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Xiabuxiabu Catering Management (China) Holdings Co., Ltd.

呷哺呷哺餐飲管理(中國)控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 520

INTERIM REPORT 2015

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Ho Kuang-Chi *(Chairman)*
Ms. Yang Shuling

Non-executive Directors

Ms. Chen Su-Yin
Mr. Wei Ke

Independent Non-executive Directors

Ms. Hsieh Lily Hui-yun
Mr. Hon Ping Cho Terence
Ms. Cheung Sze Man

AUDIT COMMITTEE

Ms. Hsieh Lily Hui-yun *(Chairman)*
Mr. Wei Ke
Mr. Hon Ping Cho Terence

NOMINATION COMMITTEE

Mr. Ho Kuang-Chi *(Chairman)*
Ms. Hsieh Lily Hui-yun
Ms. Cheung Sze Man

REMUNERATION COMMITTEE

Mr. Hon Ping Cho Terence *(Chairman)*
Mr. Ho Kuang-Chi
Ms. Cheung Sze Man

COMPANY SECRETARY

Ms. Ng Sau Mei

AUTHORIZED REPRESENTATIVES

Mr. Ho Kuang-Chi
Ms. Ng Sau Mei

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
35/F, One Pacific Place
88 Queensway
Hong Kong

COMPLIANCE ADVISOR

Anglo Chinese Corporate Finance Limited
40th Floor
Two Exchange Square
8 Connaught Place
Central
Hong Kong

COMPANY'S WEBSITE

www.xiabu.com

STOCK CODE

520

CORPORATE INFORMATION

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Suncun Industrial Development Zone
Huangcun Town
Daxing District
Beijing
PRC

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT

Codan Trust Company (Cayman) Limited
2901 One Exchange Square
Connaught Place
Central
Hong Kong

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

REGISTERED OFFICE IN CAYMAN ISLANDS

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Grand Cayman
KY1-1111
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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OfficePlus @Wan Chai
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Wanchai
Hong Kong

PRINCIPAL BANK

Shanghai Pudong Development Bank

BUSINESS REVIEW AND OUTLOOK

OVERVIEW

In the first half of 2015, Xiabuxiabu Catering Management (China) Holdings Co., Ltd. (the "**Company**") and its subsidiaries (the "**Group**") opened a total of 39 restaurants. The Group extended its restaurant network into Heilongjiang and Hubei provinces in the first half of 2015. As of 30 June 2015, the Group owned and operated 499 restaurants in 31 cities over eight provinces and in three centrally administered municipalities, namely Beijing, Tianjin and Shanghai, in China.

In response to the slowdown in economic growth in China, the Group undertook a number of branding and marketing initiatives to drive customer traffic and increase customer loyalty, including:

- "520 Fresh Love" branding initiative: a promotional event rolled out via WeChat platform by the Group to attract additional customer traffic and increase subscribers to its WeChat account.

- "Summer Time" initiatives: the Group extended the operating hours in selected restaurants to drive customer traffic and restaurant sales. In particular, sales grew by approximately 3% to 5% in the Group's 60 restaurants in Beijing where operating hours were extended since April 2015.

- Collaboration with external partners: the Group collaborated with partners such as China Construction Bank, China Merchants Bank, Bank of Communications, dianping.com and meituan.com to drive customer loyalty.

- Digital marketing initiatives: the Group rolled out a number of promotional events via various online and mobile channels, including its WeChat account, to drive customer traffic and increase customer loyalty. In particular, the Group's digital marketing efforts won the 2015 Chained Business Best Multi-channel Marketing Award by China Chain Store and Franchising Association for successful exploration of "fans economies" and drawing offline customer traffic through online marketing initiatives. As of 30 June 2015, the Group's official WeChat account had 2.06 million of followers, and the Group's followers ranked first in terms of level of activity.

Despite the overall economic instability in China, the Group still managed to grow its revenue by 10.0% from RMB1,018.7 million for the six months ended 30 June 2014 to RMB1,120.7 million for the six months ended 30 June 2015 (the "**Reporting Period**"), primarily due to our effort to expand our restaurant network. Meanwhile, the Group's restaurant level operating profit decreased by 6.5% from RMB220.0 million in the first half of 2014 to RMB205.9 million for the same period of 2015. As of 30 June 2015, the Group's net current assets increased to RMB977.1 million from RMB887.1 million as of 31 December 2014.

BUSINESS REVIEW AND OUTLOOK

INDUSTRY REVIEW

In the first half of 2015, China's catering service market was slowly recovering despite the slowdown in China's economic growth. In June 2015, revenue of China's catering service market amounted to RMB261.6 billion, which was 11.6% higher than the same period in 2014. On the other hand, the relatively promising industry outlook and lower entry barrier have attracted more industry players, which in turn resulted in fiercer competition.

OVERALL BUSINESS AND FINANCIAL PERFORMANCE

The Group's restaurant network

In the first half of 2015, the Group opened a total of 39 restaurants. The Group also commenced the operation of 13 restaurants which previously did not possess the relevant fire safety certificates and which were suspended shortly before the date of listing of the Company (the "**Listing Date**") on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). In addition, the Group's closed a total of five restaurants in the first half of 2015 due to commercial reason. In aggregate, the Group's restaurants in operation increased by 47 in the first half of 2015. The table below sets forth the breakdown of the Group's system-wide restaurants by region as of the dates indicated:

	As of 30 June 2015		As of 31 December 2014	
	#	**%**	#	%
Beijing	**261**	**52.3**	246	54.4
Shanghai	**61**	**12.2**	58	12.8
Tianjin	**43**	**8.6**	42	9.3
Other regions(1)	**134**	**26.9**	106	23.5
Total	**499**	**100.0**	452	100.0

(1) Including 31 cities in Hebei, Liaoning, Jiangsu, Shandong, Shanxi, Henan, Hubei and Heilongjiang Provinces.

BUSINESS REVIEW AND OUTLOOK

Key operational information for the Group's restaurants

Set forth below are certain key performance indicators of the Group's system-wide restaurants by region:

	As of or for the six months ended 30 June	
	2015	2014
Revenue (in RMB thousands)		
Beijing	**737,177**	720,233
Shanghai	**98,019**	99,131
Tianjin	**84,338**	69,884
Other regions(1)	**201,177**	129,450
Total	**1,120,711**	1,018,698
Seat turnover rate (X)(2)		
Beijing	**3.9**	4.2
Shanghai	**2.2**	2.5
Tianjin	**2.9**	3.2
Other regions(1)	**2.7**	2.9
Total	**3.3**	3.7
Average spending per customer (RMB)(3)		
Beijing	**45.6**	43.9
Shanghai	**47.6**	47.1
Tianjin	**44.7**	43.2
Other regions(1)	**44.2**	42.7
Total	**45.4**	44.0

(1) Including 31 cities in Hebei, Liaoning, Jiangsu, Shandong, Shanxi, Henan, Hubei and Heilongjiang Provinces.

(2) Calculated by dividing total customer traffic by total restaurant operation days and average seat count during the period.

(3) Calculated by dividing revenue for the period by total customer traffic for the period.

In the first half of 2015, Beijing continued to be the Group's most important geographical market both in terms of restaurant count and revenue contribution. However, as the Group successfully expanded into additional markets, the Group's revenue generated from restaurants in Beijing decreased as a percentage of the Group's total revenue for the six months ended 30 June 2015. Meanwhile, in the first half of 2015, average customer spending continued to increase, primarily due to (i) a general increase in food ingredient prices in China; and (ii) the Group's effort to optimize its product combinations.

BUSINESS REVIEW AND OUTLOOK

The table below sets forth the Group's same-store sales for the periods indicated. The Group's same-store base is defined as those restaurants that were in operation throughout the periods under comparison.

	For the six months ended 30 June		For the six months ended 30 June	
	2014	**2015**	2013	2014
Number of same-store (#)				
Beijing	**233**		215	
Shanghai	**55**		49	
Tianjin	**32**		27	
Other regions[1]	**67**		37	
Total	**387**		328	
Same-store sales (in RMB millions)				
Beijing	**681.1**	**663.6**	642.9	636.0
Shanghai	**98.4**	**90.6**	83.4	85.5
Tianjin	**63.6**	**65.0**	52.3	55.9
Other regions[1]	**119.5**	**111.3**	56.0	59.5
Total	**962.6**	**930.5**	834.6	836.9
Same-store sales growth (%)				
Beijing	**(2.6)**		(1.1)	
Shanghai	**(7.9)**		2.6	
Tianjin	**2.2**		6.8	
Other regions[1]	**(6.9)**		6.3	
Nationwide	**(3.3)**		0.3	

(1) Including 31 cities in Hebei, Liaoning, Jiangsu, Shandong, Shanxi, Henan, Hubei and Heilongjiang Provinces.

