

新煮意控股有限公司
FOOD IDEA HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8179)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2018**

**CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG
LIMITED (THE “STOCK EXCHANGE”)**

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This announcement, for which the directors (“Directors”) of Food Idea Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement 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 announcement misleading.

HIGHLIGHTS

- The Group's revenue for the six months ended 30 June 2018 increased by approximately 58% to approximately HK\$80.30 million (2017: HK\$50.81 million).
- Loss attributable to the owners of the Company for the six months ended 30 June 2018 was approximately HK\$66.24 million (2017: HK\$73.10 million).
- Basic loss per share for the six months ended 30 June 2018 was approximately HK3.12 cents (2017: HK6.08 cents).

The board of Directors (the “Board”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the three months and six months ended 30 June 2018 (the “Interim Financial Statements”), together with the unaudited comparative figures for the corresponding period in 2017, as follows:

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

For the three months and six months ended 30 June 2018

	Notes	For the three months ended 30 June		For the six months ended 30 June	
		2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)
Revenue	4	48,379	25,789	80,302	50,814
Other income		287	216	507	323
Cost of inventories consumed		(13,332)	(9,943)	(25,607)	(19,218)
Cost of sales		(13,626)	–	(13,626)	–
Employee benefits expenses		(11,410)	(10,228)	(21,871)	(19,986)
Depreciation		(1,377)	(1,242)	(2,716)	(2,540)
Amortisation		(46)	(46)	(92)	(98)
Other losses, net		(6,806)	–	(6,806)	–
Operating lease rentals and related expenses		(992)	(794)	(1,741)	(1,998)
Utilities expenses		(218)	(191)	(449)	(401)
Gain (loss) on disposal of financial assets at fair value through profit or loss, net		1,970	(30,899)	3,304	(33,611)
Loss on fair value change of financial assets at fair value through profit or loss, net		(26,094)	(3,701)	(47,579)	(17,333)
Share option expenses		–	–	(830)	–
Other operating expenses		(13,115)	(13,079)	(26,372)	(24,901)
Share of loss of associates		(1,090)	(1,585)	(2,320)	(2,966)
Share of loss of joint ventures		(12)	–	(89)	–
Finance costs		(118)	(470)	(212)	(1,552)
Loss before tax		(37,600)	(46,173)	(66,197)	(73,467)
Income tax expenses	5	(174)	–	(251)	(43)
Loss for the period		(37,774)	(46,173)	(66,448)	(73,510)

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

For the three months and six months ended 30 June 2018

	For the three months ended 30 June		For the six months ended 30 June	
Note	2018 <i>HK\$'000</i> (Unaudited)	2017 <i>HK\$'000</i> (Unaudited)	2018 <i>HK\$'000</i> (Unaudited)	2017 <i>HK\$'000</i> (Unaudited)
Other comprehensive (expenses) income for the period:				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange differences on translation of foreign operations	(8)	3	–	5
Share of foreign currency translation reserve of an associate	(2,502)	1,021	(356)	1,532
	(2,510)	1,024	(356)	1,537
 Total comprehensive expenses for the period	 (40,284)	 (45,149)	 (66,804)	 (71,973)
 Loss for the period attributable to:				
Owners of the Company	(37,481)	(45,881)	(66,236)	(73,102)
Non-controlling interests	(293)	(292)	(212)	(408)
	(37,774)	(46,173)	(66,448)	(73,510)
 Total comprehensive expenses for the period attributable to:				
Owners of the Company	(39,991)	(44,857)	(66,592)	(71,565)
Non-controlling interests	(293)	(292)	(212)	(408)
	(40,284)	(45,149)	(66,804)	(71,973)
 Loss per share				
Basic and diluted (<i>HK cents per share</i>)	6	(1.76)	(3.27)	(3.12)
		(6.08)	(6.08)	(6.08)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2018

		As at 30 June 2018 <i>HK\$'000</i> (Unaudited)	As at 31 December 2017 <i>HK\$'000</i> (Audited)
Non-current assets			
Property, plant and equipment		20,010	14,170
Investment properties		–	26,846
Goodwill		1,310	1,310
Intangible asset		4,172	4,264
Interests in associates		46,785	49,461
Interests in joint ventures		24,830	24,842
Amount due from an associate		8,631	7,266
Available-for-sale investments		1,000	1,000
Rental deposits		229	223
Deposits paid for acquisition of property, plant and equipment		98	1,960
Deferred tax assets		29	29
Loan receivables	8	5,423	31,146
		<u>112,517</u>	<u>162,517</u>
Current assets			
Inventories		132,367	234
Loan and interest receivables	8	92,426	155,033
Trade receivables	9	19,813	12,642
Loan to an associate		3,000	3,000
Amounts due from associates		465	1,302
Amounts due from joint ventures		169	9,704
Prepayments, deposits and other receivables		4,239	12,767
Income tax recoverable		9	110
Financial assets at fair value through profit or loss		10,457	80,299
Bank balances and cash		36,320	37,127
		<u>299,265</u>	<u>312,218</u>
Assets classified as held for sale		26,815	–
		<u>326,080</u>	<u>312,218</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED) (CONTINUED)

