397,701	106	(1,154)	(8,125)	160,218	555,274	2,633	557,907
Balance at 1 January 2015	3,200	65,421	106	(972)	(6)	136,862	204,611	1,167	205,778
Profit (loss) for the period	-	-	-	-	-	125,588	125,588	(623)	124,965
Other comprehensive income for the period									
Exchange differences on translation of foreign operation	-	-	-	-	1	-	1	-	1
Total comprehensive income (expenses) for the period	-	-	-	-	1	125,588	125,589	(623)	124,966
Issue of new shares	640	112,000	-	-	-	-	112,640	-	112,640
Transaction costs attributable to issue new shares	-	(1,667)	-	-	-	-	(1,667)	-	(1,667)
Dividend (Note 11)	-	-	-	-	-	-	-	(900)	(900)
Balance at 30 June 2015	3,840	175,754	106	(972)	(5)	262,450	441,173	(356)	440,817

Notes:

- (i) Capital reserve represents the difference between the aggregate amount of issued and fully paid share capital of the subsidiaries acquired by the Company and the nominal amount of the shares issued by the Company in exchange for the entire equity interests in the subsidiaries as part of the group reorganisation.
- (ii) Other reserve represents transactions with non-controlling interests, capital contributions from non-controlling interests and share of other reserve of an associate.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the six months ended 30 June 2016

	For the six months ended 30 June	
	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)
Net cash flows used in operating activities	(33,282)	(111,207)
Net cash used in investing activities	(8,841)	(17,530)
Net cash (used in) generated from financing activities	(1,980)	108,358
Net decrease in cash and cash equivalents	(44,103)	(20,379)
Effect of foreign exchange rate changes	(10)	–
Cash and cash equivalents at beginning of period	96,157	64,055
	52,044	43,676
Cash and cash equivalents at end of period		
Bank balances and cash	24,313	50,051
Bank balances and cash included in assets of a disposal group classified as held for sale	28,227	–
Bank overdrafts (Note 19)	(496)	(6,375)
	52,044	43,676



NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2016

Notes:

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 10 February 2011 as an exempted company with limited liability under the Companies Law (2010 Revision) of the Cayman Islands. The shares of the Company were listed on the GEM of The Stock Exchange since 8 July 2011. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, the Cayman Islands. The address of its principal place of business is Shop 46, G/F., Ho Shun Tai Building, No. 10 Sai Ching Street, Yuen Long, New Territories, Hong Kong.

The Company's principal activity during the period was investment holding. The Group's principal activities during the period were (i) catering services; (ii) production, sales and distribution of food products to supermarket chains in Hong Kong; (iii) investments in securities; and (iv) money lending business.

2. BASIS OF PREPARATION

The Interim Financial Statements have been prepared in accordance with the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants 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 Interim Financial Statements are consistent with those adopted in the annual report for the year ended 31 December 2015, except for the adoption of the new and revised HKFRSs. The Interim Financial Statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual report for the year ended 31 December 2015.

The Interim Financial Statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair value. The Interim Financial Statements are presented in Hong Kong dollars ("HK\$"), which is also the functional currency of the Group.

3. APPLICATION OF NEW AND REVISED HKFRSs

In the current period, the Group has adopted the following new and revised HKFRSs, which are effective for the Group's accounting period beginning on or after 1 January 2016.

Amendments to HKFRSs	Annual Improvements to HKFRSs 2012 – 2014 Cycle
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKAS 27	Equity Method in Separate Financial Statements
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidated Exception
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations

The adoption of the new and revised HKFRSs in the current period has had no material effect on the Group's financial performance and positions for the current and prior accounting periods and/or on the disclosures set out in the Interim Financial Statements.

4. ESTIMATES

The preparation of Interim Financial Statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these Interim Financial Statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual report for the year ended 31 December 2015.

5. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period for recurring measurement. The following table gives information about how the fair values are determined (in particular, the valuation techniques and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

	Fair value hierarchy	Valuation techniques and key inputs	Fair value as at	
			30 June 2016 HK\$'000 (Unaudited)	31 December 2015 HK\$'000 (Audited)
Financial assets				
Equity securities listed in Hong Kong	Level 1	Quoted bid prices in an active market		
– classified as financial assets at fair value through profit or loss ("FVTPL")			312,197	359,787
– included in assets of a disposal group classified as held for sale ("Assets Held For Sale")			6,137	–
Debt securities listed in Hong Kong and overseas	Level 1	Quoted bid prices in an active market		
– classified as financial assets at FVTPL			–	12,511
– included in Assets Held For Sale			10,152	–
Funds listed in Hong Kong	Level 1	Quoted bid prices in an active market		
– classified as financial assets at FVTPL			–	4,279
– included in Assets Held For Sale			3,898	–

	Fair value hierarchy	Valuation techniques and key inputs	Fair value as at	
			30 June 2016 HK\$'000 (Unaudited)	31 December 2015 HK\$'000 (Audited)
Financial assets				
Unlisted funds	Level 1	Quotes from investment banks		
– classified as financial assets at FVTPL			36,888	45,992
– included in Assets Held For Sale			8,304	–
			377,576	422,569
Financial liabilities				
Contingent consideration payable classified as financial liabilities at FVTPL (<i>Note</i>)	Level 3	Income approach – By reference to the present value of the expected future economic benefits to be derived based on an appropriate discount rate	–	94,780

Note: As at 31 December 2015, the significant unobservable inputs were revenue growth rate of 3% per annum, taking into account management's experience and knowledge of market conditions of the specific industries. The relationship of key inputs and significant unobservable inputs to fair value is the lower the long term revenue, the lower will be the fair value.

There was no transfer among Level 1, 2 and 3 during the six months ended 30 June 2016.

The Directors consider that the carrying amount of the non-current financial assets and liabilities approximate fair values as the impact of discounting is immaterial.

The Directors consider that the carrying amounts of other current financial assets and liabilities recorded at amortised cost approximate their fair values.

6. SEGMENT INFORMATION

Information reported to the Directors, being the chief operating decision maker (“CODM”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods sold or services rendered which is also consistent with the basis of organisation of the Group. No operating segments identified by the CODM have been aggregated in arriving at the reporting segments of the Group.

Specifically, the Group’s reportable and operating segments from continuing operations are as follows:

- (i) Catering services – The operation of a chain of restaurants.
- (ii) Food products operation – The production, sales and distribution of food products, such as barbequed food and Taiwanese Lou Mei.
- (iii) Investments – Investments in securities.
- (iv) Money lending – The provision of money lending business.

The chinese restaurant operation in Hong Kong has been reclassified as discontinued operation for the six months ended 30 June 2016, details of which are given in Note 24 to the Interim Financial Statements.

Segment turnover and results

Segment turnover from continuing operations represents revenue derived from sales of food products, gross proceeds from the disposal of investments, dividend income and interest income from both the financial assets at FVTPL and the provision of money lending business.

The following is an analysis of the Group's revenue, results, assets and liabilities by reportable and operating segments from continuing operations.