In the first half of 2015, the Group's nationwide same-store sales decreased by 3.3%, primarily due to a slowdown in China's economic growth, which in turn resulted in a more cautious discretionary spending by consumers on dine-out.

OUTLOOK

Business Outlook

During the second half of 2015, the Group will continue its efforts to achieve its goal of becoming the leading operator of fast casual restaurant industry and maintaining its leading position as a hotpot restaurant chain operator in China. The Group intends to continue to pursue the following:

- *Expansion of restaurant network* – The Group will follow its five-year strategic plan to steadily expand the Group's business. To cope with the overall economic condition in China, the Group plans to adopt a nimble expansion strategy. In particular, the Group plans to further leverage its strong recognition in its home market Beijing and penetrate into the adjacent markets in Northern China. On the other hand, the Group plans to carefully select its restaurant location and combine its upgraded brand to strengthen its presence and recognition in Shanghai.

- *Business model innovation* – The Group will continue to explore its takeout and delivery services. The Group has commenced collaboration with a number of leading online and mobile meal ordering and delivery platforms, and plans to have 17 restaurants to participate in the takeout and delivery services by the end of 2015. The Group also plans to utilize its newly established customer relationship management system for targeted marketing efforts, and further its exploration on its highly profitable Xiabu-Kiosk model in the second half of 2015. In particular, the Group plans to increase the number of its Xiabu-Kiosk from six as of 30 June 2015 to 16 at the end of 2015. Furthermore, the Group plans to fully utilize business hours beyond rush hours during lunch and dinner time to improve its operating results, by offering breakfast in selected restaurants that are not restricted by operating hours of shopping malls. The Group also expects to receive subsidies from the government as part of the government's breakfast promotion initiative.

- *Promote brand image and recognition* – The Group will upgrade its brand image and undertake a series of online and offline marketing initiatives to help enhance the Group's brand recognition. In particular, the Group has devised brand-upgrade initiatives to target at the Shanghai market.

- *Maintain stringent food safety and quality standard* – The Group will further its commitment to food safety and quality, including the following aspects: (i) implement stringent food safety and quality control standards and measures throughout different aspects of the Group's operations, including supply chain, logistics, food processing plants and restaurants; (ii) continue the Group's centralized procurement system; (iii) cooperate exclusively with reputable and high-quality suppliers; (iv) eliminate intermediaries in the supply chain through direct delivery to restaurant from suppliers or the Group's logistics centers; and (v) continuous self-evaluation and enhancement on the Group's food safety and quality control standards and measures.

- *Leverage technologies to enhance dining experience and operational efficiency* – The Group will enhance the digital experience at its restaurants, including the offering of free Wi-Fi connection and the acceptance of various online and mobile payment methods. The Group is also in the process of further utilizing its first-in-industry enterprise resource planning system and upgrading its business intelligence system to support its expansion and enhance its operational efficiency.

BUSINESS REVIEW AND OUTLOOK

- *Strengthen organization and human resources management* – The Group will continue its effort in recruiting and training qualified personnel to support the Group's future expansion. The Group plans to further its successful campus-recruiting program to recruit managerial talents. Meanwhile, the Group plans to continue to offer comprehensive training programs for the management and operational team to further improve their capability. Furthermore, the Group plans to strengthen its internal career-advancing program to ensure a strong reserve of talent. Lastly, the Group plans to roll out "Xiabu University" program to centralize and strengthen our comprehensive training programs for various levels of employees.

Industry Outlook

The Group believes that the growing per capita disposable income and urbanization rate, changing consumer lifestyle and quicker living tempo as well as favorable government policies will continue to support the development of China's catering service market. In particular, the Group expects China's catering service industry to experience the following trends:

- *Industry upgrade and consolidation supported by the government* – The Group believes that the growth and development of catering service industry remain a focus of the Chinese government. In particular, the elimination of under-qualified market participants and promotion of restaurant chains for mass market are expected to be prioritized.

- *Future growth driven by consumption* – As China's economy pivots from an investment-led model to a more consumption-focused one, the Group expects China's catering service market, particularly the Quick Service Restaurants segment that focusing on the mass market, will continue to experience strong growth.

- *Challenges* – China's catering service industry continues to face challenges including intensified competition among industry participants, rising food ingredients price and increasing cost for labor and rent in first-tier cities.

The Group expects to further its long-standing dedication in China's catering service market and leverages on its dining concept and value proposition, brand recognition scalable and standardized business model and commitment to the safety and quality ingredients to ride the wave of industry growth and cope with industry challenges. In particular, the Group believes its dedication on high-quality healthy cuisine, food safety and mass-market oriented position combine with its strong brand recognition will position the Group well in capitalizing the government-led development trend of healthy mass-market dining with highest food safety standard.

MANAGEMENT DISCUSSION AND ANALYSIS

The following table is a summary of the Group's consolidated statement of profit or loss and other comprehensive income with line items in absolute amounts and as percentages of the Group's total revenue for the periods indicated, together with the change (expressed in percentages) from the six months ended 30 June 2014 to the six months ended 30 June 2015:

(In thousands, except for percentages and per share data)

	Six months ended 30 June				Year-on-Year Change
	2015		2014		
	RMB	**%**	RMB	%	%
Consolidated Statement of Profit or Loss and Other Comprehensive Income					
Revenue	**1,120,711**	**100.0**	1,018,698	100.0	10.0
Other income	**13,578**	**1.2**	2,811	0.3	383.0
Raw materials and consumables used	**(443,250)**	**(39.6)**	(395,636)	(38.8)	12.0
Staff cost	**(258,646)**	**(23.1)**	(232,766)	(22.8)	11.1
Property rentals and related expenses	**(157,361)**	**(14.0)**	(134,453)	(13.2)	17.0
Utilities expenses	**(45,870)**	**(4.1)**	(41,196)	(4.0)	11.3
Depreciation and amortization	**(44,363)**	**(4.0)**	(38,429)	(3.8)	15.4
Other expenses	**(46,751)**	**(4.2)**	(75,466)	(7.4)	(38.1)
Other gains and losses	**9,884**	**0.9**	4,651	0.5	112.5
Profit before tax	**147,932**	**13.2**	108,214	10.6	36.7
Income tax	**(30,383)**	**(2.7)**	(25,849)	(2.5)	17.5
Profit for the period	**117,549**	**10.5**	82,365	8.1	42.7
Earnings per share					
Basic (RMB cents per share)	**11.06**		9.96		
Diluted (RMB cents per share)	**10.99**		9.96		

Revenue

The Group's revenue increased by 10.0% from RMB1,018.7 million for the six months ended 30 June 2014 to RMB1,120.7 million for the same period of 2015, primarily due to the increase in the number of the Group's restaurants from 421 as of 30 June 2014 to 499 as of 30 June 2015. The Group opened 39 new restaurants throughout China in the first half of 2015 to capture the growth in the fast casual restaurant market. Such increase was partially offset by a decrease in same-store comparable sales of 3.3% from the first half of 2014 to the first half of 2015 as a result of a slowdown of economic growth in China.

MANAGEMENT DISCUSSION AND ANALYSIS

Other income

The Group's other income increased significantly from RMB2.8 million for the six months ended 30 June 2014 to RMB13.6 million for the same period of 2015, primarily due to a significant increase in our interest income on the Group's bank deposit, which in turn was due to the proceeds the Group received from the Group's initial public offering (the "**Global Offering**") in the Group's bank account.

Raw materials and consumables used

The Group's raw materials and consumables costs increased by 12.0% from RMB395.6 million for the six months ended 30 June 2014 to RMB443.3 million for the same period of 2015 as the scale of the Group's operations further increased, which included the number of the restaurants in the Group's network and the Group's system-wide sales. As a percentage of the Group's revenue, the Group's raw materials and consumables costs increased from 38.8% in the first half of 2014 to 39.6% in the first half of 2015, primarily due to (i) more discount given to our customers to drive traffic in response to the general economic condition; and (ii) slight increase in procurement price of the meat and vegetable we used.