As at 30 June 2018

		As at 30 June 2018 <i>HK\$'000</i> (Unaudited)	As at 31 December 2017 <i>HK\$'000</i> (Audited)
	<i>Notes</i>		
Current liabilities			
Trade payables	<i>10</i>	5,565	5,412
Other payables, accruals and deposits received		30,843	10,112
Income tax payable		175	25
Borrowings	<i>11</i>	10,917	15,660
		47,500	31,209
Liabilities associated with assets classified as held for sale		9,830	–
		57,330	31,209
Net current assets		268,750	281,009
		381,267	443,526
Capital and reserves			
Share capital		21,279	21,071
Reserves		358,840	421,014
Equity attributable to owners of the Company		380,119	442,085
Non-controlling interests		1,148	1,441
		381,267	443,526

NOTES

For the six months ended 30 June 2018

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 10 February 2011 as an exempted company with limited liability under the Companies Law (2010 Revision) of the Cayman Islands. The shares of the Company (the “Share(s)”) were listed on GEM of The Stock Exchange since 8 July 2011. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, the Cayman Islands. The address of its principal place of business is Room A, 6/F., CNT Tower, 338 Hennessy Road, Wan Chai, Hong Kong.

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

2. BASIS OF PREPARATION

The Interim Financial Statements have been prepared in accordance with the Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure provisions of Chapter 18 of the GEM Listing Rules.

The accounting policies and methods of computation used in the preparation of the Interim Financial Statements are consistent with those adopted in the annual report for the year ended 31 December 2017 (the “2017 Annual Report”), except for the adoption of the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) which are effective for the financial year begin on or after 1 January 2018. The adoption of the new and revised HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared or presented. Accordingly, no prior period adjustment has been required. The Interim Financial Statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the 2017 Annual Report.

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

3. APPLICATION OF NEW AND REVISED HKFRSs

In the current period, the Group has adopted the following new and revised HKFRSs, which are effective for the Group's accounting period beginning on or after 1 January 2018.

HKFRS 9 (2014)	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers
Amendments to HKFRSs	Annual Improvements to HKFRSs 2014-2016 Cycle
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKAS 40	Transfers of Investment Property
HK (IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration

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

4. SEGMENT INFORMATION

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

Specifically, the Group's reportable and operating segments are as follows:

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

Segment turnover, revenue and results

Segment revenue represents revenue derived from the provision of catering services, sales of food products, gross proceeds from the disposal of financial assets at fair value through profit or loss ("FVTPL") (for segment turnover only), dividend income and interest income from both the financial assets at FVTPL and the provision of money lending business and trading of wine.

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent the results from each segment without allocation of other income, certain other losses, central administrative costs, share option expenses, share of results from associates / joint ventures and finance costs. This is the measure reported to CODM for purposes of resource allocation and performance assessments.

The following is an analysis of the Group's turnover, revenue and results by reportable and operating segments:

	Catering services <i>HK\$'000</i> (Unaudited)	Food products operation <i>HK\$'000</i> (Unaudited)	Investments <i>HK\$'000</i> (Unaudited)	Money lending <i>HK\$'000</i> (Unaudited)	Wine trading <i>HK\$'000</i> (Unaudited)	Unallocated <i>HK\$'000</i> (Unaudited)	Consolidated <i>HK\$'000</i> (Unaudited)
For the six months ended							
30 June 2018							
("the 2018 Interim")							
SEGMENT TURNOVER	-	59,911	53,538	4,546	15,816	-	133,811
SEGMENT REVENUE	-	59,911	29	4,546	15,816	-	80,302
RESULTS							
Segment results	(131)	(127)	(44,247)	8,074	1,922	-	(34,509)
Unallocated income	-	-	-	-	-	1,045	1,045
Unallocated corporate expenses	-	-	-	-	-	(29,282)	(29,282)
Share options expenses	-	-	-	-	-	(830)	(830)
Share of loss of associates	(2,320)	-	-	-	-	-	(2,320)
Share of loss of joint ventures	-	-	-	-	-	(89)	(89)
Finance costs	-	-	-	-	-	(212)	(212)
Loss before tax							(66,197)
For the six months ended							
30 June 2017							
(the "2017 Interim")							
SEGMENT TURNOVER	-	45,946	38,867	4,752	-	(78)	89,487
SEGMENT REVENUE							
External sales	-	45,946	194	4,674	-	-	50,814
Inter-segment sales	-	-	-	78	-	(78)	-
Total	-	45,946	194	4,752	-	(78)	50,814
RESULTS							
Segment results	(320)	(20)	(50,749)	4,504	-	-	(46,585)
Unallocated income	-	-	-	-	212	-	212
Unallocated corporate expenses	-	-	-	-	(22,576)	-	(22,576)
Share of loss of an associate	(2,966)	-	-	-	-	-	(2,966)
Finance costs	-	-	-	-	(1,552)	-	(1,552)
Loss before tax							(73,467)