	Catering services HK\$'000 (Unaudited)	Food products operation HK\$'000 (Unaudited)	Investments HK\$'000 (Unaudited)	Money lending business HK\$'000 (Unaudited)	Elimination HK\$'000 (Unaudited)	Consolidated HK\$'000 (Unaudited)
Continuing operations						
For the six months ended 30 June 2016						
SEGMENT TURNOVER	-	45,031	1,056	4,486	(77)	50,496
SEGMENT REVENUE						
External sales	-	45,031	1,056	4,409	-	50,496
inter-segment sales	-	-	-	77	(77)	-
Total	-	45,031	1,056	4,486	(77)	50,496
RESULTS						
Segment results	(25)	1,374	(43,960)	3,630	-	(38,981)
Unallocated income						3
Unallocated corporate expenses						(17,859)
Change in fair value of contingent consideration payable						(1,220)
Share of loss of an associate	(3,652)	-	-	-	-	(3,652)
Finance costs						(1,856)
Loss before tax						(63,565)
As at 30 June 2016						
ASSETS						
Segment assets	4,580	16,566	349,267	146,090	-	516,503
Interest in an associate	92,390	-	-	-	-	92,390
Loan to an associate	3,084	-	-	-	-	3,084
Amount due from an associate	33	-	-	-	-	33
Assets Held For Sale	158,570	-	-	-	-	158,570
Unallocated corporate assets						49,479
Consolidated total assets						820,059
LIABILITIES						
Segment liabilities	15	10,843	29,195	-	-	40,053
Promissory note						97,440
Liabilities of a disposal group classified as held for sale	79,455	-	-	-	-	79,455
Unallocated corporate liabilities						45,204
Consolidated total liabilities						262,152

	Catering services HK\$'000 (Unaudited)	Food products operation HK\$'000 (Unaudited)	Investments HK\$'000 (Unaudited)	Money lending business HK\$'000 (Unaudited)	Consolidated HK\$'000 (Unaudited)
Continuing operations					
For the six months ended 30 June 2015 (restated)					
SEGMENT TURNOVER AND REVENUE	–	42,810	–	152	42,962
RESULTS					
Segment results	–	(561)	142,970	(321)	142,088
Unallocated income					33
Unallocated corporate expenses					(3,280)
Change in fair value of contingent consideration payable					(836)
Share of profit of an associate	13,895	–	–	–	13,895
Finance costs					(293)
Profit before tax					151,607
As at 31 December 2015					
ASSETS					
Segment assets	57,969	17,137	423,001	129,687	627,794
Interest in an associate	97,827	–	–	–	97,827
Loan to an associate	2,959	–	–	–	2,959
Amount due from an associate	29	–	–	–	29
Unallocated corporate assets					126,574
Consolidated total assets					855,183
LIABILITIES					
Segment liabilities	41,675	11,209	29,898	177	82,959
Contingent consideration payable	94,780	–	–	–	94,780
Unallocated corporate liabilities					51,045
Consolidated total liabilities					228,784

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent the results from each segment without allocation of bank interest income, interest income from loan to an associate, central administrative costs, Directors' emoluments, loss on fair value of contingent consideration payable, share of results of an associate and finance costs. This is the measure reported to CODM for purposes of resource allocation and performance assessments.

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than certain property, plant and equipment, interest in an associate, loan to an associate, available-for-sale investment, deferred tax assets, income tax recoverable, pledged bank deposits, amount due from an associate, bank balances and cash and other assets that cannot be allocated to a specific segment; and
- all liabilities are allocated to operating segments other than income tax payable, certain borrowings, deferred tax liabilities, contingent consideration payable, promissory note and other liabilities that cannot be allocated to a specific segment.

Geographical information

The Group's operations are located in Hong Kong (country of domicile) and Singapore.

Information about the Group's revenue from external customers is presented based on the location of the operations. Information about the Group's non-current assets is presented based on the geographical location of the assets.

The operation in Singapore has not yet commenced and all revenue from external customers of the Group are derived in Hong Kong for the six months ended 30 June 2016 and 30 June 2015.

	Non-current assets (Note)	
	As at 30 June 2016 HK\$'000 (Unaudited)	As at 31 December 2015 HK\$'000 (Audited)
Hong Kong (country of domicile)	28,708	48,960
Singapore	4,546	4,636
	33,254	53,596

Note: Non-current assets excluded interest in an associate, financial instruments and deferred tax assets.

7. FINANCE COSTS

	For the three months ended 30 June		For the six months ended 30 June	
	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited) (Restated)	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited) (Restated)
Continuing operations:				
Interests on borrowings	242	142	416	293
Promissory note	1,440	–	1,440	–
	1,682	142	1,856	293

8. (LOSS) PROFIT BEFORE TAX

	For the three months ended 30 June		For the six months ended 30 June	
	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited) (Restated)	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited) (Restated)
Continuing operations:				
(Loss) profit before tax has been arrived at after charging the following:				
Loss on disposal of property, plant and equipment (included in other operating expenses)	–	5	–	5
Operating lease rentals in respect of rented premises	1,133	112	2,333	224

9. INCOME TAX CREDIT (EXPENSES)

	For the three months ended 30 June		For the six months ended 30 June	
	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited) (Restated)	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited) (Restated)
Continuing operations:				
Current income tax	(70)	(7)	(161)	(131)
Deferred income tax	15,208	(25,900)	4,612	(23,455)
	15,138	(25,907)	4,451	(23,586)

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

Under the Law of the People's Republic of China ("PRC") on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25% from 1 January 2008 onwards. No provision for the PRC EIT has been made for both periods since the subsidiary in the PRC did not derive any assessable profits for both periods.

The deferred tax represents mainly the temporary differences in relation to the unrealised fair value change on financial assets at FVTPL at 30 June 2016 and 2015.

10. (LOSS) EARNINGS PER SHARE

The calculation of the basic and diluted (loss) earnings per share attributable to the owners of the Company is based on the following data:

	For the three months ended 30 June		For the six months ended 30 June	
	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited) (Restated)	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited) (Restated)
(Loss) earnings				
(Loss) earnings for the purpose of basic and diluted (loss) earnings per share, being (loss) profit for the period attributable to the owners of the Company				
– From continuing operations	(96,176)	141,577	(59,443)	128,427
– From discontinued operation	(5,797)	(7,711)	(7,450)	(2,839)
	(101,973)	133,866	(66,893)	125,588
Number of shares				
Weighted average number of ordinary shares for the purpose of basic (loss) earnings per share	652,800,000	374,668,000	652,800,000	355,284,000

The weighted average number of ordinary shares for the basic (loss) earnings per share for the three months and six months ended 30 June 2015 has been adjusted by the bonus element in the rights issue completed on 9 September 2015 and share consolidation completed on 28 June 2016.

Diluted (loss) earnings per share for the three months and six months ended 30 June 2016 and 2015 are the same as the basic (loss) earnings per share as there were no dilutive potential ordinary shares outstanding during the periods.

11. DIVIDEND

	For the three months ended 30 June		For the six months ended 30 June	
	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited) (Restated)	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited) (Restated)
Dividend	–	–	–	900

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2016 and 2015.

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2016, additions of property, plant and equipment amounted to approximately HK\$3,473,000 (additions for the year ended 31 December 2015: HK\$16,696,000).

Other than the property, plant and equipment which were reclassified as Assets Held For Sale there was no transfer in or out of level 3 during the six months ended 30 June 2016 and the year ended 31 December 2015.

13. INTEREST IN AN ASSOCIATE/LOAN TO/AMOUNT DUE FROM AN ASSOCIATE

	As at 30 June 2016 HK\$'000 (Unaudited)	As at 31 December 2015 HK\$'000 (Audited)
Cost of unlisted investment in an associate	92,654	92,654
Share of post-acquisition (loss) profit and other comprehensive (expenses) income	(82)	5,355
Share of other reserve (<i>Note (a)</i>)	(182)	(182)
	92,390	97,827
Loan to an associate (<i>Note (b)</i>)	3,084	2,959
Amount due from an associate (<i>Note (c)</i>)	33	29

Notes:

- (a) Amount represented transactions with non-controlling interests of the subsidiaries of the associate.
- (b) The loan to an associate is unsecured, bearing interest of 1% plus the best lending rate of The Hongkong and Shanghai Banking Corporation Limited ("HSBC") as at the date of drawn down and repayable on 29 April 2017.
- (c) The amount due from an associate is unsecured, interest free and repayable on demand.

14. LOAN AND INTEREST RECEIVABLES

	As at 30 June 2016 HK\$'000 (Unaudited)	As at 31 December 2015 HK\$'000 (Audited)
Fixed-rate loan receivables	144,419	128,178
Interest receivables	1,671	1,509
	146,090	129,687
Loan and interest receivables analysed for reporting purpose as:		
Non-current asset	56,500	56,500
Current asset	89,590	73,187
	146,090	129,687

The Group seeks to maintain strict control over its outstanding loan and interest receivables so as to minimise credit risk. The granting of loans is subject to approval by the directors of the Company and/or its subsidiaries, where appropriate, whilst overdue balances are reviewed regularly by senior management of the Company.

