

Longhui International Holdings Limited

龍輝國際控股有限公司

(Formerly known as "DAQING DAIRY HOLDINGS LIMITED" 前稱為「大慶乳業控股有限公司」)

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號：01007

中期報告 Interim Report 2018





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BOARD OF DIRECTORS**Executive Directors**

Mr. Hung Shui Chak (*Chairman*)
(appointed on 6 July 2018)
Mr. So Kam Chuen (appointed on 6 July 2018)
Mr. Yuan Mingjie (appointed on 6 July 2018)
Mr. Chen Jun (appointed on 6 July 2018)
Mr. Su Guicai (appointed on 10 August 2018)
Dr. Choi Kiu Fai Stanley (resigned on 6 July 2018)
Mr. Choi Wai Wai (resigned on 6 July 2018)

Independent Non-executive Directors

Mr. Ha Kee Choy Eugene
Mr. Chan Chun Yiu Thomas
(appointed on 6 July 2018)
Mr. Mai Guangfan (appointed on 6 July 2018)
Mr. Szeto Tat Kwan Brandon
(resigned on 6 July 2018)
Mr. Fok Wai Ming Eddie (resigned on 6 July 2018)

AUDIT COMMITTEE

Mr. Ha Kee Choy Eugene (*Chairman*)
Mr. Mai Guangfan (appointed on 6 July 2018)
Mr. Chan Chun Yiu Thomas
(appointed on 6 July 2018)
Mr. Fok Wai Ming Eddie (resigned on 6 July 2018)
Mr. Szeto Tat Kwan Brandon
(resigned on 6 July 2018)

REMUNERATION COMMITTEE

Mr. Mai Guangfan (*Chairman*)
(appointed on 6 July 2018)
Mr. Ha Kee Choy Eugene
Mr. Chan Chun Yiu Thomas
(appointed on 6 July 2018)
Mr. Szeto Tat Kwan Brandon
(resigned on 6 July 2018)
Mr. Fok Wai Ming Eddie (resigned on 6 July 2018)

NOMINATION COMMITTEE

Mr. Chan Chun Yiu Thomas (*Chairman*)
(appointed on 6 July 2018)
Mr. Ha Kee Choy Eugene
Mr. Hung Shui Chak (appointed on 6 July 2018)
Mr. Szeto Tat Kwan Brandon
(resigned on 6 July 2018)
Mr. Fok Wai Ming Eddie (resigned on 6 July 2018)

COMPANY SECRETARY

Mr. Wong Chun Kit

AUTHORISED REPRESENTATIVES

Mr. Hung Shui Chak (*Chairman*)
(appointed on 6 July 2018)
Mr. Yuan Mingjie (appointed on 6 July 2018)
Dr. Choi Kiu Fai Stanley
(resigned on 6 July 2018)
Mr. Wong Chun Kit
(resigned on 6 July 2018)

董事會**執行董事**

洪瑞澤先生 (*主席*)
(於二零一八年七月六日獲委任)
蘇錦存先生 (於二零一八年七月六日獲委任)
袁明捷先生 (於二零一八年七月六日獲委任)
陳軍先生 (於二零一八年七月六日獲委任)
蘇貴才先生 (於二零一八年八月十日獲委任)
蔡朝暉博士 (於二零一八年七月六日辭任)
蔡嘉偉先生 (於二零一八年七月六日辭任)

獨立非執行董事

夏其才先生
陳浚曜先生
(於二零一八年七月六日獲委任)
麥廣帆先生 (於二零一八年七月六日獲委任)
司徒達坤先生
(於二零一八年七月六日辭任)
霍偉明先生 (於二零一八年七月六日辭任)

審核委員會

夏其才先生 (*主席*)
麥廣帆先生 (於二零一八年七月六日獲委任)
陳浚曜先生
(於二零一八年七月六日獲委任)
霍偉明先生 (於二零一八年七月六日辭任)
司徒達坤先生
(於二零一八年七月六日辭任)

薪酬委員會

麥廣帆先生 (*主席*)
(於二零一八年七月六日獲委任)
夏其才先生
陳浚曜先生
(於二零一八年七月六日獲委任)
司徒達坤先生
(於二零一八年七月六日辭任)
霍偉明先生 (於二零一八年七月六日辭任)