Information about major customers

Revenue from customer of the corresponding period contributing over 10% of the total revenue of the Group is as follows:

	For the six months ended 30 June	
	2018 <i>HK\$'000</i> (Unaudited)	2017 <i>HK\$'000</i> (Unaudited)
Customer A	<u>10,857</u>	<u>N/A</u>

Notes: Revenue from the above customer was derived from the segment of wine trading.

5. INCOME TAX EXPENSES

	For the three months ended 30 June		For the six months ended 30 June	
	2018 <i>HK\$'000</i> (Unaudited)	2017 <i>HK\$'000</i> (Unaudited)	2018 <i>HK\$'000</i> (Unaudited)	2017 <i>HK\$'000</i> (Unaudited)
Current income tax	174	–	251	181
Deferred income tax	–	–	–	(138)
	<u>174</u>	<u>–</u>	<u>251</u>	<u>43</u>

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

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

6. LOSS PER SHARE

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

	For the three months ended 30 June		For the six months ended 30 June	
	2018 <i>HK\$'000</i> (Unaudited)	2017 <i>HK\$'000</i> (Unaudited)	2018 <i>HK\$'000</i> (Unaudited)	2017 <i>HK\$'000</i> (Unaudited)
Loss for the purpose of basic and diluted loss per share, being loss for the period attributable to the owners of the Company	<u>(37,481)</u>	<u>(45,881)</u>	<u>(66,236)</u>	<u>(73,102)</u>
Number of shares				
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u>2,127,855,000</u>	<u>1,402,655,000</u>	<u>2,121,208,000</u>	<u>1,201,383,000</u>

Diluted loss per share for the three months ended 30 June 2017, the 2017 Interim and 2018 Interim were the same as the basic loss per share. The computation of diluted loss per share does not assume the exercise of the Company's outstanding share options since their exercise would result in a decrease in loss per share.

Diluted loss per share for the three months ended 30 June 2018 were the same as the basic loss per share as there was no dilutive potential ordinary shares outstanding.

7. DIVIDEND

The Board does not recommend the payment of an interim dividend for the 2018 Interim and 2017 Interim.

8. LOAN AND INTEREST RECEIVABLES

	As at 30 June 2018 <i>HK\$'000</i> (Unaudited)	As at 31 December 2017 <i>HK\$'000</i> (Audited)
Fixed-rate loan receivables	95,524	188,886
Interest receivables	<u>2,497</u>	<u>1,465</u>
	98,021	190,351
<i>Less:</i> provision for impairment on loan and interest receivables	<u>(172)</u>	<u>(4,172)</u>
	<u>97,849</u>	<u>186,179</u>
Loan receivables analysed for reporting purpose as:		
Non-current asset	5,423	31,146
Current asset	<u>92,426</u>	<u>155,033</u>
	<u>97,849</u>	<u>186,179</u>

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

	As at 30 June 2018 <i>HK\$'000</i> (Unaudited)	As at 31 December 2017 <i>HK\$'000</i> (Audited)
Within one year	92,426	155,033
After one year but within two years	4,387	27,412
After two years but within five years	<u>1,036</u>	<u>3,734</u>
	<u>97,849</u>	<u>186,179</u>

9. TRADE RECEIVABLES

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

	As at 30 June 2018 <i>HK\$'000</i> (Unaudited)	As at 31 December 2017 <i>HK\$'000</i> (Audited)
Within 30 days and neither past due nor impaired	15,970	9,997
31 – 60 days	<u>3,843</u>	<u>2,645</u>
	<u>19,813</u>	<u>12,642</u>

10. TRADE PAYABLES

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

	As at 30 June 2018 <i>HK\$'000</i> (Unaudited)	As at 31 December 2017 <i>HK\$'000</i> (Audited)
Within 30 days	4,429	4,151
31 – 60 days	<u>1,136</u>	<u>1,261</u>
	<u>5,565</u>	<u>5,412</u>

11. BORROWINGS

	As at 30 June 2018 HK\$'000 (Unaudited)	As at 31 December 2017 HK\$'000 (Audited)
Instalment loans	3,343	9,897
Bank overdrafts	<u>7,574</u>	<u>5,763</u>
	<u>10,917</u>	<u>15,660</u>

Note: As at 30 June 2018, installment loans of approximately HK\$9,694,000 were reclassified to liabilities associated with assets classified as held for sale.

