LIFE CONCEPTS

Life Concepts Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8056

FIRST QUARTERLY REPORT
2019

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*This report, for which the directors (the **"Directors"**) of Life 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 GEM of the Stock Exchange (the **"GEM Listing Rules"**) for the purpose of giving information with regard to the Company and the Group. 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"**) presents the unaudited condensed consolidated results of the Group for the three months ended 30 June 2019, together with the unaudited comparative figures for the corresponding period in 2018 as set out below.

FINANCIAL HIGHLIGHTS

- The Group's revenue for the three months ended 30 June 2019 was approximately HK$144.9 million, representing an increase of approximately 0.3% when compared with that of the corresponding period in 2018.
- Loss and total comprehensive expense attributable to owners of the Company for the three months ended 30 June 2019 was approximately HK$13.7 million, representing an increase in loss of approximately 755.9% when compared with that of the corresponding period in 2018.
- A new interior design and fitting-out business was launched in the People's Republic of China (the "**PRC**"). A number of business service contracts were signed, but no revenue has been recognized yet during the three months ended 30 June 2019.
- The Board did not declare any dividend for the three months ended 30 June 2019 (for the three months ended 30 June 2018: nil).

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 30 June 2019

	Notes	For the three months ended 30 June	
		2019 HK$'000 (Unaudited)	2018 HK$'000 (Unaudited)
Revenue	2	144,864	144,454
Cost of inventories consumed		(35,022)	(33,331)
Staff costs		(51,000)	(43,579)
Depreciation and amortisation		(34,824)	(11,874)
Rental and related expenses		(4,139)	(26,863)
Utilities and consumables		(5,561)	(6,738)
Franchise and licensing fees		(3,011)	(2,793)
Other expenses		(22,982)	(18,706)
Other gains and losses		38	(144)
Finance costs		(1,151)	(112)
(Loss) profit before taxation		(12,788)	314
Taxation	3	(1,054)	(1,911)
Loss for the period		(13,842)	(1,597)
Loss for the period attributable to:			
– owners of the Company		(13,627)	(1,597)
– non-controlling interests		(215)	—
		(13,842)	(1,597)
Loss per share-basic (HK$)	5	(0.02)	(0.002)
Loss per share-diluted (HK$)	5	(0.02)	(0.002)
Loss for the period		(13,842)	(1,597)
Other comprehensive expense			
Item that may reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		(41)	—
Loss and total comprehensive expense for the period		(13,883)	(1,597)
Attributable to:			
– owners of the Company		(13,668)	(1,597)
– non-controlling interests		(215)	—
		(13,883)	(1,597)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the three months ended 30 June 2019

	Attributable to owners of the Company								
	Share capital HK$'000	Share premium HK$'000	Other reserve HK$'000	Translation reserve HK$'000	Share option reserve HK$'000	Retained profits (accumulated losses) HK$'000	Total HK$'000	Attributable to non-controlling interests HK$'000	Total HK$'000
(Unaudited)									
At 1 April 2018	63,037	28,785	27,313	—	7,416	19,322	145,873	—	145,873
Loss and total comprehensive expense recognised for the period	—	—	—	—	—	(1,597)	(1,597)	—	(1,597)
At 30 June 2018	63,037	28,785	27,313	—	7,416	17,725	144,276	—	144,276
(Unaudited)									
At 1 April 2019	63,037	28,785	27,313	(2)	—	(1,179)	117,954	—	117,954
Loss for the period	—	—	—	—	—	(13,627)	(13,627)	(215)	(13,842)
Exchange differences arising on translation of foreign operations	—	—	—	(41)	—	—	(41)	—	(41)
Loss and total comprehensive expense recognised for the period	—	—	—	(41)	—	(13,627)	(13,668)	(215)	(13,883)
At 30 June 2019	63,037	28,785	27,313	(43)	—	(14,806)	104,286	(215)	104,071

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2019

1. GENERAL INFORMATION, BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Company is incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on GEM. Its immediate holding company is Strong Day Holdings Limited, a company incorporated in the British Virgin Islands with limited liability. 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 Suites 1701-3, 17/F, Chinachem Hollywood Centre 1, 3, 5, 7, 9, 11 and 13 Hollywood Road, Central, Hong Kong.