提名委員會

陳浚曜先生 (*主席*)
(於二零一八年七月六日獲委任)
夏其才先生
洪瑞澤先生 (於二零一八年七月六日獲委任)
司徒達坤先生
(於二零一八年七月六日辭任)
霍偉明先生 (於二零一八年七月六日辭任)

公司秘書

王震傑先生

授權代表

洪瑞澤先生 (*主席*)
(於二零一八年七月六日獲委任)
袁明捷先生 (於二零一八年七月六日獲委任)
蔡朝暉博士
(於二零一八年七月六日辭任)
王震傑先生
(於二零一八年七月六日辭任)

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 703, 7/F.
Lucky Building
39 Wellington Street, Central
Hong Kong

PRINCIPAL BANKERS

China Merchants Bank Co., Ltd.
The Bank of East Asia, Limited
Wing Lung Bank Ltd.

AUDITORS

HLB Hodgson Impney Cheng Limited
Certified Public Accountants

SHARE REGISTRARS

Cayman Islands Principal Share Registrar and Transfer Office

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

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

Stock Code

1007

COMPANY WEBSITE

<http://www.cre8ir.com/longhui/>

註冊辦事處

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

香港主要營業地點

香港
中環威靈頓街39號
六基大廈
7樓703室

主要往來銀行

招商銀行股份有限公司
東亞銀行有限公司
永隆銀行有限公司

核數師

國衛會計師事務所有限公司
香港執業會計師

股份登記處

開曼群島主要股份過戶登記處

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

香港股份過戶登記分處

香港中央證券登記有限公司
香港
灣仔
皇后大道東183號
合和中心
17樓1712-1716室

股份代號

1007

公司網址

<http://www.cre8ir.com/longhui/>

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

簡明損益及其他全面收益表

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

			Six months ended 30 June 截至六月三十日止六個月	
			2018 二零一八年 (Unaudited) (未經審核) HK\$'000 千港元	2017 二零一七年 (Unaudited) (未經審核) HK\$'000 千港元
		Notes 附註		
Revenue	收益	3	—	—
Cost of sales	銷售成本		—	—
Gross profit	毛利		—	—
Administrative expenses	行政開支		(5,837)	(2,726)
Loss before taxation	除稅前虧損	4	(5,837)	(2,726)
Income tax expense	所得稅開支	5	—	—
LOSS FOR THE PERIOD	期內虧損		(5,837)	(2,726)
Total comprehensive expense for the period	期內全面開支總額		(5,837)	(2,726)
Loss for the period attributable to owners of the Company	本公司擁有人應佔期內虧損		(5,837)	(2,726)
Total comprehensive expense for the period attributable to owners of the Company	本公司擁有人應佔期內全面開支總額		(5,837)	(2,726)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	本公司擁有人應佔每股虧損	7		(Restated) (經重列)
Basic and diluted	基本及攤薄		HK\$(0.010)港元	HK\$(0.004)港元

CONDENSED STATEMENT OF FINANCIAL POSITION

簡明財務狀況表

As at 30 June 2018 於二零一八年六月三十日

		Notes 附註	As at 30 June 2018 於二零一八年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	As at 31 December 2017 於二零一七年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Current assets	流動資產			
Prepayments	預付款項		123	186
Bank balances and cash	銀行結餘及現金	8	10,340	80
			10,463	266
Current liabilities	流動負債			
Accrued expenses and other payables	應計開支及其他應付款項	9	59,607	43,573
			59,607	43,573
Net current liabilities	流動負債淨額		(49,144)	(43,307)
Total assets less current liabilities	總資產減流動負債		(49,144)	(43,307)
Capital and reserves	資本及儲備			
Share capital	股本	10	10	10
Reserves	儲備		(49,154)	(43,317)
			(49,144)	(43,307)

The interim condensed financial statements on pages 4 to 35 were approved and authorised for issue by the board of directors on 22 August 2018.