As at 30 June 2018 and 31 December 2017, the facility agreements of instalment loans and bank overdrafts contained repayment on demand clauses pursuant to which the banks could at their discretion demand repayment of the entire outstanding balances from the Group in the absence of any defaults. The whole balance is therefore recognised under current liabilities.

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

	As at 30 June 2018 HK\$'000 (Unaudited)	As at 31 December 2017 HK\$'000 (Audited)
Within one year	7,677	6,169
After one year but within two years	105	416
After two years but within five years	330	1,301
More than five years	<u>2,805</u>	<u>7,774</u>
	<u>10,917</u>	<u>15,660</u>

Instalment loans carrying interest at the lower of one month Hong Kong Interbank Offered Rate (“HIBOR”) plus 1.35% or the best lending rate of the bank (“BLR”) minus 3.1% per annum.

Bank overdrafts carrying interest at the BLR minus 2.5% per annum.

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

	As at 30 June 2018 HK\$'000 (Unaudited)	As at 31 December 2017 HK\$'000 (Audited)
Instalment loans	2.15%	2.15%
Bank overdrafts	<u>2.75%</u>	<u>2.75%</u>

As at 30 June 2018, the Group had aggregate banking facilities of approximately HK\$17,860,000 (31 December 2017: HK\$20,000,000) for loans and other facilities. Unused facilities as at the same date amount to approximately HK\$6,926,000 (31 December 2017: HK\$4,237,000). These facilities are secured by:

- (a) As at 30 June 2018, property, plant and equipment with carrying values of approximately HK\$12,059,000;
- (b) As at 30 June 2018, assets classified as held for sale with carrying values of approximately HK\$26,506,000 and their respective rental income generated;
- (c) As at 30 June 2018 and 31 December 2017, unlimited guarantees from a non-controlling shareholder and a director of a subsidiary;
- (d) As at 30 June 2018 and 31 December 2017, unlimited corporate guarantee from a non-wholly owned subsidiary of the Group; and
- (e) As at 31 December 2017, investment properties with carrying values of approximately HK\$26,846,000 and their respective rental income generated.

12. COMMITMENTS

(a) Capital commitments

	As at 30 June 2018 HK\$'000 (Unaudited)	As at 31 December 2017 HK\$'000 (Audited)
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	<u>–</u>	<u>10,080</u>

(b) **Operating lease commitments**

As lessee

The Group leases certain office premises and warehouses under operating lease arrangements. Leases are negotiated for terms ranging from one to approximately three years. Rental were fixed at the inception of the leases.

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

	As at 30 June 2018 HK\$'000 (Unaudited)	As at 31 December 2017 HK\$'000 (Audited)
Within one year	1,540	2,253
In the second to fifth years inclusive	332	810
	<u>1,872</u>	<u>3,063</u>

As lessor

Property rental income earned during the period was HK\$321,000 and the properties are expected to generate rental yields of 2.4% on an ongoing basis. All of the properties held for generating rental income have committed tenants for the next two years.

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

	As at 30 June 2018 HK\$'000 (Unaudited)	As at 31 December 2017 HK\$'000 (Audited)
Within one year	642	642
In the second to fifth year inclusive	482	803
	<u>1,124</u>	<u>1,445</u>

MANAGEMENT DISCUSSION AND ANALYSIS

The Board is pleased to announce the Group's interim results for the 2018 Interim.

Business Review

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

Food products operation

For the 2018 Interim, the food products operation recorded an increment in revenue of around 30% to approximately HK\$59.91 million when compared with approximately HK\$45.95 million for the 2017 Interim.

Although the revenue of the food products operation recorded a rise of approximately 30% for the 2018 Interim, the effect was counteracted by the rise in the food cost and staff cost. As a result, the operating loss increased from approximately HK\$0.02 million for the 2017 Interim to approximately HK\$0.13 million for the 2018 Interim.

Securities Investment Business

As at 30 June 2018, the Group had a portfolio of securities investment classified as financial assets at FVTPL of approximately HK\$10.46 million (31 December 2017: HK\$80.30 million) and all of them were equity securities / fund listed in Hong Kong. For the 2018 Interim, the Group recorded a net unrealised loss of approximately HK\$47.58 million (2017: HK\$17.33 million) and a net realised gain of approximately HK\$3.30 million (2017: HK\$33.61 million) in its entire securities investment.

