

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
REPORT

2018

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

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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 report, 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 report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

CORPORATE INFORMATION

Board of Directors

Executive Directors

Mr. Wong Hoi Yu (*Chairman*)
Mr. Yu Ka Ho (*Chief executive officer*)

Independent non-executive Directors

Mr. Kwan Wai Yin, William
Mr. Tam Lok Hang
Mr. Chu Sin Bun Jacky
(appointed on 1 February 2018)
Mr. Li Fu Yeung
(resigned on 1 February 2018)

Compliance Officer

Mr. Yu Ka Ho

Authorised Representatives

Mr. Yu Ka Ho
Mr. Wong Tin King, Richard, (*CPA, FCA*)

Company Secretary

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

Audit Committee Members

Mr. Tam Lok Hang (*Chairman*)
(redesignated on 1 February 2018)
Mr. Kwan Wai Yin, William
Mr. Chu Sin Bun Jacky
(appointed on 1 February 2018)
Mr. Li Fu Yeung
(resigned on 1 February 2018)

Remuneration Committee Members

Mr. Tam Lok Hang (*Chairman*)
Mr. Kwan Wai Yin, William
Mr. Chu Sin Bun Jacky
(appointed on 1 February 2018)
Mr. Li Fu Yeung
(resigned on 1 February 2018)

Nomination Committee Members

Mr. Chu Sin Bun Jacky (*Chairman*)
(appointed on 1 February 2018)
Mr. Kwan Wai Yin, William
Mr. Tam Lok Hang
Mr. Li Fu Yeung
(resigned on 1 February 2018)

Auditor

SHINEWING (HK) CPA Limited
Certified Public Accountants

Principal Bankers

The Hongkong and Shanghai Banking
Corporation Limited
Industrial and Commercial Bank of
China (Asia) Limited

Registered Office

Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman
KY1-1111
Cayman Islands

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

Room A, 6/F
CNT Tower
338 Hennessy Road
Wanchai
Hong Kong

Hong Kong Share Registrars and Transfer Office

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

Company Website

www.foodidea.com.hk

GEM Stock Code

8179

HIGHLIGHTS

- The Group's revenue 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	6	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	7	(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	8	(118)	(470)	(212)	(1,552)
Loss before tax	9	(37,600)	(46,173)	(66,197)	(73,467)
Income tax expenses	10	(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)

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	
	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)
<i>Note</i>				
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>)	11 (1.76)	(3.27)	(3.12)	(6.08)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2018

	Notes	As at 30 June 2018 HK\$'000 (Unaudited)	As at 31 December 2017 HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment	13	20,010	14,170
Investment properties	13	–	26,846
Goodwill		1,310	1,310
Intangible asset		4,172	4,264
Interests in associates	14	46,785	49,461
Interests in joint ventures	15	24,830	24,842
Amount due from an associate	14	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	16	5,423	31,146
		112,517	162,517
Current assets			
Inventories	17	132,367	234
Loan and interest receivables	16	92,426	155,033
Trade receivables	18	19,813	12,642
Loan to an associate	14	3,000	3,000
Amounts due from associates	14	465	1,302
Amounts due from joint ventures	15	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	19	10,457	80,299
Bank balances and cash		36,320	37,127
		299,265	312,218
Assets classified as held for sale		26,815	–
		326,080	312,218

	<i>Notes</i>	As at 30 June 2018 HK\$'000 (Unaudited)	As at 31 December 2017 HK\$'000 (Audited)
Current liabilities			
Trade payables	20	5,565	5,412
Other payables, accruals and deposits received	20	30,843	10,112
Income tax payable		175	25
Borrowings	21	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	22	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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months ended 30 June 2018