The Group holds collaterals (e.g. real estates, corporation bonds, shares) for its loan and interest receivables. In the event of default or failure to repay any outstanding amounts by the debtors, the Group will proceed with sale of collaterals. Interest rates are offered based on the assessment of a number of factors including the borrowers' creditworthiness and repayment abilities, collaterals as well as the general economic trends.

The loans provided to debtors bore fixed interest rate ranging from 3% to 24% per annum and will be repayable on maturity with a maturity period ranged from 1 month to 3 years.

Included in the balance as at 30 June 2016 was approximately HK\$1,400,000 (2015: HK\$1,400,000) due from a non-controlling interest. The amount bore an interest of 6% per annum, secured by a property located in Hong Kong and will be repayable in 2016.

As at 30 June 2016, the Group held collaterals with fair values of approximately HK\$173,124,000 in total.

Certain individual loan receivable as significant and the terms and conditions of the loan receivable are disclosed in the Company's announcements dated 16 October 2015, 3 June 2016 and 17 June 2016.

A maturity profile of the loan and interest receivables at the end of the reporting period, based on the maturity date, is as follows:

	As at 30 June 2016 HK\$'000 (Unaudited)	As at 31 December 2015 HK\$'000 (Audited)
Within one year	89,590	73,187
After one year but within two years	56,500	56,500
	146,090	129,687

The ageing analysis of loan and interest receivables based on the loans draw down date at the end of the reporting period is as follows:

	As at 30 June 2016 HK\$'000 (Unaudited)	As at 31 December 2015 HK\$'000 (Audited)
0 – 30 days	32,492	3,180
31 – 60 days	16,274	29,189
61 – 90 days	50	53,627
Over 90 days	97,274	43,691
	146,090	129,687

The ageing analysis of loan and interest receivables based on the due date at the end of the reporting period is as follows:

	As at 30 June 2016 HK\$'000 (Unaudited)	As at 31 December 2015 HK\$'000 (Audited)
Neither past due nor impaired	128,348	117,366
Past due:		
1 – 90 days	2,316	629
91 – 180 days	100	358
Over 181 days	15,326	11,334
	146,090	129,687

Note:

Included in the Group's loan and interest receivables are debtors with aggregate amount of approximately HK\$17,742,000 (2015: HK\$12,321,000) which are past due at the end of the reporting period for which the Group has not provided for impairment loss. The Directors believed that the amount was recoverable, after taking into account of the various factors including recent market price of properties similar to the collateral, the repayment history, the financial background of the borrowers.

15. TRADE RECEIVABLES

The ageing analysis of trade receivables, presented based on invoice date which approximates the respective revenue recognition dates, at the end of the reporting period is:

	As at 30 June 2016 HK\$'000 (Unaudited)	As at 31 December 2015 HK\$'000 (Audited)
Within 30 days and neither past due nor impaired	7,493	9,110
1 – 30 days	–	2
	7,493	9,112

The Group's major trade receivables are due from the supermarket chains. Certain supermarket chains are granted a credit period of 30 days. Included in trade receivables balances as at 31 December 2015 were receivables of approximately HK\$2,000 that were past due. The trade receivables included in the above ageing analysis are considered not impaired as there is no recent history of default. No provision for impairment of trade receivables was made as at 30 June 2016 and 31 December 2015. The Group does not hold any collateral over its trade receivables.

16. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30 June 2016 <i>HK\$'000</i> (Unaudited)	As at 31 December 2015 <i>HK\$'000</i> (Audited)
Unlisted investments		
– Unlisted funds	36,888	45,992
Listed investments		
– Equity securities listed in Hong Kong	312,197	359,787
– Debt securities	–	12,511
– Funds listed in Hong Kong	–	4,279
	349,085	422,569

As at 30 June 2016, the carrying amount of financial assets at FVTPL which have been pledged as security for the Group's borrowings is approximately HK\$71,896,000 (2015: HK\$55,357,000). Details of borrowings are set out in Note 19.

17. TRADE PAYABLES

The following is an ageing analysis of trade payables, presented based on the invoice date, at the end of the reporting period:

	As at 30 June 2016 <i>HK\$'000</i> (Unaudited)	As at 31 December 2015 <i>HK\$'000</i> (Audited)
Within 30 days	2,962	12,171
31 – 60 days	1,037	3,259
61 – 90 days	3	20
Over 90 days	–	31
	4,002	15,481

Payment terms granted by suppliers are generally 30 to 45 days after the end of the month in which the relevant purchases are made. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

18. CONTINGENT CONSIDERATION PAYABLE/PROMISSORY NOTE

The contingent consideration payable as at 31 December 2015 represented the remaining part of the consideration, which shall be payable by the issuance of promissory note ("Promissory Note") of the Company, for the acquisition of 100% issued share capital of Brilliant Forever Limited as well as the shareholder's loan, pursuant to the sales and purchase agreement dated 19 December 2014. The detail calculation of the remaining part of the consideration and the terms of the Promissory Note are disclosed in the circular of the Company dated on 27 March 2015.

The contingent consideration payable was transferred to Promissory Note when the Promissory Note was issued on 1 April 2016.

The Promissory Note will be mature on the second anniversary from the date of issue of the Promissory Note.

The Promissory Note bears an interest rate of the prime rate from time to time quoted from HSBC plus 1% per annum on the outstanding principal amount and payable on the maturity date.

Contingent consideration payable:

	<i>HK\$'000</i>
Balance at 1 January 2016	94,780
Change in fair value of contingent consideration payable during the period	1,220
Transferred to Promissory Note	(96,000)
	<hr/>
Balance at 30 June 2016	–

Promissory Note:

	<i>HK\$'000</i>
Balance at 1 January 2016	–
Transferred from contingent consideration payable	96,000
Accrued interest payable	1,440
	<hr/>
Balance at 30 June 2016	97,440

19. BORROWINGS

	As at 30 June 2016 <i>HK\$'000</i> (Unaudited)	As at 31 December 2015 <i>HK\$'000</i> (Audited)
Mortgage loan, repayable on demand	1,717	1,858
Installment loan, repayable on demand	667	1,166
Bank loans	30,415	30,848
Bank overdrafts	496	497
	33,295	34,369
Unsecured other borrowing	1,400	1,400
	34,695	35,769

The facility agreements of mortgage loan and instalment loan contain repayment on demand clauses pursuant to which the banks can at their discretion demand repayment of the entire outstanding balances from the Group in the absence of any defaults.

The following table presents the contractual maturity of the banks borrowings that are repayable on demand:

	Mortgage loan	Instalment loan
Carrying amount (<i>HK\$'000</i>)		
– 30 June 2016 (<i>Unaudited</i>)	1,717	667
– 31 December 2015 (<i>Audited</i>)	1,858	1,166
Contractual instalments	120	36
Outstanding instalments		
– 30 June 2016	66	8
– 31 December 2015	72	14

The following table presents the scheduled repayments set out in the loan agreements:

	As at 30 June 2016 <i>HK\$'000</i> (Unaudited)	As at 31 December 2015 <i>HK\$'000</i> (Audited)
Within one year	33,267	34,029
After one year but within two years	299	461
After two years but within five years	964	944
More than five years	165	335
	34,695	35,769

Mortgage loan carries interest at Hong Kong Prime Rate ("Prime Rate") less 1.75% (2015: Prime Rate less 1.75%) per annum.

Instalment loan carries interest at Prime Rate plus 0.5% (2015: Prime Rate to Prime Rate plus 0.5%) per annum.

Bank loans carry interest at Prime Rate/base rate ("Base Rate") set up by the bank plus 0.25% to 1.25% (2015: Prime Rate/Base Rate plus 0.25% to 1.25%) per annum.