第4頁至第35頁之中期簡明財務報表乃於二零一八年八月二十二日經董事會批准及授權刊發。

CONDENSED STATEMENT OF CHANGES IN EQUITY

簡明權益變動表

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

		Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2017 (Audited)	於二零一七年一月一日(經審核)	10	1,340,093	(1,378,311)	(38,208)
Loss for the period	期內虧損	—	—	(2,726)	(2,726)
Total comprehensive loss for the period	期內全面虧損總額	—	—	(2,726)	(2,726)
At 30 June 2017 (Unaudited)	於二零一七年六月三十日 (未經審核)	10	1,340,093	(1,381,037)	(40,934)
At 1 January 2018 (Audited)	於二零一八年一月一日(經審核)	10	1,340,093	(1,383,410)	(43,307)
Loss for the period	期內虧損	—	—	(5,837)	(5,837)
Total comprehensive loss for the period	期內全面虧損總額	—	—	(5,837)	(5,837)
At 30 June 2018 (Unaudited)	於二零一八年六月三十日 (未經審核)	10	1,340,093	(1,389,247)	(49,144)

CONDENSED STATEMENT OF CASH FLOWS

簡明現金流量表

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Net cash (used in)/generated from operation activities	經營業務(所用)/所得現金淨額	(6)	8
Financing activities	融資活動		
Net proceeds from open offer	公開發售所得款項淨額	10,263	—
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	10,263	8
Cash and cash equivalents at beginning of the period	期初現金及現金等價物	83	75
Cash and cash equivalents at ending of the period	期末現金及現金等價物	10,340	83

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

簡明財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

1. GENERAL

Longhui International Holdings Limited (the "Company") is a limited company incorporated in the Cayman Islands on 15 October 2009. As announced by the Company on 30 July 2018, the English and Chinese names of the Company have been changed to "Longhui International Holdings Limited" and "龍輝國際控股有限公司" respectively.

The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company is Room 703, 7/F, Lucky Building, 39 Wellington Street, Central, Hong Kong.

The financial statements of the Company are presented in HK\$ and all values are rounded to the nearest thousand (HK\$'000) except otherwise indicated.

The Company acts as an investment holding company.

The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 28 October 2010. Trading in the shares of the Company was suspended between March 2012 and July 2018.

On 29 May 2018, the Company completed the share consolidation for which two (2) issued or unissued ordinary shares of the Company at HK\$0.00001 consolidated into one (1) consolidated share of HK\$0.00002 each.

As all the resumption conditions had been fulfilled, trading in the shares of the Company was resumed on 6 July 2018.

1. 一般資料

龍輝國際控股有限公司(「本公司」)於二零零九年十月十五日在開曼群島註冊成立為有限公司。誠如本公司於二零一八年七月三十日宣佈，本公司的英文及中文名稱已分別改為「Longhui International Holdings Limited」及「龍輝國際控股有限公司」。

本公司註冊辦事處地址為 Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands。本公司之主要營業地點為香港中環威靈頓街39號六基大廈7樓703室。

除另有指明者外，本公司財務報表以港元列報而所有數值已調整至最近的千位數(千港元)。

本公司為一間投資控股公司。

本公司的股份已自二零一零年十月二十八日起在香港聯合交易所有限公司(「聯交所」)主板上市。本公司股份自二零一二年三月至二零一八年七月暫停買賣。

於二零一八年五月二十九日，本公司完成股份合併，兩(2)股本公司每股面值0.00001港元之已發行或未發行普通股合併為一(1)股每股面值0.00002港元之合併股份。

由於所有復牌條件已經達成，故本公司股份於二零一八年七月六日恢復買賣。

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

簡明財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

2.1 BASIS OF PREPARATION

The financial statements as at and for the six months ended 30 June 2018 comprise the Company.

The interim condensed financial statements for the six months ended 30 June 2018 have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and with the International Accounting Standard ("IAS") 34 "Interim Financial Reporting" issued by the International Accounting Standards Boards. They have been prepared under the historical cost convention, except for financial assets and financial liabilities, which are carried at fair value.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the annual financial statements of the Company for the year ended 31 December 2017.

As disclosed in the Company's announcement dated 29 March 2012, during the audit process in respect of the financial year ended 31 December 2011, irregularities were identified by Deloitte Touche Tohmatsu, the predecessor auditors of the Company (the "Predecessor Auditors") that (i) certain milk procurement transactions brought to the attention of management and acknowledged by them to be fraudulent; (ii) unexplained differences between sales receipt notes sighted during the Predecessor Auditors' works in February 2012 and documents purporting to be the same sales receipt notes returned to the Company in March 2012 ostensibly following a Tax Bureau investigation; (iii) the explanation provided by management – The Tax Bureau investigation – for removing accounting records which were then not available to the Predecessor Auditors continuously during the audit; (iv) the validity and commercial substance of acquisitions of milk stations, farm houses and Holstein cattle; and (v) difficulties the Predecessor Auditors encountered during their visits to the local branch of one of the banks of the Company and its subsidiaries (the "Group") (collectively referred as to the "Potential Irregularities"). The Predecessor Auditors tendered its resignation as auditors of the Company with effect from 21 March 2012 and the Company applied for suspension of trading in the shares on the Main Board of the Stock Exchange on 22 March 2012.