Staff cost

The Group's staff cost increased by 11.1% from RMB232.8 million for the six months ended 30 June 2014 to RMB258.6 million for the same period of 2015, primarily due to an increase in the number of the Group's employees from 11,150 as of 30 June 2014 to 12,321 as of 30 June 2015. As a percentage of the Group's revenue, the Group's staff cost increased from 22.8% in the first half of 2014 to 23.1% in the first half of 2015, primarily as a result of an increase in per capita wages, which in turn was the result of an increase in the minimum hourly wage in China.

Property rentals and related expenses

The Group's property rentals and related expenses increased by 17.0% from RMB134.5 million for the six months ended 30 June 2014 to RMB157.4 million for the same period of 2015, primarily as a result of an increase in the number of the Group's restaurants. As the majority of the Group's leases are subject to fixed rent arrangement, the increase in the Group's property rentals and related expenses outpaced the increase in the Group's revenue, and the Group's property rentals and related expenses increased from 13.2% in the first half of 2014 to 14.0% in the first half of 2015 as a percentage of the Group's revenue.

Utilities expenses

The Group's utilities expenses increased by 11.3% from RMB41.2 million for the six months ended 30 June 2014 to RMB45.9 million for the same period of 2015 as the scale of the Group's operation in terms of number of restaurants continued to increase. As a percentage of the Group's revenue, utilities expenses remained relatively stable at 4.1% in the first half of 2015 as compared with 4.0% in the corresponding period in 2014.

Depreciation and amortization

The Group's depreciation and amortization increased by 15.4% from RMB38.4 million for the six months ended 30 June 2014 to RMB44.4 million for the same period of 2015, primarily as a result of an increase in the Group's property, plant and equipment as the Group continued to open new restaurants. As a percentage of the Group's revenue, depreciation and amortization remained relatively stable at 4.0% in the first half of 2015 as compared with 3.8% in the corresponding period in 2014.

Other expenses

The Group's other expenses decreased by 38.1% from RMB75.5 million for the six months ended 30 June 2014 to RMB46.8 million for the same period of 2015. As a percentage of the Group's revenue, the Group's other expenses decreased from 7.4% in the first half of 2014 to 4.2% in the first half of 2015. The decreases in both absolute amount of the Group's other expenses and as a percentage of the Group's revenue were primarily due to the expenses of RMB18.8 million the Group incurred in connection with the Global Offering in the first half of 2014. By comparison, the Group did not incur any expense in this respect in the first half of 2015. Such decrease was partially offset by the expenses incurred in connection with the pre-IPO share incentive plan adopted by the Company on 28 August 2009 (the "**Pre-IPO Share Incentive Plan**") of RMB3.5 million in the first half of 2015.

Other gains and losses

The Group's other gains increased by 112.5% from RMB4.7 million for the six months ended 30 June 2014 to RMB9.9 million for the same period of 2015, primarily as a result of fair value change of short-term investments of RMB4.4 million and a reversal of loss on rental deposit the Group recorded. As a percentage of the Group's revenue, other gains increased from 0.5% in the first half of 2014 to 0.9% in the first half of 2015.

Profit before tax

As a result of the foregoing, the Group's profit before tax increased by 36.7% from RMB108.2 million for the six months ended 30 June 2014 to RMB147.9 million for the same period of 2015, and as a percentage of the Group's revenue, the Group's profit before tax increased from 10.6% in the first half of 2014 to 13.2% in the first half of 2015.

Without taking into account the expenses in connection with the Pre-IPO Share Incentive Plan of nil and the Global Offering of RMB18.8 million incurred in the first half 2014, as compared to RMB3.5 million and nil respectively incurred by the Group in the first half of 2015, the Group's profit before tax would have increased by 19.2% from RMB127.0 million in the first half of 2014 to RMB151.4 million in the first half of 2015.

Income tax expense

The Group's income tax expense increased by 17.5% from RMB25.8 million for the six months ended 30 June 2014 to RMB30.4 million for the same period of 2015, primarily as a result of the increase in the Group's taxable income. The Group's effective tax rate, calculated by dividing the Group's income tax expense by the Group's profit before tax, decreased from 23.9% in the first half of 2014 to 20.5% for the same period of 2015, primarily due to the listing expenses of RMB18.8 million we incurred for the six months ended 30 June 2014 that cannot be deducted against our taxable income in China.

Profit for the period

As a result of the cumulative effect of the above factors, the Group's profit for the Reporting Period increased by 42.7% from RMB82.4 million for the six months ended 30 June 2014 to RMB117.5 million for the same period of 2015, and as a percentage of the Group's revenue, the Group's profit for the Reporting Period increased from 8.1% in the first half of 2014 to 10.5% for the same period of 2015.

Without taking into account the expenses in connection with the Pre-IPO Share Incentive Plan of nil and the Global Offering of RMB18.8 million incurred in the first half 2014, as compared to RMB3.5 million and nil respectively incurred by the Group in the first half of 2015, the Group's profit for the Reporting Period would have increased by 19.6% from RMB101.2 million for the six months ended 30 June 2014 to RMB121.0 million for the same period of 2015, and increased from 9.9% in the first half of 2014 to 10.8% in the first half of 2015 as a percentage of the Group's revenue. For further details, please refer to the section headed "Non-IFRS Measure – (b) Adjusted net profit" below.

MANAGEMENT DISCUSSION AND ANALYSIS

Non-IFRS Measure

(a) Restaurant level operating profit

To supplement the Group's consolidated financial statements which are presented in accordance with IFRS, the Group also uses restaurant level operating profit as an additional financial measure to evaluate the Group's financial performance at the restaurant level. Restaurant level operating profit is calculated by deducting raw materials and consumables cost and restaurant level staff costs, restaurant level rental and property related expenses, restaurant level depreciation and amortization and other restaurant level expenses from the Group's revenue.

The table below sets forth the Group's revenue breakdown by geographical regions, each presented as a percentage of the Group's total revenue for the periods indicated, as well as the geographical breakdown of the Group's restaurant level operating profit, each presented as a percentage of the Group's regional revenue for the periods indicated:

(In thousands, except for percentages)

	Six months ended 30 June			
	2015		2014	
	RMB	**%**	RMB	%
Revenue:				
Beijing	**737,177**	**65.8**	720,233	70.7
Shanghai	**98,019**	**8.7**	99,131	9.7
Tianjin	**84,338**	**7.5**	69,884	6.9
Other regions[1]	**201,177**	**18.0**	129,450	12.7
Total	**1,120,711**	**100.0**	1,018,698	100.0

(In thousands, except for percentages)

	Six months ended 30 June			
	2015		2014	
	RMB	**%**	RMB	%
Restaurant Level Operating Profit and Margin Performance[2]:				
Beijing	**162,353**	**22.0**	176,895	24.6
Shanghai	**2,750**	**2.8**	8,954	9.0
Tianjin	**15,603**	**18.5**	13,104	18.8
Other regions[1]	**25,160**	**18.5**	21,095	16.3
Total	**205,866**	**18.4**	220,048	21.6

(1) Including 31 cities in Hebei, Liaoning, Jiangsu, Shandong, Shanxi, Henan, Hubei and Heilongjiang Provinces.

(2) Restaurant level operating profit is an unaudited non-GAAP item. The Group has presented this non-GAAP item because the Group considers it as an important supplemental measure of the Group's operating performance and believes it is frequently used by analysts, investors and other interested parties in the evaluation of companies in the industry the Group operates in. The Group's management uses such non-GAAP item as an additional measurement tool for purposes of business decision-making. Other companies in the industry the Group operates in may calculate this non-GAAP item differently than the Group does. This non-GAAP item is not a measure of operating performance or liquidity under IFRS and should not be considered as a substitute for, or superior to, profit before tax or cash flow from operating activities in accordance with IFRS. This non-GAAP item has limitation as an analytical tool, and should not be considered in isolation or as a substitute for analysis of the Group's results as reported under IFRS. The Group's presentation of this non-GAAP item should not be construed as an inference that the Group's future results will be unaffected by unusual or non-recurring items.

In the first half of 2015, Beijing continued to be the Group's most important geographical market both in terms of restaurant count and revenue contribution. However, as the Group successfully expanded into additional markets, the Group's revenue generated from restaurants in Beijing decreased as a percentage of the Group's total revenue from 70.7% in the first half of 2014 to 65.8% in the first half of 2015.