	Attributable to owners of the Company									
	Share capital HK\$'000	Share premium HK\$'000	Shares options reserve HK\$'000	Capital reserve HK\$'000	Other reserve HK\$'000	Foreign currency translation reserve HK\$'000	Accumulated loss HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	Note (i) (Unaudited)	Note (ii) (Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Balance at 1 January 2018	21,071	613,622	-	106	(182)	(6,989)	(165,543)	442,085	1,441	443,526
Loss for the period	-	-	-	-	-	-	(66,236)	(66,236)	(212)	(66,448)
Other comprehensive expenses for the period										
Share of foreign currency translation reserve of an associate	-	-	-	-	-	(356)	-	(356)	-	(356)
Total comprehensive expenses for the period	-	-	-	-	-	(356)	(66,236)	(66,592)	(212)	(66,804)
Recognition of equity settled share based payment	-	-	830	-	-	-	-	830	-	830
Issue of shares upon exercise of share options	208	4,418	(830)	-	-	-	-	3,796	-	3,796
Disposal of a subsidiary	-	-	-	-	-	-	-	-	(81)	(81)
Balance at 30 June 2018	21,279	618,040	-	106	(182)	(7,345)	(251,779)	380,119	1,148	381,267
Balance at 1 January 2017	7,988	420,936	1,498	106	(182)	(10,760)	(106,126)	313,460	1,620	315,080
Loss for the period	-	-	-	-	-	-	(73,102)	(73,102)	(408)	(73,510)
Other comprehensive income for the period										
Exchange differences on translation of foreign operations	-	-	-	-	-	5	-	5	-	5
Share of foreign currency translation reserve of an associate	-	-	-	-	-	1,532	-	1,532	-	1,532
Total comprehensive income (expenses) for the period	-	-	-	-	-	1,537	(73,102)	(71,565)	(408)	(71,973)
Issue of new shares	11,181	146,007	-	-	-	-	-	157,188	-	157,188
Transaction costs attributable to the issue of new shares	-	(1,882)	-	-	-	-	-	(1,882)	-	(1,882)
Issue of shares upon exercise of share options	175	5,317	(1,498)	-	-	-	-	3,994	-	3,994
Balance at 30 June 2017	19,344	570,378	-	106	(182)	(9,223)	(179,228)	401,195	1,212	402,407

Notes:

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the six months ended 30 June 2018

	For the six months ended 30 June	
	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)
Net cash flows (used in) generated from operating activities	(1,035)	7,679
Net cash used in investing activities	(8,215)	(4,662)
Net cash generated from financing activities	6,936	79,128
Net (decrease) increase in cash and cash equivalents	(2,314)	82,145
Effect of foreign exchange rate changes	–	5
Cash and cash equivalents at beginning of period	31,364	13,807
	29,050	95,957
Cash and cash equivalents at end of period		
Bank balances and cash	36,320	95,853
Bank balances and cash included in assets classified as held for sale	304	104
Bank overdrafts	(7,574)	–
	29,050	95,957

NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2018

Notes:

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 10 February 2011 as an exempted company with limited liability under the Companies Law (2010 Revision) of the Cayman Islands. The shares of the Company (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. ESTIMATES

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

In preparing these Interim Financial Statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the 2017 Annual Report.

5. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

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

	Fair value hierarchy	Valuation techniques and key inputs	Fair value as at	
			30 June 2018 HK\$'000 (Unaudited)	31 December 2017 HK\$'000 (Audited)
Financial assets				
Equity securities listed in Hong Kong classified as financial assets at fair value through profit or loss ("FVTPL")	Level 1	Quoted bid prices in an active market	10,457	77,935
Fund listed in Hong Kong classified as financial assets at FVTPL	Level 1	Quoted bid prices in an active market	–	2,364
Unlisted equity securities classified as available-for-sale investments	Level 3	Adjusted net assets value	1,000	1,000
			11,457	81,299

There was no transfer among Level 1, 2 and 3 during the six months ended 30 June 2018 (the "2018 Interim").

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

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

6. SEGMENT INFORMATION

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

Specifically, the Group’s reportable and operating segments 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 barbecued 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 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, results, assets and liabilities by reportable and operating segments:

	Catering services	Food products operation	Investments	Money lending	Wine trading	Unallocated	Consolidated
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
For 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)
As at 30 June 2018							
ASSETS							
Segment assets	4,172	20,474	11,457	97,849	139,040	81,725	354,717
Interests in associates	46,785	-	-	-	-	-	46,785
Interests in joint ventures	-	-	-	-	-	24,830	24,830
Loan to an associate	3,000	-	-	-	-	-	3,000
Amounts due from associates	465	-	-	-	-	8,631	9,096
Amounts due from joint ventures	-	169	-	-	-	-	169
Consolidated total assets							438,597
LIABILITIES							
Segment liabilities	85	21,748	600	-	-	34,897	57,330