The Company is an investment holding company. The subsidiaries of the Company are principally engaged in operation of restaurants.

These unaudited condensed consolidated financial statements for the three months ended 30 June 2019 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 (the **"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 these unaudited condensed consolidated financial statements for the three months ended 30 June 2019 are consistent with those adopted in the preparation of audited consolidated financial statements included in the Company's 2018/19 annual report, 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.

Other than as explained below regarding the impacts of HKFRS 16, 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 2019 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 2019.

HKFRS 16 Leases

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 Leases and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. In addition, HKFRS 16 require sales and leaseback transactions to be determined based on the requirements of HKFRS 15 as to whether the transfer to the relevant asset should be accounted as a sale. HKFRS 16 also includes requirements relating to subleases and lease modifications.

Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents operating lease payments as operating cash flows. Upon application of HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows by the Group.

1. GENERAL INFORMATION, BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

HKFRS 16 Leases (CONTINUED)

Other than certain requirements which are also applicable to lessor, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

Upon application of HKFRS 16, the Group recognises a right-of-use asset and a corresponding liability in respect of all leases unless they qualify for low value or short-term leases.

In addition, based on the definition of lease payments under HKFRS 16, the Group's refundable rental deposits are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits are adjusted to amortised cost and such adjustment are considered as additional lease payments. Adjustments to refundable rental deposits paid are considered as additional lease payments and included in the carrying amount of right- of-use assets.

The application of new requirements resulted in changes in measurement, presentation and disclosure as indicated above. The Group intends to elect the practical expedient to apply HKFRS16 to contracts that were previously identified as lease applying HKAS17 and HK(IFRIC)-Int4 Determing whether an Arrangement contains a Lease and not apply this standard to contracts that were not previously identified as containing a lease applying HKAS17 and HK(IFRIC)-Int4. Therefore, the Group will not reassess whether the contracts are, or contain a lease which already existed prior to the date of initial application. Furthermore, the Group elected the modified retrospective approach for the application of HKFRS16 as lessee and recognise the cumulative effect of initial application to opening retained profits, if any, without restating comparative information.

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.

These unaudited condensed consolidated financial statements for the three months ended 30 June 2019 have been prepared on the historical cost basis. These unaudited condensed consolidated financial statements for the three months ended 30 June 2019 are presented in Hong Kong dollars (**"HK$"**), which is the functional currency of the Company and its major subsidiaries.

These condensed consolidated financial statements have not been audited by the Company's auditors, but have been reviewed by the audit committee of the Board (the **"Audit Committee"**).

2. REVENUE

The Group's revenue, which arise from contracts with customers, derives from the operation of restaurants. The Group's revenue is recognised at a point in time upon a bill is issued for the provision of food and beverages to customers. Payment of the transaction price is mostly due immediately at the point of billing to customers.

All contracts for provision of good and beverages are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

3. TAXATION

	For the three months ended 30 June	
	2019 HK$'000 (Unaudited)	2018 HK$'000 (Unaudited)
Hong Kong Profits Tax	1,054	1,911

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

4. DIVIDENDS

The Board does not declare any dividend for the three months ended 30 June 2019 (30 June 2018: nil).

5. LOSS PER SHARE

The basic and diluted loss per share is calculated based on the loss attributable to the owners of the Company and the weighted average number of ordinary shares for the relevant periods.

	For the three months ended 30 June	
	2019 (Unaudited)	2018 (Unaudited)
Loss for the period attributable to owners of the Company for the purpose of basic and diluted loss per share (HK$'000)	(13,627)	(1,597)
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share (in thousands)	810,250	810,250

For the three months ended 30 June 2019 and 2018, the diluted loss per share did not take into account the assumed exercise of the Company's outstanding share option since their exercise would result in a decrease in loss per share.

MANAGEMENT DISCUSSION AND ANALYSIS

During the three months ended 30 June 2019 and up to the date of this report, the Group had been principally engaged in (i) operating a variety of cuisines, mainly Asian, Western and Italian, targeting different customer segments with mid to high spending power; and (ii) provision of interior design proposals, engaging subcontractors to carry out fitting-out works and coordinating, managing and supervising the fitting-out works as well as provision of purchasing and delivering services in the PRC.