Bank overdrafts carry interest at Prime Rate/Base Rate plus 2% (2015: Prime Rate plus a margin ranging from 0.5% to 2%) per annum.

The unsecured other borrowing was due to a non-controlling interest, carries interest at a fixed rate of 6% (2015: 6%) per annum and repayable on 16 November 2016.

The effective interest rate at the end of the reporting period is as follows:

	As at 30 June 2016 (Unaudited)	As at 31 December 2015 (Audited)
Mortgage loan	3.5%	3.5%
Instalment loan	5.75%	5.75%
Bank loans	1.683% to 5.5%	1.686% to 6%
Bank overdrafts	7.25%	7.25%
Unsecured other borrowing	6%	6%

As at 30 June 2016 and 31 December 2015, the Group had aggregate banking facilities of approximately HK\$47,896,000 and HK\$48,510,000 respectively for loans and other facilities (including letter of guarantee). Unused facilities as at the same dates amounted to approximately HK\$11,732,000 and HK\$11,299,000 respectively. These facilities were secured by:

- (a) The Group's pledged bank deposits amounting to HK\$2,012,000 (31 December 2015: HK\$3,531,000) as at 30 June 2016;
- (b) The Group's financial assets at FVTPL amounting to approximately HK\$71,896,000 (31 December 2015: HK\$55,357,000) as at 30 June 2016;
- (c) Leasehold land and building with a carrying amount of HK\$5,490,000 (31 December 2015: HK\$5,564,000) as at 30 June 2016;
- (d) Guarantee from Hong Kong Mortgage Corporation Limited and the government of Hong Kong Special Administrative Region; and
- (e) Unlimited guarantees from a non-controlling shareholder and director of a subsidiary.

In additions, certain business credit cards were guaranteed by Mr. Wong Kwan Mo and Ms Lau Lan Ying, the executive Directors and a non-controlling interest, to the extent of HK\$136,000 (2015: HK\$136,000) in aggregate.

20. SHARE CAPITAL

	Nominal value	Number of shares	Share capital HK\$'000
Authorised			
Ordinary shares			
At 1 January 2015, 31 December 2015 and 1 January 2016	0.001	100,000,000,000	100,000
Share consolidation (<i>Note (v)</i>)		(90,000,000,000)	-
At 30 June 2016	0.01	10,000,000,000	100,000
Issued and fully paid			
Ordinary shares			
At 1 January 2015	0.001	3,200,000,000	3,200
Placing of new shares (<i>Note (i)</i>)	0.001	160,000,000	160
Placing and subscription of new shares (<i>Note (ii)</i>)	0.001	480,000,000	480
Issue of shares under rights issue (<i>Note (iii)</i>)	0.001	1,920,000,000	1,920
Placing and subscription of new shares (<i>Note (iv)</i>)	0.001	768,000,000	768
At 31 December 2015 and 1 January 2016	0.001	6,528,000,000	6,528
Share consolidation (<i>Note (v)</i>)		(5,875,200,000)	-
At 30 June 2016	0.01	652,800,000	6,528

Notes:

- (i) On 9 March 2015, the Company entered into a private placing agreement with a placing agent for the placing of an aggregate 160,000,000 new ordinary shares of the Company at a placing price of HK\$0.125 per share. The gross proceeds raised amounted to HK\$20,000,000 (before transaction costs of approximately HK\$541,000) and resulted in the net increase in share capital and share premium of HK\$160,000 and HK\$19,299,000 respectively. The placing was completed on 26 March 2015. Details of the placing are set out in the Company's announcements dated 9 March 2015 and 26 March 2015 respectively.
- (ii) On 6 May 2015, the Company entered into a private placing and subscription agreement with a placing agent and KMW Investments Limited ("KMW"), a substantial shareholder of the Company, for the placing and subscription of an aggregate 480,000,000 new ordinary shares of the Company at a placing price of HK\$0.193 per share. The gross proceeds raised amounted to HK\$92,640,000 (before transaction costs of HK\$1,126,000) and resulted in the net increase in share capital and share premium of HK\$480,000 and HK\$91,034,000 respectively. The placing and subscription was completed on 19 May 2015. Details of the placing and subscription are set out in the Company's announcements dated 6 May 2015 and 19 May 2015 respectively.

- (iii) On 9 September 2015, 1,920,000,000 ordinary shares were issued and allotted to the shareholders of the Company on the basis of one right share for every two ordinary shares for consideration of HK\$0.105 per share. The gross proceeds raised amounted to HK\$201,600,000 (before transaction costs of approximately HK\$3,889,000) and resulted in the net increase in share capital and share premium of approximately HK\$1,920,000 and HK\$195,791,000 respectively. The rights issue was completed on 9 September 2015. Details of the rights issue are set out in the Company's announcement dated 8 September 2015.
- (iv) On 18 December 2015, the Company entered into a private placing and subscription agreement with the placing agent and KMW for placing and subscription of an aggregate 768,000,000 placing shares of the Company at a placing price of HK\$0.036 per share. The gross proceeds raised amounted to HK\$27,648,000 (before transaction costs of approximately HK\$724,000) and resulted in the net increase in share capital and share premium of approximately HK\$768,000 and HK\$26,156,000 respectively. The placing and subscription was completed on 28 December 2015. Details of the placing and subscription are set out in the Company's announcements dated 28 December 2015.
- (v) On 17 May 2016, the Board proposed to consolidate every 10 existing issued and unissued shares of the Company at HK\$0.001 each in the share capital of the Company into 1 consolidated share of HK\$0.01 each (the "Share Consolidation"). The Share Consolidation was effective on 28 June 2016. Details of the Share Consolidation are set out in the Company's announcements dated 17 May 2016, 27 June 2016 and the circular of the Company dated 20 May 2016 (the "Circular").

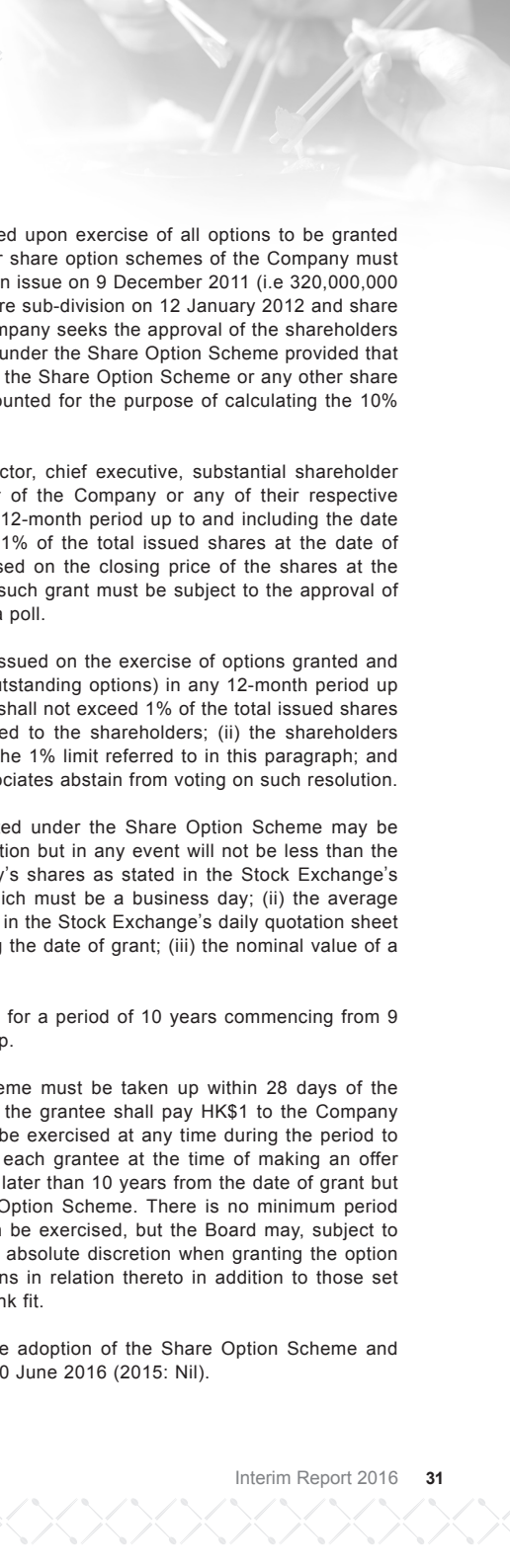

All the new shares issued during the period rank pari passu with the existing shares in all respects.