	Catering services HK\$'000 (Unaudited)	Food products operation HK\$'000 (Unaudited)	Investments HK\$'000 (Unaudited)	Money lending HK\$'000 (Unaudited)	Unallocated HK\$'000 (Unaudited)	Elimination HK\$'000 (Unaudited)	Consolidated HK\$'000 (Unaudited)
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)
As at 30 June 2017							
ASSETS							
Segment assets	4,358	17,604	19,762	205,431	-	-	247,155
Interest in an associate	53,840	-	-	-	-	-	53,840
Loan to an associate	3,000	-	-	-	-	-	3,000
Amount due from an associate	167	-	-	-	-	-	167
Unallocated corporate assets	-	-	-	-	129,239	-	129,239
Consolidated total assets							433,401
LIABILITIES							
Segment liabilities	85	11,870	-	12	-	-	11,967
Unallocated corporate liabilities	-	-	-	-	19,027	-	19,027
Consolidated total liabilities							30,994

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

- all assets are allocated to operating segments other than certain property, plant and equipment, certain interests in associates / joint ventures, deposits, deferred tax assets, income tax recoverable, assets classified as held for sale, certain amounts due from associates / joint ventures, bank balances and cash and other assets that cannot be allocated to a specific segment; and
- all liabilities are allocated to operating segments other than income tax payable, certain borrowings, deferred tax liabilities, liabilities associated with assets classified as held for sale and other liabilities that cannot be allocated to a specific segment.

Geographical information

The Group's operations are located in Hong Kong (country of domicile), the People's of Republic of China (the "PRC") and Singapore.

Information about the Group's revenue from external customers is presented based on the location of the operations.

The operation in Singapore has not yet commenced and all revenue from external customers of the Group are derived in Hong Kong for the 2018 Interim and 2017 Interim.

Information about the Group's non-current assets is presented based on the geographical location of the assets.

	Non-current assets (Note)	
	As at 30 June 2018 HK\$'000 (Unaudited)	As at 31 December 2017 HK\$'000 (Audited)
Hong Kong (country of domicile)	46,248	69,128
Singapore	4,172	4,264
PRC	46,785	49,461
	97,205	122,853

Note: Non-current assets excluded financial instruments and deferred tax assets.

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 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)
Customer A	10,857	N/A

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

7. OTHER LOSSES, NET

	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)
Reversal of provision for impairment on loan and interest receivables	4,000	–	4,000	–
Gain on disposal of subsidiaries	482	–	482	–
Written off of property, plant and equipment	(172)	–	(172)	–
Provision for impairment on amount due from a joint venture	(11,172)	–	(11,172)	–
Others	56	–	56	–
	(6,806)	–	(6,806)	–

8. FINANCE COSTS

	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)
Interests on borrowings	118	73	212	134
Promissory note	–	397	–	1,418
	118	470	212	1,552

9. LOSS BEFORE TAX

	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)
Loss before tax has been arrived at after charging the following:				
Operating lease rentals in respect of rented premises	922	730	1,599	1,841

10. INCOME TAX EXPENSES

	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)
Current income tax	174	–	251	181
Deferred income tax	–	–	–	(138)
	174	–	251	43

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

Under the Law of 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.

11. 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 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)
Loss for the purpose of basic and diluted loss per share, being loss for the period attributable to the owners of the Company	(37,481)	(45,881)	(66,236)	(73,102)
Number of shares				
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	2,127,855,000	1,402,655,000	2,121,208,000	1,201,383,000

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.

12. DIVIDEND

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

13. PROPERTY, PLANT AND EQUIPMENT / INVESTMENT PROPERTIES

During the 2018 Interim, additions of property, plant and equipment amounted to approximately HK\$12,709,000 (additions for the year ended 31 December 2017: HK\$2,246,000).

During the 2018 Interim, property, plant and equipment with aggregate carrying values of approximately HK\$4,320,000 were disposed of by the Group through the disposal of subsidiaries.

As at 30 June 2018, investment properties of approximately HK\$26,506,000 were reclassified as assets held for sale.

14. INTERESTS IN ASSOCIATES / LOAN TO / AMOUNTS DUE FROM ASSOCIATES

	As at 30 June 2018 <i>HK\$'000</i> (Unaudited)	As at 31 December 2017 <i>HK\$'000</i> (Audited)
Cost of unlisted investment in an associate	92,654	92,654
Share of post-acquisition loss and other comprehensive expenses	(45,687)	(43,011)
Share of other reserve (<i>Note</i>)	(182)	(182)
	46,785	49,461

Note: Amount represented transactions between the associates and non-controlling interests of their subsidiaries.