As a percentage of the Group's revenue, the Group's restaurant level operating profit decreased from 21.6% in the first half of 2014 to 18.4% in the first half of 2015. This is primarily due to (i) an increase in staff cost resulted from an increase in statutory minimum hourly wage in China; (ii) the fixed rent arrangement for the majority of the Group's leases, which made the increase in the Group's property rentals and related expenses outpaced the increase in the Group's revenue due to a decrease in the Group's same-store comparable sales; (iii) a larger portion of newly opened restaurants in the first half of 2015, which were subject to higher rent under newly executed leases; and (iv) more discount offered to our customers in the first half of 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

(b) Adjusted net profit

To supplement the Group's consolidated financial statements which are presented in accordance with IFRS, the Group also uses adjusted net profit as an additional financial measure to evaluate the Group's financial performance without taking into account certain unusual and non-recurring items. Adjusted net profit is calculated by deducting expenses related to equity-settled share-based payments from the Group's staff costs and expenses related to the listing from the Group's other expenses. The table below sets forth the reconciliation of profit for the period to adjusted net profit:

	(In RMB thousands) Six months ended 30 June	
	2015	2014
Profit for the period	**117,549**	82,365
Share-based compensation	**3,480**	–
Listing expenses	**–**	18,794
Adjusted net profit	**121,029**	101,159

(1) Adjusted net profit is an unaudited non-GAAP item. The Group uses such unaudited non-IFRS adjusted net profit as an additional financial measure to supplement the consolidated financial statements which are presented in accordance with IFRS and to evaluate the financial performance of the Group by eliminating the impact of certain unusual and non-recurring items that the Group does not consider indicative of the performance of the business of the Group. Other companies in the industry the Group operates in may calculate this non-GAAP item differently than the Group does. This non-GAAP item is not a measure of operating performance or liquidity under IFRS and should not be considered as a substitute for, or superior to, profit before tax or cash flow from operating activities in accordance with IFRS. This non-GAAP item has limitation as an analytical tool, and should not be considered in isolation or as a substitute for analysis of the Group's results as reported under IFRS. The Group's presentation of this non-GAAP item should not be construed as an inference that the Group's future results will be unaffected by unusual or non-recurring items.

LIQUIDITY AND CAPITAL RESOURCES

For the six months ended 30 June 2015, the Group financed its operations primarily through cash from the Group's operations. The Group intends to finance its expansion and business operations by internal resources and through organic and sustainable growth, as well as the net proceeds received from the Global Offering.

Cash and cash equivalents

As of 30 June 2015, the Group had cash and cash equivalents of RMB945.4 million (31 December 2014: RMB1,122.8 million), which primarily consisted of cash on hand and demand deposits and which were mainly denominated in Hong Kong dollars (as to 55.6%), Renminbi (as to 43.1%) and U.S. dollars (as to 1.3%).

In view of the Group's currency mix, the Group currently does not use any derivative contracts to hedge against the Group's exposure to currency risk. The Group's management manages the currency risk by closely monitoring the movement of the foreign currency rates and considering hedging significant foreign currency exposure should such need arise.

Net proceeds from the Global Offering (including the partial exercise of the over-allotment option on 9 January 2015), after deducting the underwriting commission and other expenses in connection with the Global Offering which the Company received amounted to an aggregate of approximately HK$1,043.5 million, comprising HK$1,001.5 million raised from the Global Offering and HK$42.0 million raised from the issue of shares pursuant to the partial exercise of the over-allotment option. Up to 30 June 2015, the net proceeds from the Global Offering had not yet been utilized and all of the net proceeds had been deposited into short-term demand deposits in the bank account maintained by the Group. In the rest of 2015 and in the upcoming years, the Group will start utilizing the net proceeds from the Global Offering and for purposes consistent with those set out in the section headed "Future Plans and Use of Proceeds" in the prospectus of the Company dated 5 December 2014 (the "**Prospectus**").

Short-term investments

As of 30 June 2015, we had short-term investments amounted to RMB250.0 million in aggregate (31 December 2014: nil). The short-term investments held during the Reporting Period represent investments in certain non-principal or return guaranteed financial products denominated in Renminbi offered by a commercial bank in China and had a term ranges from 28 days to 63 days. These financial products have all matured in July and August 2015. In July and August 2015, the Group received the principals of RMB250.0 million with the return of approximately RMB1.3 million and the return rates are approximately 4.80% to 5.30% per annum. No new financial products have been purchased by the Group after 30 June 2015 and up to the date of this report.

The short-term investments were made for treasury management purpose and were made in line with our cash management and investment policy, after taking into account, among others, the level of risk, return on investment, liquidity and the term to maturity. Generally, the Company had in the past selected standard short-term financial products that were principal guaranteed and/or which had relatively low associated risk. Prior to making an investment, the Company had also ensured that there remains sufficient working capital for the Group's business needs, operating activities and capital expenditures even after making the investments in such financial products. Based on the investment contracts of these financial products, the underlying investments are primarily corporate and government bonds with AA rating if a rating has been obtained, deposits and other money market funds, and therefore were considered to have relatively low risk and which are also in line with our internal risk management, cash management and investment policies. In addition, the financial products were with a high liquidity and a relatively short term of maturity, and which were considered to akin to placing deposits with banks whilst enabling the Group to earn an attractive rate of return.

Indebtedness

As of 30 June 2015, the Group did not have any outstanding indebtedness or any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or similar indebtedness, liabilities under acceptances (other than normal trade bills), acceptance credits, debentures, mortgages, charges, finance leases or hire purchase commitments, guarantees or other contingent liabilities or any covenant in connection thereof.

MANAGEMENT DISCUSSION AND ANALYSIS

Capital expenditures

The Group made payment for the capital expenditures representing the purchase of property, plant and equipment of RMB45.2 million for the six months ended 30 June 2015 in connection with new restaurant opening. For the six months ended 30 June 2014, the Group made capital expenditure of RMB52.0 million. The Group's capital expenditure in the first half of 2015 was funded primarily by cash generated from its operating activities. In particular, after considering the Group's restaurant opening plan, the Group funded the opening of 39 restaurants that the Group planned to fund with the net proceeds from the Global Offering with its existing cash instead. In the first half of 2015, the Group opened a total of 39 new restaurants. As of 30 June 2015, the Company did not have any charge over its assets.

Contingent liabilities and guarantees

As of 30 June 2015, the Group did not have any significant unrecorded contingent liabilities, guarantees or any litigation against us.

Material acquisitions and future plans for major investment

During the six months ended 30 June 2015, the Group did not conduct any material investments, acquisitions or disposals. In addition, save for the expansion plans as disclosed in the sections headed "Business" and "Future Plans and Use of Proceeds" in the Prospectus, the Group has no specific plan for major investment or acquisition for major capital assets or other businesses. However, the Group will continue to identify new opportunities for business development.

EMPLOYEE AND STAFF COST

As of 30 June 2015, the Group had a total of 12,321 employees, in which 133 employees worked at the Group's food processing facilities, 1,125 were restaurant management staff and 10,370 were restaurant operation and service staff.

The Group offers competitive wages and other benefits to the Group's restaurant employees to manage employee attrition. The Group also offers discretionary performance bonus as further incentive to the Group's restaurant staff if a specific restaurant target is achieved. The Group's staff costs include all salaries and benefits payable to all the Group's employees and staff, including the Group's executive directors, headquarters staff and food processing facilities staff.

For the six months ended 30 June 2015, the total staff cost of the Group (including salaries, bonuses, social insurances, provident funds and share incentive schemes) amounted to RMB258.6 million, representing approximately 23.1% of the total revenue of the Group.

Pursuant to the Pre-IPO Share Incentive Plan, options to subscribe for an aggregate of 32,978,633 shares (representing approximately 3.10% of the total issued share capital of the Company as at the date of this report) granted by the Company under the Pre-IPO Share Incentive Plan remained outstanding as of 30 June 2015. The Company has also adopted a restricted share unit scheme (the "**RSU Scheme**") on 28 November 2014 which became effective upon the Listing Date. As of 30 June 2015, no restricted share unit has been granted or agreed to be granted under the RSU Scheme.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As of 30 June 2015, the interests and short positions of the directors of the Company (the "**Directors**") or 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 Securities and Futures Ordinance (the "**SFO**")) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or as notified to the Company and The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**") were as follows:

(a) Interests of Directors and Chief Executive of the Company

Name of Director/ Chief Executive	Capacity/Nature of interest	Number of underlying shares(1)	Approximate percentage of shareholding(5)
Mr. Ho Kuang-Chi(2)	Founder of a discretionary trust	450,000,000	42.30%
Ms. Yang Shuling(3)	Beneficial owner	12,997,767	1.22%
Ms. Chen Su-Yin(2)(4)	Interest of spouse	450,000,000	42.30%

Notes:

(1) All interests stated are long positions.