21. SHARE OPTION SCHEME

Pursuant to an ordinary resolution passed by the Company's shareholders at a special general meeting of the Company held on 9 December 2011, the Company adopted a share option scheme (the "Share Option Scheme") for the purpose of rewarding eligible participants who had made contribution to the Group as well as providing incentives in retaining the Group's existing employees and recruiting additional employees in attaining the long term objectives of the Group.

Subject to the terms of the Share Option Scheme, the Directors may, at their absolute discretion, grant or invite any person belonging to any of the following classes to take up options to subscribe for shares: (a) any employee, advisor, consultant, service provider, agent, customer, partner or joint-venture partner of the Group (including any director, whether executive or non-executive and whether independent or not, of the Group) who is in full-time or part-time employment with the Company or any subsidiaries, (b) any person who have contributed or may contribute to the Group.

The maximum number of shares which may be issued upon exercise of all outstanding options granted under the Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the total number of shares in issue from time to time.



The total number of share which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company must not exceed 10% of the total number of shares in issue on 9 December 2011 (i.e 320,000,000 ordinary shares after the adjustment of the share sub-division on 12 January 2012 and share consolidation on 28 June 2016) unless the Company seeks the approval of the shareholders in general meeting for refreshing the 10% limit under the Share Option Scheme provided that options lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company will not be counted for the purpose of calculating the 10% limit.

Where the proposed grant of option to a director, chief executive, substantial shareholder and/or an independent non-executive director of the Company or any of their respective associates would result in such person in any 12-month period up to and including the date of grant: (i) representing in aggregate over 0.1% of the total issued shares at the date of grant; and (ii) having an aggregate value, based on the closing price of the shares at the date of grant, in excess of HK\$5 million, then such grant must be subject to the approval of the shareholders in general meeting taken on a poll.

The total number of shares issued and to be issued on the exercise of options granted and to be granted (including both exercised and outstanding options) in any 12-month period up to the date of grant of each eligible participant shall not exceed 1% of the total issued shares unless (i) a shareholders' circular is dispatched to the shareholders; (ii) the shareholders approve the grant of the options in excess of the 1% limit referred to in this paragraph; and (iii) the relevant eligible participant and its associates abstain from voting on such resolution.

The exercise price of the option shares granted under the Share Option Scheme may be determined by the Board at its absolute discretion but in any event will not be less than the higher of: (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheet on the date of grant, which must be a business day; (ii) the average closing price of the Company's share as stated in the Stock Exchange's daily quotation sheet for the five trading days immediately preceding the date of grant; (iii) the nominal value of a share.

The Share Option Scheme will remain in force for a period of 10 years commencing from 9 December 2011 unless terminated by the Group.

Options granted under the Share Option Scheme must be taken up within 28 days of the date of grant. Upon acceptance of the option, the grantee shall pay HK\$1 to the Company as consideration for the grant. An option may be exercised at any time during the period to be determined and identified by the Board to each grantee at the time of making an offer for the grant of an option, and in any event no later than 10 years from the date of grant but subject to the early termination of the Share Option Scheme. There is no minimum period for which an option must be held before it can be exercised, but the Board may, subject to the provisions of the GEM Listing Rules, in its absolute discretion when granting the option impose any conditions, restrictions or limitations in relation thereto in addition to those set forth in the Share Option Scheme as it may think fit.

No share options have been granted since the adoption of the Share Option Scheme and there were no share option outstanding as at 30 June 2016 (2015: Nil).

22. COMMITMENTS

(a) Capital commitments

	As at 30 June 2016 <i>HK\$'000</i> (Unaudited)	As at 31 December 2015 <i>HK\$'000</i> (Audited)
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided (including continuing operations and discontinued operation)	3,233	538

(b) Operating lease commitments

As lessee

The Group leases certain of its restaurants, office premises, warehouses and a yacht under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to approximately eleven years. Rental were fixed at the inception of the leases.

At the end of the reporting period, the Group, including continuing operations and discontinued operation, had committed for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	As at 30 June 2016 <i>HK\$'000</i> (Unaudited)	As at 31 December 2015 <i>HK\$'000</i> (Audited)
Within one year	36,839	41,146
In the second to fifth years inclusive	36,055	39,810
Over five years	6,700	6,700
	79,594	87,656

23. CONNECTED AND RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the Interim Financial Statements, the Group had the following transactions with connected and related parties.

(a) Transactions with related parties

The Group had the following significant transactions with companies controlled and beneficially owned by the executive Directors and their close family members during the periods:

	Notes	For the three months ended 30 June		For the six months ended 30 June	
		2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)
Rental expenses paid to related companies*	<i>i</i>	2,793	2,790	5,583	5,580
Rental expense to a related party	<i>i</i>	600	–	1,200	–
Purchase of goods from related companies*	<i>ii</i>	1,165	2,112	2,862	4,421
Purchase of goods from a related company	<i>ii</i>	–	122	–	277
Interest income receivable from the loan to an associate	<i>iii</i>	45	–	90	–
Interest on Promissory Note payable to a related party		1,440	–	1,440	–

* The transactions also constituted continuing connected transactions as defined in Chapter 20 of the GEM Listing Rules.

Notes:

- (i) Rental expenses were charged according to the terms of the rental agreement entered into between the parties.
- (ii) Purchases of goods from related companies were made on a mutually agreed basis.
- (iii) Interest income was charged according to the terms of the loan agreement entered into between the parties.

(b) **Others arrangements with connected and related parties**

Compensation of key management personnel

	For the three months ended 30 June		For the six months ended 30 June	
	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)
Short-term benefits	603	326	1,392	715
Post-employment benefits	9	4	18	9
	612	330	1,410	724



The remuneration of Directors and key management personnel determined by the remuneration committee of the Company having regard to the performance of individuals and market trends.

(c) **Other transactions with related parties**

- (i) On 19 December 2014, Food Idea Group Limited ("Food Idea"), a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with Mr. Wong Tai Chun ("Mr. Wong") (as amended and supplemented by two supplemental agreements dated 13 February 2015 and 24 March 2015 respectively) in respect of the acquisition of the entire equity interests in Brilliant Forever Limited ("Brilliant Forever"), a company incorporated in the British Virgin Islands ("BVI") with limited liability, at a maximum consideration of HK\$100,000,000. Mr. Wong is the son of Mr. Wong Kwan Mo and Ms. Lau Lan Ying, who are the executive Directors and substantial shareholders of the Company.

Further details of the acquisition, which constituted a connected transaction of the Company, were set out in the Company's announcements dated 25 June 2014, 29 September 2014, 19 December 2014 and 31 December 2014 and the Company's circular dated 27 March 2015.

The acquisition was completed on 29 April 2015.

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- (ii) On 29 April 2015, Food Idea as a lender and an associate of Brilliant Forever, Lucky Dessert (China) Holdings Limited (“Lucky Dessert (BVI)”) as a borrower entered into a loan agreement, pursuant to which Food Idea agreed to make available to Lucky Dessert (BVI) a revolving loan facility up to HK\$15,000,000 for a term of 24 months from the date of the loan agreement at the best lending rate of the HSBC plus 1% per annum. Approximately HK\$15,000,000 was drawn by Lucky Dessert (BVI) and approximately HK\$12,041,000 was repaid. As at 30 June 2016, the outstanding loan amount was approximately HK\$2,959,000.

Details of the loan arrangement are set out the Company’s announcement dated 29 April 2015.