The loan to an associate is unsecured, bearing interest of 1% plus the best lending rate of The Hongkong and Shanghai Banking Corporation Limited as at the date of drawn down and repayable on 29 April 2019.

The amounts due from associates under current assets are unsecured, interest-free and repayable on demand.

The amount due from an associate under non-current assets is unsecured, interest-free and expected to be recovered in more than twelve months from the end of the reporting period.

15. INTERESTS IN JOINT VENTURES / AMOUNTS DUE FROM JOINT VENTURES

	As at 30 June 2018 <i>HK\$'000</i> (Unaudited)	As at 31 December 2017 <i>HK\$'000</i> (Audited)
Costs of investments in joint ventures	23,121	23,044
Share of post-acquisition profit and other comprehensive income, net	1,709	1,798
	24,830	24,842

The amounts due from joint ventures are unsecured, interest free and repayment on demand.

16. 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	2,497	1,465
	98,021	190,351
Less: provision for impairment on loan and interest receivables	(172)	(4,172)
	97,849	186,179
Loan receivables analysed for reporting purpose as:		
Non-current asset	5,423	31,146
Current asset	92,426	155,033
	97,849	186,179

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

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

The loans provided to debtors bore fixed interest rate ranging from 3% to 18% per annum (31 December 2017: 3% to 36% per annum) and will be repayable on maturity with a maturity period ranged from 1 month to 5 years (31 December 2017: 1 month to 5 years).

Certain individual loan receivables are significant and the terms and conditions of such loan receivables are disclosed in the Company's announcements dated 3 June 2016, 17 June 2016, 5 August 2016, 30 December 2016 and 16 June 2017 respectively.

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 HK\$'000 (Unaudited)	As at 31 December 2017 HK\$'000 (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	1,036	3,734
	97,849	186,179

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

	As at 30 June 2018 HK\$'000 (Unaudited)	As at 31 December 2017 HK\$'000 (Audited)
0 – 30 days	3,259	38,532
31 – 60 days	610	5,460
61 – 90 days	267	5,947
Over 90 days	93,713	136,240
	97,849	186,179

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

	As at 30 June 2018 HK\$'000 (Unaudited)	As at 31 December 2017 HK\$'000 (Audited)
Neither past due nor impaired	59,749	170,183
Past due:		
1 – 90 days	18,283	685
91 – 180 days	4,506	–
181 – 365 days	–	–
Over 1 year	15,311	15,311
	97,849	186,179

Included in the Group's loan and interest receivables are debtors with aggregate amount of approximately HK\$38,100,000 (31 December 2017: HK\$15,996,000) which are past due at the end of the reporting period for which the Group has not provided for impairment loss. The Directors believed that the amount was recoverable, after taking into account of the subsequent settlement and the recent market price of the assets similar to the collateral, being sufficient to cover the outstanding balances as at 30 June 2018 and 31 December 2017.

The movement in the provision for impairment is set out below:

	2018 HK\$'000
At 1 January	4,172
Reversal for the period	(4,000)
At 30 June	172

Included in the provision for impairment on loan and interest receivables are individually impaired loan and interest receivables with an aggregate balance of approximately HK\$172,000 (31 December 2017: HK\$4,172,000) related to a customer that is in severe financial difficulties.

17. INVENTORIES

	As at 30 June 2018 <i>HK\$'000</i> (Unaudited)	As at 31 December 2017 <i>HK\$'000</i> (Audited)
Food and beverage	337	234
Wine	132,030	–
	132,367	234

18. 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	3,843	2,645
	19,813	12,642

The Group does not hold any collateral over its trade receivables.

The Group allows an average credit period of 30 days to its customers

Included in the Group's trade receivables balance were receivables of approximately HK\$3,843,000 (31 December 2017: HK\$2,645,000) that were past due as at 30 June 2018 for which the Group has not provided for impairment loss because there is no recent history of default.