Details of the investments and their performance are as follows:

Name of the investments	Notes	% to the total assets of the Group as at 1 January 2018	% to the interest in the respective investments as at 1 January 2018	Movement for the six months ended 30 June 2018			Fair value as at 30 June 2018 HK\$'000	% to the total assets of the Group as at 30 June 2018	% to the interest in the respective investments as at 30 June 2018	Gain / (loss) on disposal HK\$'000
				Fair value as at 1 January 2018 HK\$'000	Addition / (disposal), net HK\$'000	Change on fair value, net HK\$'000				
Equity securities listed in Hong Kong										
In Technical Productions Holdings Limited (8446) ("ITP")	(a)	11.58%	1.13%	54,961	–	(49,104)	5,857	1.34%	1.13%	–
Cool Link (Holdings) Limited (8491) ("CLH")	(b)	0.28%	0.75%	1,350	1,725	1,525	4,600	1.05%	0.96%	188
My Heart Bodibra Group Limited (8297) ("Bodibra")	(c)	1.29%	5.00%	6,119	(6,119)	–	–	N/A	N/A	(1,692)
L & A International Holdings Limited (8195) ("L&A")	(d)	0.61%	4.88%	2,873	(2,873)	–	–	N/A	N/A	459
China Life Insurance Company Limited – H Shares (2628)		0.52%	0.00%	2,455	(2,455)	–	–	N/A	N/A	(305)
Hong Kong Exchanges and Clearing Limited (388)		0.51%	0.00%	2,398	(2,398)	–	–	N/A	N/A	41
Beaver Group (Holding) Company Limited (8275) ("Beaver")	(e)	0.49%	0.58%	2,310	(2,310)	–	–	N/A	N/A	3,692
International Entertainment Corporation (1009)		0.43%	0.08%	2,020	(2,020)	–	–	N/A	N/A	(58)
Season Pacific Holdings Limited (1709)		0.32%	0.47%	1,521	(1,521)	–	–	N/A	N/A	48
Stau Holdings Limited (8392)		0.19%	0.27%	887	(887)	–	–	N/A	N/A	40
Takbo Group Holdings Limited (8436)		0.18%	0.50%	840	(840)	–	–	N/A	N/A	415
South China Holdings Company Limited (413)		0.04%	0.00%	201	(201)	–	–	N/A	N/A	(6)
BOC Hong Kong (Holdings) Limited (2388)		N/A	N/A	–	–	–	–	N/A	N/A	(85)
Tencent Holdings Limited (700)		N/A	N/A	–	–	–	–	N/A	N/A	44
Ping An Insurance (Group) Company of China, Ltd. – H Shares (2318)		N/A	N/A	–	–	–	–	N/A	N/A	146
Galaxy Entertainment Group Limited (27)		N/A	N/A	–	–	–	–	N/A	N/A	251
				<u>77,935</u>	<u>(19,899)</u>	<u>(47,579)</u>	<u>10,457</u>			<u>3,178</u>
Fund listed in Hong Kong										
Hang Seng China Enterprises Index ETF (2828)		0.50%	0.01%	2,364	(2,364)	–	–	N/A	N/A	126
Total				<u>80,299</u>	<u>(22,263)</u>	<u>(47,579)</u>	<u>10,457</u>			<u>3,304</u>

Notes:

- (a) This investment represented 9,010,000 shares, which was approximately 1.13% of the total issued shares of ITP as at 30 June 2018. ITP and its subsidiaries ("ITP Group") are principally engaged in (i) the provision of visual display solutions to its customers in relation to pop concert shows and various other live events; and (ii) equipment rental. For the 2018 Interim, the Group recorded an unrealised fair value loss of approximately HK\$49.10 million in the investment of the shares of ITP. According to ITP's third quarterly report for the nine months ended 28 February 2018, ITP Group recorded revenue and net profit of approximately HK\$59.69 million and HK\$13.17 million respectively. In view of the dropping trend in the share price of ITP since January 2018 and volatile market conditions, the management of the Group (the "Management") disposed of all the shareholding in ITP subsequent to the reporting period.

- (b) This investment represented 5,750,000 shares, which was approximately 0.96% of the total issued shares of CLH as at 30 June 2018. CLH and its subsidiaries (“CLH Group”) are principally engaged in food supplies business in Singapore. For the 2018 Interim, the Group recorded an unrealised fair value gain of approximately HK\$1.53 million and a realised gain of approximately HK\$0.19 million in the investment of the shares of CLH. According to CLH’s first quarterly report for the three months ended 31 March 2018, CLH Group recorded revenue and net profit of approximately Singapore Dollars (“S\$”) 6.36 million and S\$0.04 million respectively. As disclosed in CLH’s latest first quarterly report, the listing of shares is strategic to their entrance into the Hong Kong ship supply industry and will then raise the profile and visibility of CLH Group and strengthen their competitiveness. The Management is optimistic to the share price of CLH and would continue to monitor the share price of CLH and make appropriate decision on the investment in the shares of CLH.
- (c) Bodibra and its subsidiaries are mainly engaged in the business of manufacturing and retail sales of lingerie products in Hong Kong and the PRC. In view of volatile market conditions and the trend of the share price of Bodibra, the Group disposed of its entire shareholding in Bodibra and recorded a realised loss of approximately HK\$1.69 million for the 2018 Interim.
- (d) L&A and its subsidiaries are principally engaged in manufacturing and selling pure cashmere apparel and other apparel products through OEM and retail and money lending business. In view of volatile market conditions and the trend of the share price of L&A, the Group disposed of its entire shareholding in L&A and recorded a realised gain of approximately HK\$0.46 million for the 2018 Interim.
- (e) Beaver and its subsidiaries are foundation contractor primarily specialising in bored piling works as well as other foundation works. In view of the volatile market conditions, the Group disposed of its entire shareholding in Beaver and recorded a realised gain of approximately HK\$3.69 million for the 2018 Interim.