Business Review

Food and Beverage Business

During the three months ended 30 June 2019, 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.

Interior Design and Fitting-out Business

Growth is a constant topic on top of the mind of the Group's management. The Group plans to expand in terms of geography, the types of businesses, and the depth of work where the Group has already been doing a lot today. Based on the Group's past experience in restaurant interior design and furnishing, the Group launched a new business which provides interior design and fitting-out services carried out in the PRC. During the three months ended 30 June 2019, 2 non-wholly-owned subsidiaries were set up in the PRC, which carried out business in relation to interior design proposal and managing and supervising the fitting-out works. The Group will seek for opportunities to further expand this business segment in the PRC. As at 30 June 2019, service contracts with a total contract sum amounting to approximately RMB24.6 million (equivalent to approximately HK$28.0 million) were signed with independent third parties. During the three months ended 30 June 2019, as no service had been provided to the customers yet, no revenue was recognised in this segment. The new business is expected to generate sizable revenue in the next quarter. On the other hand, operating expense of approximately HK$2.5 million was incurred in the start-up stage of this business during the three months ended 30 June 2019.

Financial Review

Revenue

During the three months ended 30 June 2019, the Group's revenue was generated from the operation of restaurants in Hong Kong. As at 30 June 2019, we were operating 27 (2018: 28) restaurants, of which no restaurant (2018: nil) was newly established and no restaurant (2018: nil) was closed or disposed of.

The Group served mainly three categories of cuisines during the three months ended 30 June 2019. The table below sets forth a breakdown of the 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 three months ended 30 June 2019:

	For the three months ended 30 June			
	2019		2018	
	Revenue (HK$'000) (Unaudited)	% of total revenue (%)	Revenue (HK$'000) (Unaudited)	% of total revenue (%)
Western style	95,131	65.7	81,877	56.7
Italian style	30,412	21.0	39,065	27.0
Asian style	19,321	13.3	23,512	16.3
Total	144,864	100.0	144,454	100.0

Western style restaurants

The revenue generated from operation of Western style restaurants increased by approximately HK$13.3 million, or approximately 16.2%, from approximately HK$81.9 million for the three months ended 30 June 2018 to approximately HK$95.1 million for the three months ended 30 June 2019. Such increase was mainly due to the increase in revenue derived from (i) revenue derived from the two new restaurants newly opened in August 2018 and September 2018, respectively; and (ii) increasing revenue derived from the restaurant relocated in February 2019, partially offset by (i) decrease in revenue derived from a restaurant closed in last financial year; and (ii) decrease in revenue as a result of anti-extradition bill protests happened in June 2019.

Italian style restaurants

The revenue generated from operation of Italian style restaurants decreased by approximately HK$8.7 million, or approximately 22.2%, from approximately HK$39.1 million for the three months ended 30 June 2018 to approximately HK$30.4 million for the three months ended 30 June 2019. Such decrease was mainly resulted from the decreases in (i) revenue derived from a restaurant closed in last financial year; and (ii) revenue as a result of anti-extradition bill protests happened in June 2019 as mentioned above.

Asian style restaurants

The revenue generated from operation of Asian style restaurants decreased by approximately HK$4.2 million, or approximately 17.8%, from approximately HK$23.5 million for the three months ended 30 June 2018 to approximately HK$19.3 million for the three months ended 30 June 2019. The decrease in revenue was primarily attributable to the decreases in (i) revenue derived from a restaurant closed in last financial year; and (ii) revenue as a result of anti-extradition bill protests happened in June 2019 as mentioned above.

Cost of inventories consumed

The cost of inventories consumed mainly represents the costs of food ingredients and beverages for the operation of the Group's restaurants. The major food ingredients purchased by the Group includes, but is not limited to, vegetable, meat, seafood and frozen food. Cost of inventories consumed is one of the major components of the Group's operating expenses which amounted to approximately HK$33.3 million and HK$35.0 million for each of three months ended 30 June 2018 and 2019, respectively, representing approximately 23.1% and 24.2% of the Group's total revenue generated from operation of restaurants for the corresponding period.