The ageing analysis of trade receivables which are past due but not impaired is set out below:

	As at 30 June 2018 <i>HK\$'000</i> (Unaudited)	As at 31 December 2017 <i>HK\$'000</i> (Audited)
1 – 30 days	3,843	2,645

19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30 June 2018 <i>HK\$'000</i> (Unaudited)	As at 31 December 2017 <i>HK\$'000</i> (Audited)
Equity securities listed in Hong Kong	10,457	77,935
Funds listed in Hong Kong	–	2,364
	10,457	80,299

20. TRADE PAYABLES, OTHER PAYABLES, ACCRUALS AND DEPOSITS RECEIVED

	As at 30 June 2018 <i>HK\$'000</i> (Unaudited)	As at 31 December 2017 <i>HK\$'000</i> (Audited)
Trade payables	5,565	5,412
Other payables	929	606
Accruals	10,014	9,371
Deposits received	19,900	135
	30,843	10,112
	36,408	15,524

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

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

21. 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	7,574	5,763
	10,917	15,660

Note: As at 30 June 2018, instalment 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	2,805	7,774
	10,917	15,660

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	2.75%	2.75%

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.

22. SHARE CAPITAL

	Nominal value	Number of shares	Share capital HK\$'000
Authorised			
Ordinary shares			
At 31 December 2017 and 30 June 2018	0.01	10,000,000,000	100,000
Issued and fully paid			
Ordinary shares			
At 1 January 2017	0.01	798,720,000	7,988
Placing of new shares (Note (i))	0.01	159,744,000	1,597
Issue of shares under rights issue (Note (ii))	0.01	958,464,000	9,584
Issue of shares upon exercise of share options (Note (iii))	0.01	190,185,312	1,902
At 31 December 2017 and 1 January 2018	0.01	2,107,113,312	21,071
Issue of shares upon exercise of share options (Note(iv))	0.01	20,741,331	208
At 30 June 2018	0.01	2,127,854,643	21,279

- (i) On 20 December 2016, the Company entered into a private placing agreement with the placing agent for the placing of an aggregate 159,744,000 new ordinary Shares to not less than six independent third parties at a placing price of HK\$0.144 per share. The gross proceeds raised amounted to approximately HK\$23,003,000 (before transaction costs of approximately HK\$77,000) and resulted in the new increase in share capital and share premium of approximately HK\$1,597,000 and HK\$21,329,000 respectively. The placing was completed on 6 January 2017. Details of the placing are set out in the Company's announcements dated 20 December 2016 and 6 January 2017 respectively.
- (ii) On 23 May 2017, 958,464,000 ordinary Shares were issued and allotted to the shareholders of the Company on the basis of one rights share for every one ordinary Share for consideration of HK\$0.14 per share (the "Rights Issue"). The gross proceeds raised amounted to approximately HK\$134,185,000 (before transaction costs of approximately HK\$1,805,000) and resulted in the net increase in share capital and share premium of approximately HK\$9,584,000 and HK\$122,796,000 respectively. The Rights Issue was completed on 23 May 2017. Details of the Rights Issue are set out in the Company's announcements dated 28 February 2017, 23 March 2017, 13 April 2017 and 22 May 2017, the circular of the Company dated 25 March 2017 and prospectus of the Company dated 27 April 2017.

- (iii) During the year ended 31 December 2017, 17,485,312 (after the Rights Issue adjustment) and 172,700,000 share options had been exercised by holders at exercise prices of HK\$0.2284 (after the Rights Issue adjustment) and HK\$0.2004 respectively, per option to subscribe for 17,485,312 and 172,700,000 ordinary Shares at a total consideration of approximately HK\$3,994,000 and HK\$34,609,000 respectively. The total consideration and transfer of share options reserve of approximately HK\$11,860,000 were credited to share capital of approximately HK\$1,902,000 and share premium of approximately HK\$48,561,000. Details of the share options are set out in Note 23.
- (iv) During the 2018 Interim, 20,741,331 share options had been exercised by holder at exercise price of HK\$0.183 per option to subscribe for 20,741,331 ordinary Shares at a total consideration of approximately HK\$3,796,000. The total consideration and transfer of share options reserve of approximately HK\$830,000 were credited to share capital of approximately HK\$208,000 and share premium of approximately HK\$4,418,000. Details of the share options are set out in Note 23.

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

23. SHARE OPTION SCHEME

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

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

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

The total number of share which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company must not exceed 10% of the total number of shares in issue on 9 December 2011 unless the Company seeks the approval of the shareholders in general meeting for refreshing the 10% limit under the Share Option Scheme provided that options lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company will not be counted for the purpose of calculating the 10% limit. Pursuant to an ordinary resolution passed by the Company's shareholders at annual general meeting of the Company held on 8 June 2018, the 10% limit under the Share Option Scheme was refreshed (i.e. 212,785,464 ordinary Shares).