(2) The Ying Qi Trust, a discretionary trust established by Mr. Ho Kuang-Chi (as the settlor) for the benefit of Mr. Ho Kuang-Chi and with Ying Qi PTC Limited acting as the trustee, holds the entire issued share capital of Ying Qi Investments Limited. Accordingly, Mr. Ho Kuang-Chi is deemed to be interested in the 450,000,000 shares held by Ying Qi Investments Limited.

(3) Ms. Yang Shuling is interested in 12,997,767 options granted to her under the Pre-IPO Share Incentive Plan subject to vesting. Such options represent 12,997,767 underlying shares.

(4) Ms. Chen Su-Yin is the wife of Mr. Ho Kuang-Chi and is deemed to be interested in the shares which are interested by Mr. Ho Kuang-Chi under the SFO.

(5) As of 30 June 2015, the Company had 1,063,800,652 issued shares.

Save as disclosed above, as of 30 June 2015, none of the Directors nor the chief executive of the Company had any interests or short positions in any of the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or as notified to the Company and the Stock Exchange pursuant to the Model Code.

OTHER INFORMATION

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

As of 30 June 2015, the following persons (other than the Directors or the chief executive of the Company) have interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of shareholder	Nature of interest	Number of Shares or securities held(1)	Approximate percentage of interest(5)
Ying Qi PTC Limited(2)	Trustee of a trust	450,000,000 (L)	42.30%
Ying Qi Investments Limited(2)	Beneficial owner	450,000,000 (L)	42.30%
Gap (Bermuda) Limited(3)	Interest of controlled corporation	340,754,718 (L)	32.03%
General Atlantic Genpar (Bermuda) L.P.(3)	Interest of controlled corporation	340,754,718 (L)	32.03%
General Atlantic Partners (Bermuda) II, L.P.(3)	Interest of controlled corporation	340,754,718 (L)	32.03%
General Atlantic Singapore Fund Interholdco Ltd.(3)	Interest of controlled corporation	340,754,718 (L)	32.03%
General Atlantic Singapore Fund Pte. Ltd.(3)	Beneficial owner	340,754,718 (L)	32.03%
Hillhouse Capital Management, Ltd.(4)	Investment Manager	57,720,500 (L)	5.43%
Gaoling Fund, L.P.(4)	Beneficial owner	55,920,000 (L)	5.26%

Notes:

(1) The letter "L" denotes the person's long position in such shares.

(2) Ying Qi PTC Limited, the trustee of the Ying Qi Trust, in its capacity as trustee holds the entire issued share capital of Ying Qi Investments Limited. The Ying Qi Trust is a discretionary trust established by Mr. Ho Kuang-Chi (as the settlor) and the beneficiary of which includes Mr. Ho Kuang-Chi. Accordingly, each of Mr. Ho Kuang-Chi and Ying Qi PTC Limited are deemed to be interested in the 450,000,000 shares held by Ying Qi Investments Limited by virtue of the SFO.

(3) The sole shareholder of General Atlantic Singapore Fund Pte. Ltd ("**GASF**") is General Atlantic Singapore Fund Interholdco Ltd. ("**GA Interholdco**") and the controlling shareholder of GA Interholdco is General Atlantic Partners (Bermuda) II, L.P. ("**GAP LP**"). The general partner of GAP LP is General Atlantic Genpar (Bermuda) L.P. ("**GA GenPar**") and the general partner of GA GenPar is Gap (Bermuda) Limited. Accordingly, each of GA Interholdco, GAP LP, GA GenPar and Gap (Bermuda) Limited are deemed to be interested in the 340,754,718 shares held by GASF by virtue of the SFO.

(4) Hillhouse Capital Management, Ltd. is the investment manager of, and manages, both Gaoling Fund, L.P. and YHG Investment L.P. Each of Gaoling Fund, L.P. and YHG Investment L.P. held 55,920,000 shares and 1,800,500 shares, respectively. Accordingly, Hillhouse Capital Management, Ltd. is deemed to be interested in the 55,920,000 shares held by Gaoling Fund, L.P. and 1,800,500 shares held by YHG Investment L.P. by virtue of the SFO.

(5) As of 30 June 2015, the Company had 1,063,800,652 issued shares.

(6) Pursuant to Section 336 of the SFO, the shareholders are required to file a disclosure of interests form when certain criteria are fulfilled. When a shareholding in the Company changes, it is not necessary for the shareholder to notify the Company and the Stock Exchange unless several criteria have been fulfilled, therefore a shareholder's latest shareholding in the Company may be different from the shareholding filed with the Stock Exchange.

Save as disclosed above, as of 30 June 2015, our Directors or chief executive of the Company are not aware of any other person, not being a Director or chief executive of the Company, who has an interest or short position in the shares or the underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO.

PRE-IPO SHARE INCENTIVE PLAN AND RESTRICTED SHARE UNIT SCHEME

Pre-IPO Share Incentive Plan

On 28 August 2009, the Pre-IPO Share Incentive Plan was approved and adopted by the then shareholders of the Company. The purpose of the Pre-IPO Share Incentive Plan is to promote the success of the Company and the interests of our shareholders by providing a means through which the Company may grant equity-based incentives to attract, motivate, retain and reward certain officers, employees, directors, consultant or advisor who renders or has rendered bona fide services to the Company, and other eligible persons (the "**Eligible Person**") and to further link the interests of the grantees or recipients of the options ("**Options**") or share awards ("**Share Awards**", together with the Options, collectively referred to as the "**Awards**"). No further Options or Awards can be granted under the Pre-IPO Share Incentive Plan after the listing of the Company on 17 December 2014 (the "**Listing Date**"). However, all Options granted under the Pre-IPO Share Incentive Plan are exercisable over a ten-year period from the date of grant. Therefore, given the last batch of Options under the Pre-IPO Share Incentive Plan were granted on 21 March 2014, the remaining life of the Pre-IPO Share Incentive Plan as of 30 June 2015 in respect of outstanding options is approximately eight years and nine months. Further details of the principal terms of the Pre-IPO Share Incentive Plan are set out in the Prospectus.

As of 30 June 2015, Options to subscribe for an aggregate of 32,978,633 shares (representing approximately 3.10% of the total issued share capital of the Company as at the date of this report) have been granted by the Company under the Pre-IPO Share Incentive Plan. No Share Award has been granted or agreed to be granted under the Pre-IPO Share Incentive Plan since the adoption of the plan. During the six months ended 30 June 2015, no Options have been exercised by the holders, nor have any of the Options been cancelled.

OTHER INFORMATION

Details of the movements in Options during the six months ended 30 June 2015 under the Pre-IPO Share Incentive Plan are set out below:

Name of Option holder	Position held with the Group	Number of shares represented by Options at 1 January 2015	Date of grant	Exercise price (RMB)	Exercised during the period	Lapsed during the period	Number of shares represented by Options at 30 June 2015
Director of the Company							
Yang Shuling	Executive Director and Chief Executive Officer	1,400,000	31 August 2009	0.84	–	–	1,400,000
		3,564,800	17 May 2011	1.79	–	–	3,564,800
		4,594,994	24 December 2012	1.84	–	–	4,594,994
		3,437,973	21 March 2014	2.78	–	–	3,437,973
		12,997,767			–	–	**12,997,767**
Senior management members of the Company							
Zhao Yi	Chief Financial Officer	**2,006,629**	21 March 2014	2.78	–	–	**2,006,629**
Ying Zhongqiu	Vice President of Human Resources	739,200	17 May 2011	1.79	–	–	739,200
		580,663	24 December 2012	1.84	–	–	580,663
		1,160,117	21 March 2014	2.78	–	–	1,160,117
		2,479,980			–	–	**2,479,980**
Fang Liang	Vice President of Development and Engineering	**1,349,678**	21 March 2014	2.78	–	–	**1,349,678**
Other employees of the Group							
40 other employees of the Group		1,311,000	31 August 2009	0.84	–	–	1,311,000
		2,660,946	17 May 2011	1.79	–	–	2,660,946
		3,506,418	24 December 2012	1.84	–	–	3,506,418
		7,232,289	21 March 2014	2.78	–	566,074	6,666,215
		14,710,653			–	566,074	**14,144,579**
Total		2,711,000	31 August 2009	0.84	–	–	2,711,000
		6,964,946	17 May 2011	1.79	–	–	6,964,946
		8,682,075	24 December 2012	1.84	–	–	8,682,075
		15,186,686	21 March 2014	2.78	–	566,074	14,620,612
		33,544,707			–	566,074	**32,978,633**

The holders of the Options granted under the Pre-IPO Share Incentive Plan as referred to in the table above are not required to pay for the grant of any Option under the Pre-IPO Share Incentive Plan and the relevant award agreement.