2.1 編製基準

於二零一八年六月三十日及截至該日止六個月的財務報表由本公司組成。

截至二零一八年六月三十日止六個月的中期簡明財務報表乃根據聯交所證券上市規則(「上市規則」)附錄16的適用披露規定以及國際會計準則理事會頒佈的國際會計準則(「國際會計準則」)第34號「中期財務報告」編製。除金融資產及金融負債以公平值列賬外，中期簡明財務報表均按歷史成本常規編製。

中期簡明財務報表並不包括編製全年財務報表所規定的所有資料及披露項目，並應與本公司截至二零一七年十二月三十一日止年度之年度財務報表一併閱讀。

誠如本公司日期為二零一二年三月二十九日之公告所披露，於對截至二零一一年十二月三十一日止財政年度之審核過程中，本公司前任核數師(「前任核數師」)德勤·關黃陳方會計師行發現違規事項：(i)若干已呈管理層注意之牛奶採購交易，且管理層已認可這些交易存在舞弊；(ii)於二零一二年二月的前任核數師工作中所目睹的銷售單據，與進行稅務局調查後於二零一二年三月交回本公司(表面看來應為同一銷售單據)的文件之間的差異未作解釋；(iii)管理層就搬移會計記錄所提供的解釋一稅務局調查以致憑證未能於審計過程中一直不間斷地提供給前任核數師；(iv)收購擠奶站、牧場及荷斯坦種乳牛的有效性及其商業實質；及(v)前任核數師於到訪本公司及其附屬公司(「本集團」)其中一間往來銀行的本地分行時所遇到困難(統稱「潛在違規事項」)。前任核數師已於二零一二年三月二十一日起辭任本公司核數師，而本公司已於二零一二年三月二十二日申請股份於聯交所主板暫停買賣。

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

簡明財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

2.1 BASIS OF PREPARATION — continued

It was further disclosed in the Company's announcement dated 29 March 2012 that an independent review committee comprised of those independent non-executive directors at that material time and other qualified independent individuals has been established to conduct a review on the Potential Irregularities raised by the Predecessor Auditors.

As disclosed in the Company's announcements dated 18 May 2012 and 20 June 2012, during May and June 2012, those independent non-executive directors at that material time forming the independent review committee tendered their resignation as the independent non-executive directors of the Company.

As disclosed in the Company's announcement dated 9 January 2013, on 2 January 2013, it was discovered that the heating pipes of the offices of a subsidiary, Da Qing Dairy Ltd. (大慶乳品廠有限責任公司) ("Da Qing Dairy"), located in Daqing City, Heilongjiang Province of the People's Republic of China (the "PRC"), were cracked as a result of severe coldness in the northern area of the PRC and pipeline aging. Due to cracking of the heating pipes, the first and the second floors of the offices had been soaked, and extensive damages were caused to the office facilities, computers and documents in the office of finance, logistics, administration and engineering departments of the Group (collectively referred to as the "Incident").

2.1 編製基準 — 續

誠如本公司日期為二零一二年三月二十九日之公告所進一步披露，本公司已於該關鍵時間成立由獨立非執行董事及其他具合適資格之獨立人士組成之獨立審查委員會，對前任核數師指出之潛在違規事項進行審查。

誠如本公司日期為二零一二年五月十八日及二零一二年六月二十日之公告所披露，於二零一二年五月至六月期間於該關鍵時間組成獨立審查委員會之該等獨立非執行董事辭去彼等於本公司之獨立非執行董事職任。

誠如本公司日期為二零一三年一月九日之公告所披露，本集團於二零一三年一月二日發現，其附屬公司大慶乳品廠有限責任公司（「大慶乳品廠」）在中華人民共和國（「中國」）黑龍江省大慶市之辦事處，因暖氣喉管無法抵禦華北酷寒天氣加上管道老化而損壞。鑑於暖氣喉管損毀，辦事處一樓和二樓出現受潮出水情況，令本集團財務、後勤、行政和工程等部門的辦公室設施、電腦及文件遭到廣泛破壞（統稱「該次事故」）。

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

簡明財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

2.1 BASIS OF PREPARATION — continued

As disclosed in the Company's announcement dated 18 April 2013, on 8 February 2013, Mr. Zhao Yu, then controlling shareholder of the Company at that material time, entered into a sale and purchase agreement pursuant to which Mr. Zhao Yu agreed to sell and Radiant State Limited (the "New Controlling Shareholder") agreed to purchase the sale shares, representing 52.16% of the entire issued share capital of the Company at a consideration of HK\$52,704,000 in cash, representing HK\$0.1 per sale share (collectively referred to as the "Purchase").