- (iii) On 10 March 2016, the Company, as vendor, entered into a sale and purchase agreement (the “S&P Agreement”), pursuant to which the Company has conditionally agreed to dispose of the Chinese restaurant operation through the disposal of the entire issued share capital of GR Holdings Limited (“GR Holdings”), a direct wholly owned subsidiary of the Company, and all the liabilities, obligations and indebtedness due by GR Holdings to the Group at the preliminary consideration of HK\$49 million (subject to adjustment) payable in cash (the “Disposal”) to Mr. Wong Kwan Mo and Ms. Lau Lan Ying, the executive Directors which constituted as a very substantial transaction of the Company.

The disposal was completed on 1 August 2016.

Upon completion, the Company will not hold any interest in the existing Chinese restaurant operation under GR Holdings and its subsidiaries (the “Disposal Group”). Details of the Disposal and the financial effect are set out in the Company’s announcements dated 10 March 2016, 22 April 2016, 6 May 2016, 27 June 2016, 3 August 2016 and the Circular.

24. DISCONTINUED OPERATION

The results of the Disposal Group for the three months and six months ended are as follows:

	For the three months ended 30 June		For the six months ended 30 June	
	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)
Revenue	68,338	86,009	162,371	195,520
Other income	225	165	397	234
Cost of inventories consumed	(20,027)	(23,324)	(45,154)	(56,275)
Employee benefits expenses	(26,962)	(32,229)	(61,166)	(69,325)
Depreciation	(3,311)	(6,415)	(6,850)	(11,307)
Operating lease rentals and related expenses	(11,755)	(12,114)	(23,711)	(24,005)
Utilities expenses	(5,987)	(6,935)	(12,011)	(13,923)
Impairment losses of property, plant and equipment	–	–	(2,731)	–
(Loss) gain on disposal of financial assets at fair value through profit or loss	(12)	20	(12)	20
Loss on fair value change of financial assets at fair value through profit or loss	(757)	(793)	(3,518)	(793)
Other operating expenses	(5,818)	(11,820)	(14,447)	(21,056)
Finance costs	(46)	(50)	(99)	(101)
Loss before tax	(6,112)	(7,486)	(6,931)	(1,011)
Income tax credit (expenses)	219	(612)	(652)	(2,045)
Loss for the period	(5,893)	(8,098)	(7,583)	(3,056)
Loss for the period attributable to:				
Owners of the Company	(5,797)	(7,711)	(7,450)	(2,839)
Non-controlling interests	(96)	(387)	(133)	(217)
	(5,893)	(8,098)	(7,583)	(3,056)
Loss per share: Basic and diluted (HK cents per share)	(0.89)	(2.06)	(1.14)	(0.8)

In addition, according to the agreement, the Company will also dispose of all the liabilities, obligations and indebtedness due by GR Holdings to the Group. As at 30 June 2016, the carrying value of the amount due by GR Holdings to the Group is HK\$44,653,900.

	As at 30 June 2016 HK\$'000 (Unaudited)
Amount due by GR Holdings to the Group	44,653
Assets of the Disposal Group	113,917
	<hr/>
Assets Held For Sale on condensed consolidated statement of financial position	158,570
	<hr/> <hr/>
Liabilities of a disposal group classified as held for sale on condensed consolidated statement of financial position	79,455
	<hr/> <hr/>

The net cash flows incurred by the Disposal Group are as follows:

	For the six months ended 30 June	
	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)
Operating activities	(650)	(11,607)
Investing activities	(4,566)	(3,882)
Financing activities	(48,679)	24,976
	<hr/>	<hr/>
Net cash (outflow) inflow	(53,895)	9,487
	<hr/> <hr/>	<hr/> <hr/>

Loss per share for the above mentioned discontinued operation is stated below:

	For the three months ended 30 June		For the six months ended 30 June	
	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)
Loss				
Loss for the purpose of basic and diluted loss per share, being loss for the period attributable to the owners of the Company	(5,797)	(7,711)	(7,450)	(2,839)
Number of shares				
Weighted average number of ordinary shares for the purpose of basic loss per share	652,800,000	374,668,000	652,800,000	355,284,000

The diluted loss per share of the discontinued operation for the three months and six months ended 30 June 2016 and 2015 are the same as basic loss per share as there were no dilutive potential ordinary shares outstanding during the periods.

25. EVENTS AFTER THE REPORTING PERIOD

On 6 July 2016, the Group disposed of its financial assets at FVTPL which were more vulnerable to the market to maintain a healthy and balanced securities investment portfolio of the Group. The gross sale proceeds was approximately HK\$12.3 million (excluding transaction costs) and the Group expected to record a substantial realised loss of approximately HK\$261.6 million for the nine months ended 30 September 2016. Details of the disposal are disclosed in the Company's announcements dated 6 July 2016 and 8 July 2016.

On 29 July 2016, the Company entered into a placing agreement with a placing agent for the placing of 130,560,000 new ordinary shares of the Company at a price of HK\$0.153 per share. The net proceeds, after deduction of the placing commission and other related expenses of approximately HK\$0.4 million, were approximately HK\$19.58 million. The placing was completed on 11 August 2016. Details of the placing are set out in the Company's announcements dated 29 July 2016 and 11 August 2016.

On 5 August 2016, the Group entered into a loan agreement with two borrowers a loan of HK\$25 million, bearing an interest rate of 5% per annum for a period from 5 August 2016 ending on the 31 December 2016. Details of the loan are set out in the Company's announcement dated 5 August 2016.



MANAGEMENT DISCUSSION AND ANALYSIS

The Board is pleased to announce the Group's interim results for the six months ended 30 June 2016.

Business Review

The Group's principal activities during the period were (i) catering services; (ii) production, sales and distribution of food products to supermarket chains in Hong Kong; (iii) investments in securities; and (iv) money lending business.

Despite significant efforts undertaken by the Group to expand its catering services, the Group suffered from the deteriorating financial results in light of the severe market competition, the weakening local economy and customer sentiments, and the rising costs of food, labour and rental in the past few years. In respect of the segment results in catering services of the Group, the catering services was the least-performed segment as compared with the food products operation, securities investment and money lending business. Based on the annual report of the Company for the year ended 31 December 2015, the Group recorded a segmental loss of approximately HK\$13.21 million in catering services for the year ended 31 December 2015, as compared to the profit of approximately HK\$10.71 million for the corresponding year ended 31 December 2014.

Should the Company keep operating the Chinese restaurant business, apart from continuous operating loss, the Group will have to make substantial capital commitment due to refurbishment of certain restaurants whose rental contracts will expire and subject to renewal in the upcoming few years.

Having considered (i) the deteriorating results of the Chinese restaurant business which has already exerted a significant pressure on the overall profitability of the Group; (ii) the estimated capital expenditures to be undertaken by the Group as mentioned above; and (iii) the unfavourable market conditions surrounding the restaurant business in Hong Kong, the Board considers that the Disposal represents a good opportunity not only to dispose of its loss-making business but also to unlock the maximum value for the shareholders.

Remaining business of the Group after the Disposal

The Disposal was completed on 1 August 2016. Following the Disposal, the remaining businesses of the Group will comprise food products operation, investments in securities, money lending business and dessert catering business.

Food products operation

The food products operation represents the production, sales and distribution of food products, such as barbecued food and Taiwanese Lou Mei, to major supermarket chains. The Group operates a food processing factory in Tsuen Wan and over 60 concessionaire stores in Hong Kong. The food products operation establishes an extensive sales and distribution network. The Group can reach out to large amount of customers in local supermarkets and achieve economies of scale through the bulk purchases from the supplies.

During the six months ended 30 June 2016, the food products operation generated revenue of approximately HK\$45,031,000, which was risen by approximately 5.2% as compared with last correspondence period. A segment profit of approximately HK\$1,374,000 was recorded for the six months ended 30 June 2016 (2015: loss of approximately HK\$561,000).