Staff costs

Staff costs represented one of the major components of the Group's operating expenses, which primarily consisted of Directors' emoluments, salaries, retirement benefit scheme contributions and other benefits. The staff costs increased by approximately HK$7.4 million from approximately HK$43.6 million for the three months ended 30 June 2018 to approximately HK$51.0 million for the three months ended 30 June 2019. The increase in staff costs was mainly due to the increase in staff salaries and Directors' remuneration for Hong Kong office and restaurants from approximately HK$43.6 million for the three months ended 30 June 2018 to approximately HK$49.7 million for the three months ended 30 June 2019 as a result of the (i) newly hired staff for the new and relocated restaurants; (ii) increase in respective salary level due to the expansion of business; and (iii) the increase in staff costs incurred for the new business in the PRC of approximately HK$1.3 million.

Rental and related expenses

Upon the adoption of HKFRS 16, rental expenses were no longer recognised. Instead, depreciation on right-of-use assets was recognised in profit or loss and included in depreciation and amortisation.

Our depreciation expense in respect of right-of-use assets plus rental and related expenses amounting to approximately HK$27.9 million for the three months ended 30 June 2019. Comparing to the rental and related expenses of approximately HK$26.9 million for the three months ended 30 June 2018, the increase was mainly due to (i) additional right-of-use assets recognised for new restaurants upon signing of tenancy agreements; and (ii) the increase in rental contracts entered into for office in the PRC in relation to the new business, partially offset by (i) discounting factor taken into account upon recognition of right-of-use assets, which led to the result that the present value of the right-of-use assets was lower than the actual rental contracts sum; and (ii) reduction of tenancy agreements entered into upon closure of restaurants during the last financial year.

Other expenses

Other expenses mainly include advertising, cleaning and laundry expenses, credit card commission, packing and printing materials, music performance show and repair and maintenance. During the three months ended 30 June 2018 and 2019, the Group recognised other expenses of approximately HK$18.7 million and HK$23.0 million, respectively, representing approximately 13.0% and 15.9% of the Group's total revenue for the corresponding periods.

The increase was mainly due to the increases in (i) repair and maintenance, printing materials, cleaning and travelling expenses of approximately HK$2.6 million as a result of the redecoration of existing restaurants; and (ii) operating expenses of approximately HK$0.7 million for the development of our new interior design and fitting-out business in the PRC.

Finance costs

Finance costs represent (i) interest expense in respect of loans from the Then Shareholders (as defined below) granted in March 2017; and (ii) finance costs recognised in relation to the lease liabilities regarding the rental contracts upon adoption of HKFRS 16.

On 30 March 2017, the Company entered into loan agreements with Dining Concepts (International) Limited, Indo Gold Limited, Minrish Limited and Mr. Jugdish Johnny Uttamchandani (collectively referred to as the **"Then Shareholders"**) to borrow an aggregate amount of HK$15 million for working capital purpose. The loans were unsecured, carry a fixed interest rate of 3% per annum and have a maturity term of three years. The loans were fully repaid in June 2019.

Loss attributable to owners of the Company

Loss attributable to owners of the Company for the three months ended 30 June 2019 was approximately HK$13.6 million, while the loss attributable to owners of the Company for the three months ended 30 June 2018 was approximately HK$1.6 million.

The increase in loss attributable to owners of the Company was mainly attributable to (i) the operating results of our restaurants were negatively impacted by unexpected political activities in Hong Kong. As affected by the unexpected anti-extradition bill protests happened in June 2019, revenue in June 2019 decreased substantially by more than 10%, when compared to the corresponding month in 2018, excluding the effects of restaurants which were newly established, relocated and closed or disposed of. Besides, the operating costs of our food and beverage business, mainly related to staff costs and other operating expenses, such as repair and maintenance, printing materials, cleaning and travelling expenses, increased by approximately HK$6.1 million and HK$2.6 million, respectively, mainly due to the additional operation costs for two new restaurants opened in August and September 2018, respectively, which are sizable restaurants and outweighed the decrease in operation costs resulting from close down of three loss-making restaurants. As a result, our revenue, led by the abovementioned political issues, was lower than our expectation and not sufficient to cover our additional operating costs, hence, operating loss was resulted from our food and beverage business notwithstanding our efforts on expanding our business in exciting locations and with larger scale; and (ii) an increase in operating expenses and related administrative expenses of approximately HK$2.5 million incurred for the preparation and launch of the new interior design and fitting-out business carried out in the PRC. The new business is expected to generate sizable revenue in the next quarter, however, no revenue was recognised during the reporting period as no service had been provided to the customers yet.