As disclosed in the Company's announcement dated 5 July 2013, the New Controlling Shareholder received valid acceptances in respect of a total 83,153,622 shares in the Company under the unconditional mandatory cash offer (the "Share Acceptance"), representing 8.23% of the entire issued share capital of the Company. Following completion of the Purchase and the Share Acceptance, the New Controlling Shareholder held 60.39% of the entire issued share capital of the Company.

As disclosed in the Company announcement dated 5 September 2013, Mr. Ng Kwong Chue Paul was appointed as executive director of the Company, Ms. Kou Mei In was appointed as non-executive director of the Company and Mr. Sze Lin Tang was appointed as an independent non-executive director of the Company.

2.1 編製基準 — 續

誠如本公司日期為二零一三年四月十八日之公告所披露，於二零一三年二月八日，本公司於該關鍵時間之其時控股股東趙宇先生訂立了一份買賣協議，據此趙宇先生同意出售而輝邦有限公司（「新控股股東」）同意購買銷售股份（相當於本公司全部已發行股本之52.16%），現金代價為52,704,000港元，折合每股銷售股份0.1港元（統稱「該收購」）。

誠如本公司日期為二零一三年七月五日之公告所披露，新控股股東根據無條件強制性現金要約接獲有效接納總計83,153,622股本公司股份（「股份接納」），佔本公司全部已發行股本之8.23%。該收購及股份接納完成後，新控股股東持有本公司全部已發行股本的60.39%權益。

誠如本公司日期為二零一三年九月五日之公告所披露，吳光曙先生獲委任為本公司之執行董事，高美燕女士獲委任為本公司之非執行董事及施連燈先生獲委任為本公司之獨立非執行董事。

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簡明財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

2.1 BASIS OF PREPARATION — continued

As disclosed in the Company's announcement dated 6 November 2013, the Company engaged RSM Corporate Advisory (Hong Kong) Limited (formerly known as "RSM Nelson Wheeler Corporate Advisory Limited") (the "Forensic Accountants") to carry out forensic investigation in respect of the Potential Irregularities (the "Forensic Investigation"). It was further disclosed in the Company's announcements dated 29 January 2014, 4 April 2014, 13 June 2014, 5 September 2014, 28 November 2014 and 30 April 2015 that (1) the Forensic Accountants were yet to commence their field work as the Company and the Forensic Accountants have encountered difficulties in procuring relevant parties including the previous management of the Group to cooperate in the field work of the Forensic Investigation; (2) two PRC law firms were engaged with the objectives to (i) effect the change of legal representatives and board of directors of Da Qing Dairy, Heilongjiang Chang Qing Dairy Products Co., Ltd. (黑龍江常慶乳業有限責任公司) ("Chang Qing Dairy") and Wuchang Benniu Muye Co., Ltd (五常犇牛牧業有限責任公司) ("Benniu Muye") (collectively referred as to the "PRC Subsidiaries") through legal means; and (ii) obtain information requested by the Forensic Accountants; and (3) the contemplate change of respective legal representatives of the PRC Subsidiaries could not be effected and due to insufficient financial resources of the Company, the Forensic Investigation has been temporarily halted.

In addition, the New Controlling Shareholder appointed two individuals into the board of directors of its wholly-owned subsidiary, Global Milk Products Pte. Ltd, which is incorporated in the Republic of Singapore ("Global Milk"). However, the directors of the Company could not locate the complete books and records of the Company and Global Milk and the previous managements of the Company and Global Milk have continued ignoring the request for any information. Subsequently in the shareholders meeting of Global Milk held on 3 December 2015, the Company resolved to put Global Milk into winding up, subject to further advice from legal advisors.