Securities investment business

As at 30 June 2016, the Group had a portfolio of securities investment of approximately HK\$377,576,000 (HK\$349,085,000 from continuing operations and HK\$28,491,000 from discontinued operation) and approximately HK\$318,334,000 (HK\$312,197,000 from continuing operations and HK\$6,137,000 from discontinued operation) of which were equity securities listed in Hong Kong. During the period under review, the Group recorded a net unrealised loss of approximately HK\$45,016,000 from the continuing operations and approximately HK\$3,518,000 from the discontinued operation (2015: unrealised gain of HK\$142,970,000 from the continuing operations and unrealised loss of HK\$793,000 from the discontinued operation) in its entire securities investment.

Details of the investments and unrealised fair value change of equity securities listed in Hong Kong are as follows:

Company name/Stock code	At 30 June 2016				At 30 June 2015			
	% of shareholding of the respective share	Change on fair value for 6 months HK\$'000	Fair value as at 30 June 2016 HK\$'000	% to the total assets of the Group	% of shareholding of the respective share	Change on fair value for 6 months HK\$'000	Fair value as at 30 June 2015 HK\$'000	% to the total assets of the Group
From continuing operations								
L & A International Holdings Limited (8195) ("L&A")	2.48%	(29,914)	244,032	29.76%	2.62%	143,795	243,507	38.58%
Major Holdings Limited (1389)	0.39%	3,238	17,483	2.13%	-	-	-	-
GreaterChina Professional Services Limited (8193)	0.68%	(9,240)	15,840	1.93%	-	-	-	-
China Construction Bank Corporation (939)	0.00%	66	15,468	1.89%	-	-	-	-
China Environmental Energy Investment Limited (986)	1.82%	(1,904)	7,276	0.89%	-	-	-	-
China 33 Media Group Limited (8087)	0.83%	1,344	6,336	0.77%	-	-	-	-
China Properties Investment Holdings Limited (736)	2.10%	(7,772)	3,346	0.41%	-	-	-	-
China Jicheng Holdings Limited (1027)	0.01%	(690)	2,050	0.25%	-	-	-	-
Luen Wong Group Holdings Limited (8217)	0.00%	(73)	359	0.04%	-	-	-	-
Huatai Securities Co., Ltd. (6886)	0.00%	(1)	7	0.00%	0.00%	(1)	9	0.00%
		<u>(44,946)</u>	<u>312,197</u>			<u>143,794</u>	<u>243,516</u>	
From discontinued operation								
Hong Kong Exchanges and Clearing Limited (0388) [#]	0.00%	(194)	3,345	0.41%	0.00%	(66)	2,435	0.39%
China Life Insurance Company Limited (2628) [#]	0.00%	(1,416)	2,792	0.34%	-	-	-	-
		<u>(1,610)</u>	<u>6,137</u>			<u>(66)</u>	<u>2,435</u>	
Total		<u>(46,556)</u>	<u>318,334</u>			<u>143,728</u>	<u>245,951</u>	

These are included in Assets Held For Sale as at 30 June 2016.

As at 30 June 2015, the investment in equity securities listed in Hong Kong included mainly L&A shares. Since the share price of L&A rose, there was an unrealised gain on fair value change of L&A shares of approximately HK\$143,795,000 during the six months ended 30 June 2015.

As at 30 June 2016, the equity investment portfolio was enlarged and diversified, with L&A shares still being the main investment. The share price of L&A dropped from December 2015 to June 2016. As a result, an unrealised loss on fair value change of L&A shares amounted to approximately HK\$29,914,000 was recorded during the six months ended 30 June 2016.

The Group's investment portfolio is subject to the volatility of the market. The management will cut losses on certain investments which will be in vulnerable position and keep those which will be better performed in this financial environment.

The Group was aware of the trading price of the L&A shares being extremely volatile in early July 2016. Having regard to the market conditions and the trading price of L&A shares, the Group believes that the L&A shares may continue to be volatile, therefore sold all the on-hand L&A shares on 6 July 2016. Details of the disposal of L&A shares are set out in the Company's announcements dated 6 July 2016 and 8 July 2016.

The Group will continue to monitor the existing portfolio closely to maximise the return prospect for our investments.

Money lending business


Since the commencement of the money lending business in June 2015, the Group's money lending business has grown in a rapid pace. During the period under review, it had generated interest income of approximately HK\$4,409,000 (net of inter segment elimination) and recorded a segment profit of approximately HK\$3,630,000.

An aggregate loan of approximately HK\$273 million with effective interest rate ranging from 3% to 24% per annum had been built up by Group up to 30 June 2016, of which approximately HK\$129 million was repaid by its customers. As at 30 June 2016, the outstanding loan receivables of the Group amounted to approximately HK\$144 million. The Group holds collaterals (e.g. real estates, corporation bonds, shares) for its loan and interest receivables. In the event of default or failure to repay any outstanding amounts by the debtors, the Group will proceed with sale of collaterals.

Dessert catering business

During the period under review, the Group continued its expansion of the dessert catering business in the PRC.

The Group currently has two self-operating dessert catering restaurants under the trademark of Lucky Dessert in Tianjin and licence right was granted to an operator to operate another two dessert catering restaurants in Tianjin as at 30 June 2016.



During the six months ended 30 June 2016, Lucky Dessert in the PRC has generated revenue of approximately RMB3 million.

Financial Review

During the six months ended 30 June 2016, the Group's revenue from continuing operations amounted to approximately HK\$50,496,000 which was approximately 18% higher than that of the last corresponding period. The increment was mainly due to (i) the rise in revenue from food products operation from approximately HK\$42,810,000 for the six months ended 30 June 2015 to approximately HK\$45,031,000 for the six months ended 30 June 2016; and (ii) the interest income of approximately HK\$4,409,000 (net of inter segment elimination) generated from the money lending business segment during the six months ended 30 June 2016.

Loss attributable to the owners of the Company from the continuing operations was approximately HK\$59,443,000 for the six months ended 30 June 2016, a significant drop when compared with profit of approximately HK\$128,427,000 in last corresponding period. Such significant drop was mainly attributable to the unrealised loss from financial assets at FVTPL amounting to approximately HK\$45,016,000 for the six months ended 30 June 2016 while an unrealised gain of approximately HK\$142,970,000 was recorded in the last correspondence period. Although there was an increase in revenue and tax credit for the six months ended 30 June 2016, such financial impact was offset by the increase in other operating expenses and the share of loss from an associate.

The cost of inventories consumed from continuing operations for the six months ended 30 June 2016 amounted to approximately HK\$18,958,000 (2015: HK\$18,951,000). The cost of inventories consumed was approximately 42% (2015: 44%) of the Group's revenue on food products operation businesses during the period under review. The Group will keep the strategy on bulk purchases of food raw materials from suppliers in order to enjoy a larger discount and achieved optimum food mixing.

Employee benefits expenses from the continuing operations were approximately HK\$15,946,000 (2015: HK\$13,546,000). The increase was mainly due to the development of money lending business and the wage adjustments to retain experienced staff under the inflationary environment during the period under review. The Group regularly reviews the work allocation of the staff to improve and maintain a high standard of service.

The operating lease rental and related expenses from the continuing operations for the six months ended 30 June 2016 amounted to approximately HK\$2,458,000 (2015: HK\$252,000). The increase was mainly due to the new leasing of office premise and a yacht for business purpose. To have a better control of the operating lease rentals and related expenses, the Group has entered into long-term lease agreements to maintain the rentals at a reasonable level.

Outlook and Prospects

After the completion of the Disposal, the Group will focus on developing other businesses with higher growth potential, such as money lending business. Barring unforeseen circumstances, the scale of the food products operation and the securities investment business of the Group shall remain the same as those prior to the Disposal.

The Board believes that (i) the businesses remained in the Group can serve as a better driver for the Group's performance with solid revenue stream and capital gain potentials; and (ii) the sale proceeds arising from the Disposal can be immediately used for expansion of money lending business which has been growing in a rapid pace. The Group could streamline its operations and allocate its financial resources better.