OUTLOOK

Despite the keen competition and challenging operating environment in food and beverage industry in Hong Kong, the Group has emerged as one of the well-known restaurant chains in Hong Kong. During the three months ended 30 June 2019, the Group continued to maintain its focus in serving a variety of cuisines at varying prices under different brands to a diversified customer base in Hong Kong. As at 30 June 2019, the Group is operating 27 restaurants, with 24 full-service restaurants and 3 bakery restaurants.

The Group's strategy in the future is to optimise its existing restaurant portfolios by upgrading existing restaurants and promoting the newly opened "casual style" restaurants and bars of popularity such as Le Pain Quotidien, Ophelia, Iron Fairies & J.Boroski, Dear Lilly and Dragonfly that have brought different dining experiences to the customers. The current restaurant portfolios could upkeep freshness to the customers and increase the cuisine diversification to broaden the Group's customer base. The Group will also develop its own brand to enlarge its share in the market of casual dining restaurants and bars by providing great environment for dining, variety of entertainment such as live band shows, international DJ's performance, broadcast major sporting events and host of costume parties.

The Group is also re-considering the operation strategy and we have relocated one of our renowned restaurants to the Peak. Our management is considering to upgrade our restaurant image and expand our operation in exciting locations in Hong Kong.

On the other hand, the Group will continue to control its operating costs by centralising the purchase bargain with its suppliers to leverage its extensive restaurant network for reduced costs and negotiating with the lessors for leases of longer terms and favourable conditions.

The lower-than-expected revenue during the three months ended 30 June 2019 was mainly due to unexpected political activities in Hong Kong. We believe that the impact of these political activities will not last long and the profitability of the restaurant business will be improved soon.

Growth is a constant topic on top of the mind of the Group's management. The Group plans to expand in terms of geography, the types of businesses and the depth of work where the Group has already been doing a lot today. With the change of the Group's name from "Dining Concepts Holdings Limited" to "Life Concepts Holdings Limited", the Group aims to expand from providing high-quality "dining" services to providing various high-quality services in different areas to improve "life" quality.

Based on the Group's past experience in restaurant high-quality interior design and furnishing, the Group launched a new business which provides interior design and fitting-out services carried out in the PRC.

During the three months ended 30 June 2019, 2 non-wholly-owned subsidiaries in the PRC were established to carry out our new interior design and fitting-out business. An experienced local management team was formed for this new business and the initial feedback from the market was very positive. Our new business featured with fashionable and customized one-stop solution aims to provide affordable luxury and environmental-friendly service to the PRC clients. We are also in the process of developing a high-efficient IT system for the whole interior design and fitting-out process to ensure a transparent and satisfying service delivery process. With all these features, we believe the interior design and fitting-out services we provide are very competitive, which differentiate with the other existing players on the market. A number of business service contacts were signed during the three months ended 30 June 2019, and a sizable revenue is expected to be generated in the near future. Living and dining in an elegant environment enabled by high-quality interior design and fitting-out services is an important part of life experience. With the rising demand of high-quality interior design and fitting-out services in the PRC, together with the competitive services we provide, the management of the Group is optimistic about the outlook of the new business launched in the PRC.

Another new business that the Group's management is the process of developing is logistics and financing of the logistics. This business is still in an early stage and we will report more on this when significant progresses are made. The management will continue to look into possible expansion of business in the PRC in order to develop a strong, growing and diversified business sector.