The Group will continue to monitor the existing portfolio closely and look for other potential investment opportunities.

Money Lending Business

The Group’s money lending business maintained a stable performance. During the 2018 Interim, it generated interest income of approximately HK\$4.55 million (2017: HK\$4.67 million). Attributable to a reversal of provision for impairment on loan and interest receivables of HK\$4 million during the 2018 Interim, the Group recorded an increase in segment profit to approximately HK\$8.07 million (2017: HK\$4.50 million).

As at 30 June 2018, an aggregate loan of approximately HK\$560.75 million (31 December 2017: HK\$530.45 million) with effective interest rate ranging from 3% to 36% per annum (31 December 2017: 3% to 36% per annum) had been built up by the Group. As at 30 June 2018, the outstanding loan receivables of the Group amounted to approximately HK\$95.52 million (31 December 2017: HK\$188.89 million).

Wine Trading

Wine industry in Hong Kong has been developed for years. With the help of the removal of all wine duties by the Hong Kong government in 2008 and the support of a significant pool of experienced wine merchants with good wine knowledge and international trade experience, Hong Kong has further developed into a wine trading and distribution centre for the region. According to the Hong Kong Trade Development Council Research Report on 4 September 2017, which provided statistical data for the previous year of 2017, and data from Euromonitor International, in January to June 2017, wine sales in Hong Kong amounted to United States Dollars 1,543 million or 33.8 million liters in 2016, up 6.5% and 3.1%, respectively, per annum in the past five years. For 2016 to 2021, it is forecasted to grow 9.8% per annum in value terms and 5.4% per annum in volume terms.

The Group has expanded its business to wine trading with an aim to take advantage of the steady growth of the wine industry. The Board believes the development of the wine trading business represents a good opportunity for the Group to further develop its distribution and catering business and will help diversify the Group's business.

The Group's wine are mainly from various reputable vineyard and winery from Australia, with a focus on the red wine as the major product. During the 2018 Interim, the wine trading operation has achieved positive results and recorded revenue of approximately HK\$15.82 million with a segment profit of approximately HK\$1.92 million.

Others

The dessert catering industry in the PRC is still facing a fierce competition which is further intensified by the emergence of e-commerce platform and the change of consumption pattern to online channel. The associate of the Group, the Lucky Dessert Group, competes with both new entrants and competitors with longer operating histories. Together with the rising operating costs such as rental expenses and labour costs in the PRC, the Lucky Dessert Group focused on developing its restaurant network through local business partners in the PRC, instead of operating its self-owned restaurant.

As at 30 June 2018, the Lucky Dessert Group had six (31 December 2017: six) dessert catering restaurants which were operated by three local business partners in Tianjin, Taiyuan and Nanjing. The management reckons that "Lucky Dessert" possesses the distinctive attributes to be a competitive brand in the PRC's casual catering industry.

The Group has established a joint venture for the development and operation of a bar restaurant in January 2018. It is situated in Xinyi District, Taipei, an international touristy area for pubs and bars. The bar restaurant provided live music, a dance floor, beer pong arcade machines supplemented by light food and both alcoholic and non-alcoholic beverages. The restaurant has a total saleable area of approximately 700 square meters and a maximum capacity of approximately 200 guests on a single occasion.

The bar business has accumulated operating losses amounted to approximately HK\$4 million since operation. It underperformed the Group's expectation mainly because (i) the weak customer sentiment; (ii) the beer pong theme was not able to attract sufficient customer base; and (iii) fierce competition from other bars and night entertainment. The bar restaurant has tried various measures to improve the performance, including but not limited to lower the prices for food and beverages, arrange various promotion offers, changing from employing full time to part-time staff etc. However, the customers spending and the customer flow has been sluggish during the 2018 Interim.