2.1 編製基準 — 續

誠如本公司日期為二零一三年十一月六日之公告所披露，本公司已委聘羅申美企業顧問有限公司（「法證會計師」）就潛在違規事項展開法證調查（「法證調查」）。本公司日期為二零一四年一月二十九日、二零一四年四月四日、二零一四年六月十三日、二零一四年九月五日、二零一四年十一月二十八日及二零一五年四月三十日之公告進一步披露：(1)法證會計師尚未展開調查工作，因為本公司及法證會計師於法證調查工作在促請相關人士（包括本集團前任管理層）合作方面遇上困難；(2)已委聘兩家中國律師事務所，主要目的為：(i)藉通過法律程序以變更大慶乳品廠、黑龍江常慶乳業有限責任公司（「常慶乳業」）及五常牛牧業有限責任公司（「牛牧業」）（統稱「中國附屬公司」）之法定代表人及其董事會；及(ii)取得法證會計師需要之資料；及(3)中國附屬公司各自之法定代表人擬定變動未能實行，而由於本公司財務資源不足，法證調整已暫時中止。

此外，新控股股東委任兩名個人加入其全資附屬公司Global Milk Products Pte. Ltd（於新加坡共和國註冊成立）（「Global Milk」）之董事會。然而，本公司董事未能找到本公司及Global Milk的完整賬冊及記錄，且本公司及Global Milk前任管理層一直無視就任何資料的要求。其後，於二零一五年十二月三日舉行之Global Milk股東大會上，本公司議決對Global Milk實行清盤，惟須待法律顧問提出進一步意見。

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簡明財務報表附註

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2.1 BASIS OF PREPARATION — *continued*

Given the circumstances that the directors of the Company have been unable to locate the complete books and records of the Company and Global Milk and to get access to the books and records of the PRC Subsidiaries and in the absence of the Group's previous management to explain and validate the true state of the affairs of the Company for the current and the previous periods, it would be extremely difficult and time consuming to ascertain the true and correct financial position and profit or loss of the Group for the current and the previous periods or to obtain sufficient documentary information to satisfy themselves regarding the treatment of the transactions during the years and various balances of the Company, Global Milk and the PRC Subsidiaries for the current and the previous periods. In the Company's board of directors' (the "Board") opinion, any reconstruction of the correct accounting records would also be almost impossible as it will be necessary to verify the information with external and independent sources and such sources may not be available or may be unreliable due to their connections with the Group's previous management or those responsible for the financial information which the Predecessor Auditors identified the Potential Irregularities within and outside of the Group.

2.1 編製基準 — 續

鑑於本公司董事未能找到本公司及 Global Milk 之完整賬冊及記錄及查閱中國附屬公司之賬冊及記錄，加上本集團前任管理層不在場，不能解釋及核實本公司於本期及過往期間之真實事務狀況，核實確定本集團於本期及過往期間之真實及正確財務狀況及損益，或取得充足文檔資料令彼等信納有關年內交易處理及本公司、Global Milk 及中國附屬公司於本期及過往期間之各項結餘將極為困難及費時。本公司董事會（「董事會」）認為，重構正確會計記錄亦將近不可能，因為此舉須與外部及獨立資料來源核實資料，而有關資料來源未必能取得，或可能與本集團前任管理層或負責前任核數師發現潛在違規事項之財務資料之本集團內部及外部人士有關而屬不可靠。

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簡明財務報表附註

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2.1 BASIS OF PREPARATION — *continued*

As of the date of the interim condensed financial statements of the Company, the directors of the Company have used its best effort, to the extent commercially practicable, to reconstruct the accounting records of the Company, Global Milk and the PRC Subsidiaries for the current and the previous periods, applying the best estimates and judgement based on the information of the Group that are available to the directors of the Company. However, given substantial portion of the books and records could not be located or accessed and the previous management of the Group did not response to the Board's request, the Board believes that as at the date of approval of the interim condensed financial statements, it is impossible and impractical to ascertain the transactions and balances of the Company, Global Milk and the PRC Subsidiaries for inclusion in the financial statements of the Company since the year ended 31 December 2011. Also, due to substantial portion of the books and records of the Group either could not be located or could not be accessed, the Board believes that it is almost impossible, and not practical, to verify the financial information as reported in the consolidated financial statements of the Group or financial statements of the Company for the current and the previous periods.