DISCLOSURE OF ADDITIONAL INFORMATION

CHANGE OF COMPANY NAME

An extraordinary general meeting of the Company was held on 17 June 2019 (the "**EGM**") to approve, amongst others, the change of the English name of the Company from "Dining Concepts Holdings Limited" to "Life Concepts Holdings Limited", and the dual foreign name in Chinese of the Company from "飲食概念控股有限公司" to "生活概念控股有限公司" (the "**Change of Company Name**") by the shareholders of the Company. Following the passing of the Change of Company Name at the EGM, the Certificate of Incorporation on Change of Name was issued by the Registrar of Companies in the Cayman Islands on 19 June 2019 while the Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company was issued by the Companies Registry in Hong Kong on 19 July 2019. With effect from 9:00 a.m. on 1 August 2019, the English stock short name for trading in the shares of the Company on the Stock Exchange has been changed from "DINING CONCEPTS" to "LIFE CONCEPTS" and the Chinese stock short name has been changed from "飲食概念" to "生活概念". The website of the Company has also been changed to "www.lifeconcepts.com".

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 30 June 2019, the interests and short positions of the Directors and the 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 as recorded in the register required to be kept 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 5.67 of the GEM Listing Rules, were as follows:

Long positions

(**a**) **Shares in the Company:**

Name of Director	Capacity/Nature of Interest	No. of shares and underlying shares	Approximate percentage of shareholding
Mr. James Fu Bin Lu ("**Mr. James Lu**")[Note]	Interest of spouse/Family interest	607,600,000(L)	74.99%

Note: These shares of the Company are held by Strong Day Holdings Limited ("**Strong Day**"). Strong Day is 25% owned by Ms. Li Qing Ni, the spouse of Mr. James Lu. By virtue of the SFO, Mr. James Lu is deemed to be interested in the shares of the Company held by Strong Day. Mr. James Lu is also a director of Strong Day.

(L) Long position

(**b**) **Shares in associated corporation of the Company:**

Name of Director	Name of associated corporation	Capacity/ Nature of interests	No. of shares and underlying shares	Percentage of shareholding
Mr. James Lu	Strong Day	Interest of spouse/ Family interest	299	29.90%

Save as disclosed above, as at 30 June 2019, 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 as recorded in the register required to be kept 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 5.67 of the GEM Listing Rules.

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

As at 30 June 2019, the interests and short positions of substantial shareholders and other persons (not being a Director or the chief executive of the Company) in the shares and underlying shares of the Company which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Long positions of the shares of the Company:

Name	Capacity/Nature of interest	No. of shares	Approximate percentage of shareholding
Strong Day Note	Beneficial owner/Personal interest	607,600,000(L)	74.99%
Excel Precise International Limited ("**Excel Precise**") Note	Person having a security interest in shares/Others	607,600,000(L)	74.99%
True Promise Investment Limited ("**True Promise**") Note	Interest in controlled corporation/ Corporate interest	607,600,000(L)	74.99%
Mr. Law Fei Shing ("**Mr. Law**") Note	Interest in controlled corporation/ Corporate interest	607,600,000(L)	74.99%

Note: These shares of the Company are held by Strong Day. Excel Precise is the lender of record which has direct interest on the shares of the Company pledged by Strong Day. Excel Precise is owned as to 73.50% by True Promise and 25% by Mr. Law. True Promise is wholly owned by Mr. Law. By virtue of the SFO, True Promise and Mr. Law are deemed to be interested in the shares of the Company pledged to Excel Precise.

(L) Long position

Save as disclosed above, as at 30 June 2019, so far as it was known by or otherwise notified to the Directors or the chief executive of the Company, no other corporations or persons (other than a Director or the chief executive of the Company) had interest or short positions in the shares and the underlying shares of the Company, which/who would notified to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company under section 336 of the SFO.

SHARE OPTION SCHEME

(a) Pre-IPO Share Option Scheme

The Company's Pre-IPO Share Option Scheme was adopted on 14 July 2016 and the principal terms of which were set out in the Prospectus. Upon the completion of mandatory unconditional cash offer as disclosed in the announcement dated 12 December 2018, the remaining 40,750,000 share options under the Pre-IPO Share Option Scheme were cancelled.