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

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

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

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

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

As at 30 June 2018, there were no outstanding share options under the Share Option Scheme.

Details of the share options granted during the period are as follows:

Date of grant	Vesting period	Exercise period	Exercise price	Closing price of the share immediately before the date of grant
23 February 2018	N/A	1 year from the date of grant	HK\$0.183	HK\$0.182

The following table discloses movements of the Company's share options held by the Directors, employees and other individuals for the 2018 Interim:

	Date of grant	Exercise price per option HK\$	Exercise period	Number of share options				
				Balance as at 1 January 2018	Granted during the period	Exercised during the period	Expired / lapsed / cancelled during the period	Balance as at 30 June 2018
Individual	23 February 2018	0.183	1 year from the date of grant	-	20,741,331	(20,741,331)	-	-
Exercisable at the end of the period								-
				HK\$	HK\$	HK\$	HK\$	HK\$
Weighted average exercise price				-	0.183	0.183	-	-

In respect of the share options exercised during the period, the weighted average share price at the date of exercise was HK\$0.185 and the weighted average share price at the date immediately before the exercise was HK\$0.183.

During the 2018 Interim, 20,741,331 options were granted on 23 February 2018. The estimated fair value of the options granted on the date was approximately HK\$830,000.

The fair value was calculated using the Binomial model. The inputs into the model were as follows:

	2018
Closing share price at the date of grant	HK\$0.183
Exercise price	HK\$0.183
Expected volatility	61%
Expected life	1 year
Risk-free rate	0.79%
Expected dividend yield	0%

Expected volatility was determined by using the historical volatility of the Company's share price over the previous one year. The expected life used in the model has been adjusted, based on the management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The Group recognised the total expense of approximately HK\$830,000 for the 2018 Interim in relation to share options granted by the Company.

24. 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	–	10,080

(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
	1,872	3,063

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
	1,124	1,445

25. CONNECTED AND RELATED PARTY TRANSACTIONS

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

(a) Transactions with connected / related parties

The Group had the following significant transactions with the connected and related parties during the periods:

	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)
Rental expense to a substantial shareholder	<i>i</i>	–	210	–	840
Purchase of a motor vehicles from a related company	<i>ii</i>	–	–	–	500
Sales of a motor vehicles to a close family member of a substantial shareholder	<i>ii</i>	–	550	–	550
Interest income receivable from the loan to an associate	<i>iii</i>	45	45	89	89
Interest expenses payable to a close family member of a substantial shareholder	<i>iv</i>	–	397	–	1,418
Constancy fee income received from an associate	<i>v</i>	56	–	56	–
Management income received from an associate	<i>v</i>	15	–	30	–
Salaries and post-employment benefits paid to substantial shareholders	<i>vi</i>	–	158	159	252
Services fee expenses paid to an associate	<i>vii</i>	28	–	38	–
Interest income received from a substantial shareholder	<i>iii</i>	–	17	–	17

Notes:

- (i) Rental expenses were charged according to the terms of the rental agreement entered into between the parties.
- (ii) The motor vehicles were purchased / sold according to the terms of the sales and purchase agreements entered into between the parties.
- (iii) Interest income was charged according to the terms of the loan agreement entered into between the parties.
- (iv) Interest expenses was charged according to the terms of the promissory note entered into between the parties.
- (v) Consultancy fee income and management income were made on a mutually agreed basis.
- (vi) Salaries were charged according to the terms entered into between the parties.
- (vii) Service fee expenses were charged according to the terms entered into between the parties.

(b) Other transactions with related parties

Compensation of key management personnel

	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)
Short-term benefits	695	2,563	1,390	4,726
Post-employment benefits	10	18	21	33
	705	2,581	1,411	4,759

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

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			% 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				Fair value as at 30 June 2018 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
				77,935	(19,899)	(47,579)	10,457			3,178
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				80,299	(22,263)	(47,579)	10,457			3,304

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 causal 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.

Liquidity, Financial and Capital Resources

Capital structure

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

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

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

Cash position

As at 30 June 2018, the carrying amount of the Group's unpledged bank balances and cash was approximately HK\$36.32 million (31 December 2017: approximately HK\$37.13 million).