Subject to the satisfactory performance of the Option holders, the Options granted to each of the option holders shall be vested in accordance with vesting schedule as follows:

(i) as to 25% of the aggregate number of shares underlying the Option on the date ending 12 months after the Listing Date;

(ii) as to 25% of the aggregate number of shares underlying the Option on the date ending 24 months after the Listing Date;

(iii) as to 25% of the aggregate number of shares underlying the Option on the date ending 36 months after the Listing Date; and

(iv) as to the remaining 25% of the aggregate number of shares underlying the Option on the date ending 48 months after the Listing Date.

Each Option granted under the Pre-IPO Share Incentive Plan has a ten-year exercise period.

Restricted Share Unit Scheme

On 28 November 2014, the RSU Scheme was approved and adopted by the then shareholders of the Company. Such plan became effective on the Listing Date. The purpose of the RSU Scheme is to incentivize Directors (excluding independent non-executive Directors), senior management, officers and other selected personnel of the Group ("**RSU Eligible Persons**") for their contribution to the Group, to attract, motivate and retain skilled and experienced personnel to strive for the future development and expansion of the Group by providing them with the opportunity to own equity interests in the Company. The Board selects the RSU Eligible Persons to receive restricted share units ("**RSUs**") under the RSU Scheme at its discretion. The RSU Scheme will be valid and effective for a period of ten years from the Listing Date. As of 30 June 2015, the remaining life of the RSU Scheme is approximately nine years and six months. The maximum number of RSUs that may be granted under the RSU Scheme in aggregate (excluding RSUs that have lapsed or been cancelled in accordance with the rules of the RSU Scheme) must not exceed 4% of the total number of Shares in issue as at the Listing Date. There is no maximum entitlement for each RSU Eligible Person under the rules of the RSU Scheme. Further details of the principal terms of the RSU Scheme are set out in the Prospectus.

As of 30 June 2015, no RSU has been granted or agreed to be granted under the RSU Scheme.

PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Save for the sale and issue of new shares by the Company pursuant to the partial exercise of the over-allotment option under the Global Offering on 9 January 2015 and as described in the Prospectus and the announcement of the Company dated 9 January 2015, the Company and its subsidiaries did not purchase, sell or redeem any of the listed securities of the Company during the six months ended 30 June 2015.

OTHER INFORMATION

INTERIM DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Board declared an interim dividend of RMB0.044 per share, amounting to approximately a total of RMB46.8 million, for the six months ended 30 June 2015 (the "**2015 Interim Dividend**"), representing approximately 40% of our net profit for the six months ended 30 June 2015. Adopting an exchange rate of HK$1=RMB0.8, the 2015 Interim Dividend is equivalent to HK$0.055 per share. Based on the directors' current outlook for the Company's financial performance in the second half of the year and our overall financial position, the planned dividend payout ratio for the full year of 2015 is 30% of our net profit for the year. The planned dividend payout ratio will be subject to the full year financial performance and business plan of the Company and market outlook early next year, therefore a final dividend for the full year of 2015 may or may not be paid.

The register of members of the Company have been closed from 2 September 2015 to 7 September 2015 (both days inclusive), during which period no transfer of shares in the Company have been effected. In order to qualify for the 2015 Interim Dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on 1 September 2015 for registration. The 2015 Interim Dividend have been paid on 16 September 2015 to those shareholders whose names appear on the register of members of the Company on 7 September 2015.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

For the six months ended 30 June 2015, the Company has complied with the applicable code provisions of the Corporate Governance Code (the "**Code**") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

The Board will continue to review and monitor the practices of the Company for the purpose of complying with the Code and maintaining a high standard of corporate governance practices of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its code of conduct regarding directors' securities transactions. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the Model Code throughout the six months ended 30 June 2015.

AUDIT COMMITTEE

The Company established the Audit Committee with written terms of reference in compliance with the Code. As at the date of this report, the Audit Committee comprises two independent non-executive Directors, namely Ms. Hsieh Lily Hui-yun and Mr. Hon Ping Cho Terence and a non-executive Director, namely Mr. Wei Ke. Ms. Hsieh Lily Hui-yun is the chairman of the Audit Committee.

The Audit Committee has reviewed and discussed the unaudited interim results for the six months ended 30 June 2015.

CHANGE IN DIRECTORS' BIOGRAPHICAL DETAILS UNDER RULE 13.51B(1) OF THE LISTING RULES

There is no change in the Directors' biographical details which is required to be disclosed pursuant to rule 13.51B(1) of the Listing Rules since the date of the 2014 annual report of the Company.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

On 17 December 2014, the Company's shares were listed on the Main Board of the Stock Exchange. A total of 227,100,000 ordinary shares with nominal value of US$0.000025 each of the Company were issued at HK$4.70 per share for a total of approximately HK$1,067.4 million. In addition, on 9 January 2015, the Company issued an additional 9,436,500 ordinary shares with nominal value of US$0.000025 each of the Company pursuant to the partial exercise of the over-allotment option under the Global Offering at HK$4.70 per share for a total of approximately HK$44.4 million. The net proceeds raised by the Company from the Global Offering (including the partial exercise of the over-allotment option on 9 January 2015), after deducting the underwriting commission and other expenses in connection with the Global Offering which the Company received amounted to an aggregate of approximately HK$1,043.5 million, comprising HK$1,001.5 million raised from the Global Offering and HK$42.0 million raised from the issue of shares pursuant to the partial exercise of the over-allotment option.

Up to 30 June 2015, the net proceeds from the Global Offering had not yet been utilized and all of the net proceeds had been deposited into short-term demand deposits in the bank account maintained by the Group. In the rest of 2015 and in the upcoming years, the Group will start utilizing the net proceeds from the Global Offering and for purposes consistent with those set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Deloitte.
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TO THE BOARD OF DIRECTORS OF
XIABUXIABU CATERING MANAGEMENT (CHINA) HOLDINGS CO., LTD.
(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Xiabuxiabu Catering Management (China) Holdings Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 26 to 42, which comprise the condensed consolidated statement of financial position as of 30 June 2015 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with International Accounting Standard 34 "Interim financial reporting" ("IAS 34"). Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 ("HKSRE 2410") "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

18 August 2015

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2015

		For the six months ended 30 June	
	Notes	**2015** **RMB'000** **(Unaudited)**	2014 RMB'000
Revenue	3	**1,120,711**	1,018,698
Other income	4	**13,578**	2,811
Raw materials and consumables used		**(443,250)**	(395,636)
Staff costs		**(258,646)**	(232,766)
Property rentals and related expenses		**(157,361)**	(134,453)
Utilities expenses		**(45,870)**	(41,196)
Depreciation and amortization		**(44,363)**	(38,429)
Other expenses		**(46,751)**	(75,466)
Other gains and losses	5	**9,884**	4,651
Profit before tax	6	**147,932**	108,214
Income tax expense	7	**(30,383)**	(25,849)
Profit and total comprehensive income for the period attributable to owners of the Company		**117,549**	82,365
Earnings per share	9		
– basic (RMB cents per share)		**11.06**	9.96
– diluted (RMB cents per share)		**10.99**	9.96