During the three months ended 30 June 2019, no share options were granted, exercised or cancelled or lapsed under the Pre-IPO Share Option Scheme.

(b) Post-IPO Share Option Scheme

The Post-IPO Share Option Scheme was approved by the shareholders of the Company on 14 July 2016 for attracting and retaining the best available personnel of our Group, and providing incentives or rewards to eligible persons of the Group for their contribution to the success of the Group's business.

During the three months ended 30 June 2019, no share options were granted, exercised or cancelled or lapsed under the Post-IPO Share Option Scheme.

PURCHASE, SALE OR REDEMPTION OF SHARES OF THE COMPANY

The Company did not redeem any of the shares of the Company listed on GEM nor did the Company or any of its subsidiaries purchase or sell any such shares of the Company during the three months ended 30 June 2019.

DIRECTORS' INTERESTS IN CONTRACTS

During the three months ended 30 June 2019, no director of the Company had a significant beneficial interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or its holding company or any of its subsidiaries or fellow subsidiaries was a party.

DIRECTORS' INTEREST IN COMPETING INTERESTS

During the three months ended 30 June 2019, none of the directors or substantial shareholders of the Company or any of their respective close associates (as defined in the GEM Listing Rules) has engaged in any business that competed or might compete with the business of the Group, or have any other conflict of interests with the Group.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

To the best knowledge of the Directors, the Directors consider that up to the date of this report, the Company has complied with all 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.

(a) 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 2019, the Company has not separated the roles of chairman and chief executive officer of the Company. Mr. James Lu is our chairman and chief executive officer of the Company. The Board believes that vesting the roles of both the chairman and the chief executive officer in the same person provides the Company with strong and consistent leadership, and allows for effective and efficient planning and implementation of business decisions and strategies. The Board shall nevertheless review the structure from time to time to ensure appropriate move is being taken should suitable circumstances arise.

(b) Code provision A.4.1 of the Corporate Governance Code stipulates that non-executive directors should be appointed for a specific term, subject to re-election.

There was no service contract/letter of appointment entered into between the non-executive Director/independent non-executive Director and the Company, however their appointments are subject to retirement by rotation and re-election pursuant to the articles of association of the Company. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those provided in the Corporate Governance Code.

INTERESTS OF THE COMPLIANCE ADVISER

China Tonghai Capital Limited (previously known as Oceanwide Capital Limited, the "**Then Compliance Adviser**") ceased to act as the Company's compliance adviser with effect from 28 June 2019, being the day after the dispatch date of the annual report for the second full financial year commencing after the listing of Shares on the GEM on 5 August 2016. As confirmed by the Then Compliance Adviser, save for the compliance adviser agreement entered into between the Company and the Then Compliance Adviser dated 22 September 2015, none of the Then Compliance Adviser or its directors, employees or close associates (as defined in the GEM Listing Rules) had any interest in relation to the Company or any member of the Group (including interest in the securities of the Company or any member of the Group, and options or rights to subscribe for such securities) during the period from 1 April 2019 to 27 June 2019, 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 Board has established an 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. Shi Kangping (chairman of the Audit Committee), Mr. Fei Dingan and Mr. Lu Cheng, all of whom are independent non-executive Directors.

The unaudited first quarterly results of the Group for the three months ended 30 June 2019 and this report of the Company have been reviewed by the Audit Committee, which was of the opinion that the preparation of such results and report complied with the applicable accounting standards, the Stock Exchange and legal requirements and that adequate disclosures have been made.

DIVIDEND

The Board has resolved not to declare any dividend to shareholders of the Company for the three months ended 30 June 2019.

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 2019.

By order of the Board
Life Concepts Holdings Limited
James Fu Bin Lu
Chairman, Chief executive officer and executive Director

Hong Kong, 13 August 2019

As at the date of this report, the executive Directors are Mr. James Fu Bin Lu, Mr. Sandeep Sekhri, and Mr. Long Hai; the non-executive Director is Mr. Li Lun; and the independent non-executive Directors are Mr. Lu Cheng, Mr. Fei Dingan, and Mr. Shi Kangping.