Borrowings

Details of borrowings as at 30 June 2018 are set out in Note 21 to the Interim Financial Statements.

Gearing ratio

Gearing ratio is calculated as net debt (borrowings less bank balances and cash) divided by the total of net debt and total equity (excluding non-controlling interests). As at 30 June 2018 and 31 December 2017, gearing ratio was not applicable to the Group as the Group's bank balances and cash were more than its borrowings.

Exchange Rate Exposure

The Group's business operations are denominated mainly in Hong Kong dollars ("HK\$"). Other than certain interests in associates are denominated in Renminbi ("RMB"), the Group's assets and liabilities are mainly denominated in HK\$. Currently, the Group has not entered into agreements or purchased instruments to hedge the Group's exchange rate risks. Any material fluctuation in the exchange rates of HK\$ or RMB may have an impact on the financial results of the Group.

The management considers that the foreign exchange risk with respect to RMB is not significant as the exchange rate of RMB to HK\$ is subject to the rules and regulations of foreign exchange control promulgated by the PRC government. The Group manages foreign currency risk by closely monitoring the movement of the foreign currency rates.

Capital Expenditure and Commitments

Details of the capital expenditure and capital commitments are set out in the Notes 13 and 24 to the Interim Financial Statements respectively.

Charges on Assets

Details of the charges on the Group's assets were set out in Note 21 to the Interim Financial Statements.

Contingent Liabilities

Save as disclosed elsewhere in the Interim Financial Statements, there were no other significant contingent liabilities of the Group as at 30 June 2018.

Dividend

Details of the dividend are set out in the Note 12 to the Interim Financial Statements.

Employees Numbers and Remuneration Policy

As at 30 June 2018, the Group had around 240 employees. In order to attract and retain high quality staff and to enable smooth operation within the Group, the Group offered competitive remuneration packages (with reference to market conditions and individual qualifications and experience) and various in-house training courses. The remuneration packages are subject to review on a regular basis.

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

During the 2018 Interim, the Group disposed of two wholly-owned subsidiaries with net asset values of approximately HK\$3,095,000 and HK\$1,339,000 respectively, to an independent third party. Gain on disposal of subsidiaries of approximately HK\$105,000 and HK\$161,000 were recorded respectively by the Group for the said disposals.

During the 2018 Interim, the Group disposed of 30% equity interest of a wholly-owned subsidiary with net liabilities of approximately HK\$271,000 to independent third parties. Gain on disposal of subsidiary of approximately HK\$216,000 was recorded by the Group for the said disposal.

As at 30 June 2018, the assets and liabilities of two wholly owned subsidiaries were reclassified as “Assets classified as held for sale” and “Liabilities associated with assets classified as held for sale” to reflect the potential disposal of their equity interests by the Group.

Saved as the above, financial assets at FVTPL and others disclosed elsewhere in this report, there were no significant investments held, material acquisitions or disposals of subsidiaries and affiliated companies during the 2018 Interim.

SHARE OPTION SCHEME

Details of the share option scheme are set out in the Note 23 to the Interim Financial Statements.

UPDATE ON DIRECTORS’ INFORMATION

Pursuant to Rule 17.50A(1) of the GEM Listing Rules, the change in information of the Directors for the 2018 Interim is set out below:

- (i) Mr. Li Fu Yeung has resigned from his office as an independent non-executive Director, the chairman of the audit committee (the “Audit Committee”) and the nomination committee (the “Nomination Committee”) and a member of the remuneration committee (the “Remuneration Committee”) of the Company on 1 February 2018;
- (ii) Mr. Chu Sin Bun Jacky has been appointed as an independent non-executive Director, the chairman of the Nomination Committee and a member of the Audit Committee and the Remuneration Committee on 1 February 2018; and
- (iii) Mr. Tam Lok Hang, an independent non-executive Director, has been redesignated as the chairman of the Audit Committee on 1 February 2018.

Save as disclosed above and elsewhere in this report, there is no other information required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules for the 2018 Interim.

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%

Notes

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.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than as disclosed under the sections "Share Option Scheme" and "Directors' and chief executives' interests and short positions in the shares, underlying shares or debentures of the Company and its associated corporations" above, at no time during the 2018 Interim was the Company or any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executive of the Company or their respective associates (as defined in the GEM Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

PURCHASE, SALE OR REDEMPTION OF THE SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the 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 report, 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.