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	Notes	As at 30 June 2015 RMB'000 (Unaudited)	As at 31 December 2014 RMB'000
Non-current assets			
Property, plant and equipment	10	**330,488**	311,857
Intangible assets		**1,601**	2,679
Lease prepayments for land use right		**23,277**	23,544
Deferred tax assets		**19,150**	26,730
Rental deposits		**44,584**	39,413
		419,100	404,223
Current assets			
Inventories	11	**71,668**	122,545
Trade and other receivables and prepayments	12	**44,518**	32,600
Short-term investments	13	**250,000**	–
Bank balances and cash		**945,358**	1,122,782
		1,311,544	1,277,927
Current liabilities			
Trade payables	14	**120,032**	113,822
Accrual and other payables		**207,483**	262,532
Tax payables		**5,398**	10,819
Deferred income		**1,564**	3,646
		334,477	390,819
Net current assets		**977,067**	887,108
Total assets less current liabilities		**1,396,167**	1,291,331
Non-current liabilities			
Deferred income		**17,010**	17,465
Net assets		**1,379,157**	1,273,866
Capital and reserves			
Share capital	15	**172**	171
Share premium		**1,004,550**	970,769
Reserves		**374,435**	302,926
Total equity		**1,379,157**	1,273,866

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2015

	Attribute to owners of the Company					
	Share capital RMB'000	Share premium RMB'000	Share option reserve RMB'000	Statutory surplus reserve RMB'000	Retained earnings RMB'000	Total RMB'000
Balance at 1 January 2015	**171**	**970,769**	**12,125**	**29,000**	**261,801**	**1,273,866**
Profit and total comprehensive income for the period	**–**	**–**	**–**	**–**	**117,549**	**117,549**
Issue of new shares by exercise of over-allotment options	**1**	**35,011**	**–**	**–**	**–**	**35,012**
Recognition of equity-settled share-based payments	**–**	**–**	**3,480**	**–**	**–**	**3,480**
Issue cost of new shares by exercise of over-allotment options	**–**	**(1,230)**	**–**	**–**	**–**	**(1,230)**
Payments of dividends	**–**	**–**	**–**	**–**	**(49,520)**	**(49,520)**
Balance at 30 June 2015 (Unaudited)	**172**	**1,004,550**	**15,605**	**29,000**	**329,830**	**1,379,157**
Balance at 1 January 2014	136	171,673	–	29,000	336,608	537,417
Profit and total comprehensive income for the period	–	–	–	–	82,365	82,365
Payments of dividends	–	(4,000)	–	–	(146,000)	(150,000)
Balance at 30 June 2014	136	167,673	–	29,000	272,973	469,782

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2015

	For six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
	(Unaudited)	
Net cash generated from operating activities	**121,603**	57,797
Cash flows from investing activities		
Interest income received	**3,233**	754
Purchase of short-term investments	**(1,063,000)**	(30,000)
Proceeds of disposal of short-term investments	**817,358**	–
Purchases of property, plant and equipment	**(45,171)**	(51,995)
Proceeds from disposal of property, plant and equipment and intangible assets	**317**	267
Purchase of intangible assets	**(242)**	(122)
Net cash used in investing activities	**(287,505)**	(81,096)
Cash flow from financing activities		
Dividend paid	**(49,520)**	(150,000)
Net proceeds from issue of new shares to the public	**33,782**	–
Net cash used in financing activities	**(15,738)**	(150,000)
Net decrease in cash and cash equivalents	**(181,640)**	(173,299)
Cash and cash equivalents at the beginning of the period	**1,122,782**	343,306
Effect of foreign exchange rate changes, net	**4,216**	3,484
Cash and cash equivalents at the end of the period represented by bank balances and cash	**945,358**	173,491

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

1. GENERAL INFORMATION AND BASIS OF PREPARATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands on 14 May 2008. The registered office of the Company is Cricket Square, Hutchins Drive P.O. Box 2681 Grand Cayman Islands KY1-1111. The Company is an investment holding company and the Group is principally engaged in Chinese hotpot restaurant operations in the People's Republic of China ("PRC").

The Company's immediate holding company is Ying Qi Investments Limited (incorporated in the British Virgin Islands), and its ultimate controlling party is Mr. Ho Kuang-Chi, who is also the Chairman of the Company.

The condensed consolidated financial statements are presented in Renminbi ("RMB"), which is the same as the functional currency of the Company.

The condensed consolidated financial statements for the six months ended 30 June, 2015 have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" issued by the International Accounting Standards Board as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair value.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2015 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2014.

In the current interim period, the Group has applied, for the first time, the following amendments to International Financial Reporting Standards ("IFRSs") that are relevant for the preparation of the Group's condensed consolidated financial statements:

Amendments to IAS 19	Defined Benefit Plans: Employee Contributions
Amendments to IFRSs	Annual Improvements to IFRSs 2010–2012 Cycle
Amendments to IFRSs	Annual Improvements to IFRSs 2011–2013 Cycle

The application of the above amendments to IFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

3. REVENUE AND SEGMENT INFORMATION

The Group's revenue which represents the amount received and receivable from the operation of restaurant net of discount and sales related taxes, are as follows:

	For the six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
	(Unaudited)	
Restaurant operations	**1,120,711**	1,018,698

Information reported to the executive directors of the Company, who are identified as the chief operating decision maker (the "CODM") of the Group, in order to allocate resources and to assess performance, focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.

All of the Group's operations are located in the PRC. The Group's revenue from external customers and all of its non-current assets are located in PRC based on geographical location of assets.

No revenue from individual external customer contributing over 10% of total revenue of the Group.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

4. OTHER INCOME

	For the six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
	(Unaudited)	
Interest income on:		
– bank deposits	**10,695**	697
– short-term investments	**–**	57
	10,695	754
Promotion service income	**880**	720
Government grant		
– release from deferred income	**455**	455
	455	455
Others	**1,548**	882
	13,578	2,811

5. OTHER GAINS AND LOSSES

	For the six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
	(Unaudited)	
(Losses) gain on disposal of property, plant and equipment, net	**(225)**	13
Losses on disposal of intangible assets	**(13)**	–
Foreign exchange gain (loss), net	**4,216**	3,484
Loss on closure of restaurants	**(437)**	(187)
Reversal of impairment loss on trade receivables	**474**	1,341
Reversal of impairment loss on rental deposit	**1,511**	–
Gain on disposal of short-term investments	**4,358**	–
	9,884	4,651

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

6. PROFIT BEFORE TAX

The Group's profit for the period has been arrived at after charging:

	For the six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
	(Unaudited)	
Depreciation of property, plant and equipment	**42,789**	37,042
Amortization of intangible assets	**1,307**	1,120
Release of lease prepayments for land use right	**267**	267
Total depreciation and amortization	**44,363**	38,429
Operating lease rentals in respect of		
– rented premises (minimum lease payments)	**4,399**	4,425
– restaurants		
– minimum lease payments	**139,207**	116,709
– contingent rent*	**13,755**	13,319
	152,962	130,028
Total property rentals and related expenses	**157,361**	134,453
Directors' emoluments	**3,214**	1,563
Other staff cost		
Salaries and other allowance	**232,044**	208,111
Equity-settled share-based payments	**2,168**	–
Retirement benefit contribution	**21,220**	23,092
Total staff cost	**258,646**	232,766
Expense in relation to the listing (included in other expenses)	**–**	18,794

* The contingent rent refers to the operating rentals based on the pre-determined percentages to revenue less minimum rentals of the respective lease.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

7. INCOME TAX EXPENSE

	For the six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
	(Unaudited)	
Enterprise income tax ("EIT")		
Current tax in the PRC	**17,340**	20,746
Withholding EIT-current period	**5,462**	4,945
Deferred tax	**7,581**	158
Total income tax recognized in profit or loss	**30,383**	25,849

The Company is tax exempted company incorporated in the Cayman Islands.

The Company's subsidiary in Hong Kong is subject to the Hong Kong Profits Tax at 16.5% on estimated assessable profit for both periods.

Under the Law of the PRC on Enterprise Income Tax ("EIT Law") effective from 1 January 2008 and Implementation Regulation of the EIT Law, the statutory EIT rate of PRC subsidiaries of the Company is 25% during the both periods.

Further, in the PRC, 10% withholding income tax is generally imposed on the assessable profits earned by foreign investors from the foreign investment enterprises established in the PRC from 16 September 2008 onwards. Xiabuxiabu Catering Management (HK) Holdings Co., Ltd recognized taxable royalty income determined with reference to revenue earned by the PRC subsidiary and interest income from a PRC subsidiary, and such royalty income and the interest income are subject to withholding tax of 10%.