The Group is also in the course of negotiating with different potential franchisees for expanding its dessert catering business under the trademark "Lucky Dessert 發記甜品" to other areas of the PRC, and has been approached by potential franchisees for running the dessert catering business in other cities such as Beijing, Shanghai, Shanxi and Xian, the PRC and other countries in Southeast Asia. The Directors will continue to negotiate with the respective franchisees and will update the shareholders for any material progress.

Liquidity, Financial and Capital Resources

Capital structure

The Group manages the capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The overall strategy of the Group remained unchanged from prior year.

The capital structure of the Group consists of borrowings and Promissory Note net of pledged bank deposits, bank balances and cash, and equity attributable to owners of the Company, comprising issued share capital and reserves.

The Directors review the capital structure on a semi-annual basis. As part of this review, the Directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the Directors, the Group expects to maintain a stable gearing ratio through the issue of new shares as well as the undertaking of new debts.



Cash position

As at 30 June 2016, the carrying amount of the Group's unpledged bank balances and cash was approximately HK\$24,313,000 (31 December 2015: approximately HK\$96,654,000).

The pledged bank deposits of approximately HK\$2,012,000 as at 30 June 2016 and HK\$3,531,000 as at 31 December 2015 were pledged to banks for the banking facilities of the Group.

Borrowings

Details of borrowings as at 30 June 2016 are set out in Note 19 to the Interim Financial Statements.

Gearing ratio

Gearing ratio is calculated as net debt (borrowings and Promissory Note less pledged bank deposits, bank balance and cash) divided by the total of net debt and total equity. The gearing ratio as at 30 June 2016 was 16%.

Gearing ratio was not applicable to the Group as at 31 December 2015 as the Group's bank balances and cash were more than its borrowings.

Capital Expenditure and Commitments

Details of the capital expenditure and capital commitments are set out in the Notes 12 and 22 to the Interim Financial Statements respectively.



Charges on Assets

Details of the charges on the Group's assets as at 30 June 2016 were set out in Note 19 to the Interim Financial Statements.

Contingent Liabilities

Save as disclosed elsewhere in the Interim Financial Statements, there were no other significant contingent liabilities of the Group as at 30 June 2016.

Dividend

Details of the dividend are set out in the Note 11 to the Interim Financial Statements.

Employees Numbers and Remuneration Policy

As at 30 June 2016, the Group had around 180 employees from the continuing operations. In order to attract and retain high quality staff and to enable smooth operation within the Group, the Group offered competitive remuneration packages (with reference to market conditions and individual qualifications and experience) and various in-house training courses. The remuneration packages are subject to review on a regular basis.

Significant Investment Held, Material Acquisitions or Disposals of Subsidiaries and Affiliated Companies, and Plans for Material Investments or Capital Assets

Saved as the Disposal and disposal of L&A Shares disclosed elsewhere in this report, there were no significant investments held, material acquisitions or disposals of subsidiaries and affiliated companies during the six months ended 30 June 2016. Saved as disclosed elsewhere in this report, there is no plan for material investments or capital assets as at 30 June 2016.

SHARE OPTION SCHEME

Details of the share option scheme are set out in the Note 21 to the Interim Financial Statements.

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

As at 30 June 2016, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to Rules 5.46 to Rule 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Long Positions in shares and underlying shares of the Company

Name of Directors	Capacity/nature of interest	Total number of ordinary Shares	Approximate percentage of interest
Mr. Wong Kwan Mo (Note)	Interest in controlled corporation	152,811,600	23.41%
Ms. Lau Lan Ying (Note)	Interest in controlled corporation	152,811,600	23.41%

Note:

115,311,600 and 37,500,000 shares are owned by KMW Investments Limited ("KMW") and Strong Light Investments Limited ("Strong Light") respectively. KMW and Strong Light are companies incorporated in the BVI and Hong Kong respectively. The entire issued share capital of KMW and Strong Light are beneficially owned as to 50% by Mr. Wong Kwan Mo and 50% by Ms. Lau Lan Ying.

Saved as disclosed above, as at 30 June 2016, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Rule 5.46 to Rule 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

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

So far as the Directors are aware, as at 30 June 2016, other than the Directors and chief executive of the Company whose interests and short positions are disclosed under the paragraph headed "Directors' and chief executive's interests and short positions in the shares, underlying shares or debentures of the Company and its associated corporations" above, the following parties have interest or short position in the shares or underlying shares of the Company which have to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO, and who was expected, directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company are listed as follows:

Long positions in shares and underlying shares of the Company

Name	Capacity/nature of interest	Total number of ordinary shares	Approximate percentage of interest
KMW (<i>Note</i>)	Beneficial owner	115,311,600	17.66%
Strong Light (<i>Note</i>)	Beneficial owner	37,500,000	5.75%

Note:

KMW and Strong Light are companies incorporated in the BVI and Hong Kong respectively. The entire issued share capital of KMW and Strong Light are beneficially owned as to 50% by Mr. Wong Kwan Mo and 50% by Ms. Lau Lan Ying.

Saved as disclosed above, as at 30 June 2016, the Directors were not aware of any other person (other than the Directors or chief executive as disclosed in the paragraph headed "Directors' and chief executive's interests and short positions in the shares, underlying shares or debentures of the Company and its associated corporations" above) who had, or deemed to have, interests or short positions in the shares, underlying shares or debentures of the Company which has to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO, or who was directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company.



DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than as disclosed under the sections “Share Option Scheme” and “Directors’ and chief executive’s interests and short positions in the shares, underlying shares or debentures of the Company and its associated corporations” above, at no time during the six months ended 30 June 2016 was the Company or any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executive of the Company or their respective associates (as defined in the GEM Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

PURCHASE, SALE OR REDEMPTION OF THE SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s shares during the six months ended 30 June 2016.

DIRECTORS’ INTERESTS IN COMPETING BUSINESS

None of the Directors, their respective associates and the substantial shareholders were interested in any business which competed or was likely to compete, either directly or indirectly, with the businesses of the Group or had any other conflicts with the Group during the six months ended 30 June 2016.

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms which are the same as the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company periodically issues notices to its Directors reminding them of the general prohibition on dealing in the Company’s listed securities during the blackout periods before the publication of announcements of financial results. The Company has confirmed, having made specific enquiry of the Directors, that all the Directors have complied with the required standards of dealings throughout the period under review. The Company was not aware of any non-compliance during the six months ended 30 June 2016.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Board considers that the Company has complied with the code provisions in the Corporate Governance Code (the “CG Code”) as set out in Appendix 15 of the GEM Listing Rules during the six months ended 30 June 2016.

AUDIT COMMITTEE

The Company established an audit committee pursuant to a resolution of the Directors passed on 25 June 2011 with written terms of reference in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules. The written terms of reference of the audit committee was adopted in compliance with paragraph C3.3 of the CG Code as set out in Appendix 15 to the GEM Listing Rules. On 30 December 2015, the Board adopted a set of revised terms of reference of the audit committee in line with the GEM Listing Rules requirement in relation to the internal control by introducing the concept of the risk management. The primary duties of the audit committee, among other things, are to make recommendation to the Board on the appointment, re-appointment and removal of external auditor, review the financial statements and material advice in respect of financial reporting, and oversee internal control procedures of the Company.

As at 30 June 2016, the audit committee of the Company consists of three independent non-executive Directors, namely Mr. Li Fu Yeung, Mr. Kwan Wai Yin, William and Mr. Tam Lok Hang. Mr. Li Fu Yeung is the chairman of the audit committee.

The audit committee had reviewed the Interim Financial Statements for the six months ended 30 June 2016 and is of the opinion that the preparation of such statements complied with the applicable accounting standards, GEM Listing Rules and that adequate disclosures have been made.

By Order of the Board
Food Idea Holdings Limited
Wong Kwan Mo
Chairman and executive Director

Hong Kong, 12 August 2016

As at the date of this report, the Board comprises Mr. Wong Kwan Mo, Ms. Lau Lan Ying and Mr. Yu Ka Ho as executive Directors, and Mr. Li Fu Yeung, Mr. Kwan Wai Yin, William and Mr. Tam Lok Hang as independent non-executive Directors..