Up to 30 June 2018, the joint venture has injected funds of approximately HK\$12 million to the bar restaurant, in which the leasehold improvements, rental deposits, and initial set up costs accounted for approximately 38%, 9% and 28% of the total investment. With the deteriorating business performance, the joint venture closed the bar operation in July 2018 in order to cut losses. Considered the accumulated losses incurred and the recoverability of such costs is remote, an impairment loss of approximately HK\$11.17 million has been recognised by the Group for the amount due from a joint venture for the 2018 Interim.

Financial Review

During the 2018 Interim, the Group's revenue amounted to approximately HK\$80.30 million which was approximately 58% higher than that of the last corresponding period. The increment was mainly due to the introduction of wine trading operation; and (ii) the increase in the revenue from the food products operation.

Loss attributable to the owners of the Company was approximately HK\$66.24 million for the 2018 Interim, an improvement of approximately 9% as compared to the 2017 Interim. The decrease in the loss was mainly due to (i) the improvement in the investments segment from loss of approximately HK\$50.75 million for the 2017 Interim to approximately HK\$44.25 million for 2018 Interim; (ii) the reversal of provision for impairment on loan and interest receivables of HK\$4 million for the 2018 Interim; (iii) the introduction of wine trading business which contributed approximately HK\$1.92 million for the 2018 Interim; and (iv) the decrease in the finance costs of approximately HK\$1.34 million for the 2018 Interim when compared with the 2017 Interim. However, part of the above effects were counteracted by the negative impact from the increase in unallocated corporate expenses from approximately HK\$22.58 million for the 2017 Interim to approximately HK\$29.28 million (including provision for impairment on amount due from a joint venture of approximately HK\$11.17 million) for 2018 Interim.

The cost of inventories consumed and cost of sales for the 2018 Interim amounted to approximately HK\$25.61 million and HK\$13.63 million respectively (2017: HK\$19.22 million and nil). The cost of inventories consumed and cost of sales were approximately 43% and 86% respectively (2017: 42% and nil) of the Group's revenue on food products operation and wine trading operation during the 2018 Interim. The Group will keep the strategy on bulk purchases of from suppliers in order to enjoy a larger discount.

Employee benefits expenses for the 2018 Interim amounted to approximately HK\$21.87 million (2017: HK\$19.99 million). The increase was mainly due to the development of the Group's business and the wage adjustments to retain experienced staff under the inflationary environment during the 2018 Interim. The Group regularly reviews the work allocation of the staff to improve and maintain a high standard of service.

Outlook and Prospects

The management strives to diversify the Group's existing business and broaden its source of income.

For the food products operation, the management is committed to bolster the customer base. The Group continues to search for suitable sites with high traffic flow for expansion and will continue to review the performance of its concessionaire stores and close the underperforming locations. To broaden the customer base, the Group has started the Taiwanese cuisine takeaway store since December 2017. With the benefits from the economies of scales and larger market share, the Group believes the food products operation could achieve better performance. The Group is also proactively monitoring the rising food costs, labour costs and commission expenses to supermarket chains in order to raise the operational efficiencies of the food products operation.

The Group will actively seek for opportunities to expand its money lending business.

The management will monitor the risk exposure regularly and adjust the investments portfolio when necessary, while selectively choose those with the most balanced risk and return potential.

The Group has expanded its business to wine trading recently. With positive results, the Board believes the new expansion of business will broaden the income stream of the Group and is in the interests of the Company and the shareholders as a whole.

The Lucky Dessert Group is consistently approached by potential local entrepreneurs of the trademark "Lucky Dessert" for running the dessert catering business in the PRC. The Group will explore opportunities to further develop its dessert catering business.

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

As at 30 June 2018, the interests and short positions of the Directors and the chief executives 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 Future Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO") which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to Rule 5.46 to Rule 5.67 of the GEM Listing Rules relating to securities transactions by Directors, to be notified to the Company and the Stock Exchange were as follows:

Long positions in shares and underlying shares of the Company

Name of Director	Capacity / nature of interest	Total number of ordinary shares	Approximate percentage of interest
Mr. Yu Ka Ho	Beneficial owner	256	0.00%

Saved as disclosed above, as at 30 June 2018, none of the Directors and the chief executives of the Company had, or was deemed to have, any interests or short positions in any shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the required standard of dealings by Directors as referred to in Rule 5.46 to Rule 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

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

So far as the Directors are aware, as at 30 June 2018, other than the Directors and chief executives of the Company whose interests and short positions are disclosed under the paragraph headed "Directors' and chief executives' interests and short positions in the shares, underlying shares or debentures of the Company and its associated corporations" above, the following parties have interest or short position in the shares or underlying shares of the Company which have to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO, and who was expected, directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company are listed as follows:

Long positions in shares and underlying shares of the Company

Name	Capacity / nature of interest	Total number of ordinary shares	Approximate percentage of interest
Wong Ryan Tai Cheong ("Wong TC") (Note 1)	Beneficial owner	24,288,000	1.14%
	Interest of spouse	62,952,000	2.96%
	Interest in controlled corporations	294,871,200	13.86%
Fung Pui Wah ("Fung PW") (Note 2)	Beneficial owner	62,952,000	2.96%
	Interest of spouse	319,159,200	15.00%
KMW Investments Limited ("KMW") (Note 3)	Beneficial owner	254,863,200	11.98%
Lee Cheuk Yue	Beneficial owner	226,449,184	10.64%
Wong Man Ho Matthew	Beneficial owner	217,701,184	10.23%

1. Wong TC held 294,871,200 Shares through KMW (254,863,200 Shares) and Lucky Base Enterprises Limited (“Lucky Base”) (40,008,000 Shares). The entire share capital of both KMW and Lucky Base were held by Wong TC. Wong TC is the spouse of Fung PW. By virtue of SFO, Wong TC is deemed to be interested in all the Shares owned by KMW, Lucky Base and Fung PW.
2. Fung PW is the spouse of Wong TC. By virtue of SFO, Fung PW is interested in all the Shares owned by Wong TC.
3. KMW is a company incorporated in the British Virgin Islands and the entire share capital of KMW is owned by Wong TC.

Saved as disclosed above, as at 30 June 2018, the Directors were not aware of any other person (other than the Directors or chief executives as disclosed in the paragraph headed “Directors’ and chief executives’ interests and short positions in the shares, underlying shares or debentures of the Company and its associated corporations” above) who had, or deemed to have, interests or short positions in the shares, underlying shares or debentures of the Company which has to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO, or who was directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company.

PURCHASE, SALE OR REDEMPTION OF THE SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Shares during the 2018 Interim.

DIRECTORS’ INTERESTS IN COMPETING BUSINESS

None of the Directors and their respective associates had an interest in any business which competed or was likely to compete, either directly or indirectly, with the businesses of the Group or had any other conflicts with the Group during the 2018 Interim.

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms which are the same as the required standard of dealings set out in Rule 5.48 to Rule 5.67 of the GEM Listing Rules. The Company periodically issues notices to its Directors reminding them of the general prohibition on dealing in the Company’s listed securities during the blackout periods before the publication of announcements of financial results. The Company has confirmed, having made specific enquiry of the Directors, that all the Directors have complied with the required standards of dealings throughout the period under review. The Company was not aware of any non-compliance during the 2018 Interim.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Board considers that the Company has complied with the code provisions in the Corporate Governance Code (the “CG Code”) as set out in Appendix 15 of the GEM Listing Rules during the 2018 Interim.

AUDIT COMMITTEE

The Company established the Audit Committee pursuant to a resolution of the Directors passed on 25 June 2011 with written terms of reference in compliance with Rule 5.28 and Rule 5.29 of the GEM Listing Rules. The written terms of reference of the Audit Committee was adopted in compliance with paragraph C3.3 of the CG Code as set out in Appendix 15 to the GEM Listing Rules. On 30 December 2015, the Board adopted a set of revised terms of reference of the Audit Committee in line with the GEM Listing Rules requirement in relation to the internal control by introducing the concept of the risk management. The primary duties of the Audit Committee, among other things, are to assist the Board in overseeing and reviewing (i) the effectiveness of the Group’s risk management and internal control systems and regulatory compliance of the Group; (ii) the integrity of the Company’s financial statements and application of accounting standards and significant judgements contained in the financial statements; and (iii) the relationship with the external auditors by reference to the work performed by the auditors, their fees and terms of engagement, and make recommendation to the Board on the appointment, re-appointment and removal of external auditors.

As at 30 June 2018, the Audit Committee consists of three independent non-executive Directors, namely Mr. Tam Lok Hang, Mr. Kwan Wai Yin, William and Mr. Chu Sin Bun, Jacky. Mr. Tam Lok Hang is the chairman of the Audit Committee.

The Audit Committee had reviewed the unaudited Interim Financial Statements for the 2018 Interim and is of the opinion that the Interim Financial Statements comply with the applicable accounting standards, the GEM Listing Rules and that adequate disclosures have been made.

By Order of the Board
Food Idea Holdings Limited
Wong Hoi Yu
Chairman and executive Director

Hong Kong, 13 August 2018

As at the date of this announcement, the Board comprises Mr. Wong Hoi Yu and Mr. Yu Ka Ho as executive Directors, and Mr. Chu Sin Bun Jacky, Mr. Kwan Wai Yin, William and Mr. Tam Lok Hang as independent non-executive Directors.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at <http://www.hkgem.com> for at least 7 days from the date of its posting and on the website of the Company at <http://www.foodidea.com.hk>.