8. DIVIDEND

	For the six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
	(Unaudited)	
Dividends recognized as distributions during the period	**49,520**	150,000

On 17 January 2014, the Company declared a dividend of RMB0.1808 per ordinary share and per convertible preferred share with total dividends of RMB150,000,000 to shareholders of ordinary and convertible preferred shares for the year ended 31 December 2013. The dividend was paid in February 2014.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

8. DIVIDEND *(CONTINUED)*

On 18 March 2015, the Company declared a dividend of RMB0.047 per share with total dividends of RMB49,520,000 to shareholders for the year ended 31 December 2014. The dividend was paid in June 2015.

Subsequent to the end of the reporting period, an interim dividend in respect of the six months ended 30 June 2015 of RMB0.044 per share (equivalent to HKD0.055 per share), amounting to approximately RMB46,807,000, has been proposed by the Directors. The dividend has not been included as a liability in these condensed consolidated financial statements.

9. EARNINGS PER SHARE

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

	For the six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
	(Unaudited)	
Earnings		
Profit for the period attributable to owners of the Company	**117,549**	82,365
Less: Undistributed earnings attributable to convertible preferred shares	**–**	(37,562)
Earnings for the purpose of basic earnings per share	**117,549**	44,803
Add: Undistributed earnings attributable to convertible preferred shares	**–**	37,562
Earnings for the purpose of diluted earnings per share	**117,549**	82,365

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

9. EARNINGS PER SHARE *(CONTINUED)*

The weighted average number of ordinary shares for the purpose of basic earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of diluted earnings per share as follows:

	For the six months ended 30 June	
	2015	2014
	'000	'000
	(Unaudited)	
Weighted average number of ordinary shares for the purpose of basic earnings per share calculation	**1,063,123**	450,000
Effect of dilutive potential ordinary shares:		
Convertible preferred shares	**–**	377,264
Share options issued by the Company	**6,776**	–
Weighted average number of ordinary shares for the purpose of diluted earnings per share calculation	**1,069,899**	827,264

The calculation of diluted earnings per share for the period ended 30 June 2014 has not considered the share options granted which were contingently issuable shares with multiple conditions that had not been met up.

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2015, additions to the property, plant and equipment amounted to RMB61,962,000 (six months ended 30 June 2014: RMB50,940,000) consisting of leasehold improvement, machinery, motor vehicles, furniture and fixtures and construction in progress.

11. INVENTORIES

	As at 30 June 2015	As at 31 December 2014
	RMB'000	RMB'000
	(Unaudited)	
Food and beverage	**57,946**	107,370
Other materials	**9,612**	11,199
Consumables	**4,110**	3,976
	71,668	122,545

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

12. TRADE AND OTHER RECEIVABLES

The following is an analysis of trade receivables at the end of respective reporting periods:

	As at 30 June 2015 RMB'000 (Unaudited)	As at 31 December 2014 RMB'000
Trade receivables	**11,018**	9,122
Less: allowance for doubtful debts	**(1,706)**	(2,180)
	9,312	6,942
Prepaid operating expenses	**22,082**	20,464
Interest receivables	**7,462**	–
Prepayments to suppliers	**623**	590
Current portion of lease prepayments for land use right	**534**	534
Other receivables	**4,505**	4,070
	44,518	32,600

Generally, there was no credit period for sales from operation of restaurant, except for collection from certain shopping malls for which the credit terms provided are ranging from 60 to 180 days. The following is an aged analysis of trade receivables presented based on the invoice date:

	As at 30 June 2015 RMB'000 (Unaudited)	As at 31 December 2014 RMB'000
Within 60 days	**7,027**	3,363
61 to 180 days	**119**	268
181 days to 1 year	**11**	903
Above 1 year	**2,155**	2,408
	9,312	6,942

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

13. SHORT-TERM INVESTMENTS

As at 30 June 2015, the Group's short-term investments amounted to RMB250 million in aggregate represent the investments in financial products issued by a bank with no predetermined or guaranteed return and not principal protected. The investment has been designated at fair value through profit or loss. The short-term investments as at 30 June 2015 are matured in July and August 2015. In July and August 2015, the Group received the principals of RMB250 million with the return of approximately RMB1.3 million in aggregate and the return rates are approximately 4.80% to 5.30% per annum.

There were no significant changes in the counterparties' credit risk and therefore there were no significant gains or losses attributed to changes in credit risk for these financial assets designated at fair value through profit or loss during the six months ended 30 June 2014 and 2015.

14. TRADE PAYABLES

Trade payables are non-interest bearing and are normally granted on 60-days credit term. An aged analysis of the Group's trade payables, as at the end of this period, based on the goods received date, is as follows:

	As at 30 June 2015 RMB'000 (Unaudited)	As at 31 December 2014 RMB'000
Within 60 days	**117,931**	101,933
61 to 180 days	**931**	10,703
181 to 1 year	**56**	207
Over 1 year	**1,114**	979
	120,032	113,822

15. SHARE CAPITAL

Issued and fully paid-up:

	As at 30 June 2015 USD'000 (Unaudited)	As at 31 December 2014 USD'000
Share capital of USD0.000025 each	**27**	27

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

15. SHARE CAPITAL *(CONTINUED)*

	As at 30 June 2015 RMB'000 (Unaudited)	As at 31 December 2014 RMB'000
Represented as:		
Ordinary shares	**172**	171
	172	171

	As at 30 June 2015 '000 (Unaudited)	As at 31 December 2014 '000
Number of shares:		
Fully paid ordinary shares	**1,063,801**	1,054,364
	1,063,801	1,054,364

Ordinary shares

	Authorized shares		Issued capital	
	Number of shares '000	Amount RMB'000	Number of shares '000	Amount RMB'000
Balance at 1 January 2015	2,000,000	336	1,054,364	171
Issue of new shares by exercise of over-allotment options	–	–	9,437	1
Balance at 30 June 2015 (Unaudited)	**2,000,000**	**336**	**1,063,801**	**172**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

16. OPERATING LEASE COMMITMENTS

The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	As at 30 June 2015 RMB'000 (Unaudited)	As at 31 December 2014 RMB'000
Minimum lease payments under operating leases:		
Within one year	**274,637**	280,485
In the second to fifth year	**747,486**	734,007
Over five years	**214,776**	218,568
	1,236,899	1,233,060

The above operating lease payments commitments represent rental payable by the Group for warehouse and premises leased for restaurants. These leases were negotiated for lease terms of one to fifteen years. Monthly rental was fixed for certain leases.

The operating lease rentals for certain restaurants are determined by applying pre-determined percentage to revenue of the respective restaurants ("Prorated Rental") or at the higher of a fixed rental and a Prorated Rental pursuant to the terms and conditions as set out in the respective rental agreements. As the future revenue of these restaurants could not be reliably determined, the relevant contingent rent has not been included above and only the minimum lease commitments have been included in the above table.

17. CAPITAL COMMITMENTS

	As at 30 June 2015 RMB'000 (Unaudited)	As at 31 December 2014 RMB'000
Capital expenditure contracted for but not provided in respect of acquisition of property, plant and equipment	**69,129**	19,330

18. CONTINGENT LIABILITIES

The Group had no significant contingent liability at the end of this period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

19. RELATED PARTY TRANSACTIONS

a. Name and relationship

Name	Relationship
Xiabuxiabu Fast Food Chain Management Co., Ltd. ("Xiabu Fast Food")	Entity controlled by the ultimate controlling shareholder of the Company

b. Related party transaction

	For the six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
	(Unaudited)	
Expense on property leasing	**671**	641

c. Remuneration of key management personnel of The Group

	For the six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
	(Unaudited)	
Short term employee benefits	**2,602**	3,747
Performance related bonuses	**–**	498
Post-employment benefit	**25**	36
Equity-based share-based payments	**1,992**	–
	4,619	4,281

20. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

20. FAIR VALUE OF FINANCIAL INSTRUMENTS *(CONTINUED)*

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The short-term investment of the Group is stated as Level 3 fair value measurement. Fair value of short-term investment is determined in accordance with generally accepted pricing models based on discounted cash flow analysis. Future cash flows are estimated based on expected interest rates. Details of the terms of the short-term investment are set out in Note 13.

21. SUBSEQUENT EVENT

Subsequent to the end of the reporting period, the Directors proposed the dividend in respect of the six months ended 30 June 2015 and details are set out in Note 8.