2.1 編製基準 — 續

於本公司中期簡明財務報表日期，本公司董事已在商業上屬切實可行之情況下竭盡所能重構本公司、Global Milk及中國附屬公司截至本期及過往期間之會計記錄，根據本公司董事可得之本集團資料應用最佳估計及判斷。然而，由於無法找到或查閱大部分賬冊及記錄，而本集團前任管理層並無回應董事會之要求，董事會認為，於中期簡明財務報表批准日期，確定本公司、Global Milk及中國附屬公司之交易及結餘以載入本公司自截至二零一一年十二月三十一日止年度的財務報表屬不可能及不可行。此外，由於無法找到或無法查閱本集團大部分賬冊及記錄，董事會相信，要核實本期及過往期間在本集團綜合財務報表或本公司財務報表內列報之財務資料，實屬幾乎不可能且不切實際。

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簡明財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

2.1 BASIS OF PREPARATION — continued

Given these circumstances, the Board has not consolidated the financial statements of Global Milk and the PRC Subsidiaries (collectively referred to as the “De-consolidated Subsidiaries”) and no consolidated financial statements of the Company were prepared since the year ended 31 December 2011. As such, the results, assets and liabilities of the De-consolidated Subsidiaries have not been included into the financial statements of the Company since 1 January 2011. In the opinion of the directors of the Company, the interim condensed financial statements as at and for the six months ended 30 June 2018 prepared on the aforementioned basis is the most appropriate way of presenting the results and state of affairs of the Company as the directors of the Company were unable to obtain sufficient documentary information to satisfy themselves regarding the transactions and balances related to the De-consolidated Subsidiaries. However, the de-consolidation of the De-consolidated Subsidiaries is not in compliance with the requirements of International Financial Reporting Standard (“IFRS”) 10 “Consolidated Financial Statements”. Given the abovementioned circumstances, the directors of the Company are unable to ascertain the impact of the Potential Irregularities with respect to the accounting records and transactions of the De-consolidated Subsidiaries, if any, and the de-consolidation of the De-consolidated Subsidiaries on the interim condensed financial statements.

Due to the limited financial information available and the previous management of the Group did not response to the Board’s request, the directors of the Company were unable to obtain sufficient documentary information to satisfy themselves regarding the genuineness and completeness of books and records and the treatment of various balances as included in the financial statements for the six months ended 30 June 2018 and have formed the opinion as follows:

2.1 編製基準 — 續

鑑於該等情況，董事會並無將Global Milk及中國附屬公司(統稱「取消綜合入賬附屬公司」)之財務報表簡明入賬及概無編製本公司自截至二零一一年十二月三十一日止年度起之綜合財務報表。因此，自二零一一年一月一日起，取消綜合入賬附屬公司之業績、資產及負債並無計入本公司之財務報表。於二零一八年六月三十日及截至二零一八年六月三十日止六個月中期簡明財務報表乃按照前述基準編製，由於本公司董事未能取得充足文件資料，以讓彼等信納有關取消綜合入賬附屬公司的交易及結餘，故本公司董事認為有關基準乃呈報本公司業績及業務狀況的最合適方法。然而，取消綜合入賬附屬公司取消綜合入賬，並不符合國際財務報告準則(「國際財務報告準則」)第10號「綜合財務報表」。鑒於上述情況，本公司董事不能確保取消綜合入賬附屬公司會計記錄及交易潛在違規事件(如有)，以及取消綜合入賬附屬公司取消綜合入賬對中期簡明財務報表的影響。

由於僅掌握有限財務資料及本公司前任管理層並無回應董事會的要求，本公司董事未能取得充足文檔資料以信納截至二零一八年六月三十日止六個月的賬冊和記錄為真確及完整以及財務報表所載多筆結餘的處理方法，並形成以下意見：

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2.1 BASIS OF PREPARATION — continued

As the interim condensed financial statements have been prepared based on the lack of books and records available to the Company, the directors of the Company are unable to represent that all transactions entered into by the Company the previous periods have been properly reflected in the interim condensed financial statements. In this connection, the directors of the Company are also unable to represent as to the completeness, existence and accuracy of identification and the disclosures of bank balances and cash in note 8, accrued expenses and other payables in note 9, commitments in notes 13 and contingent liabilities in note 14.

As per assessment by the Board, based on the Forensic Investigation and the information available at this stage, all identified, required adjustments have been put through in the financial statements for the six months ended 30 June 2018. Since the Forensic Investigation may be on-going, any further adjustments and disclosures, if required, would be made in the interim condensed financial statements of the Company as and when the outcome of the above uncertainties is known and the consequential adjustments and disclosures are identified, and would have a consequential effect on the net loss of the Company for the six months ended 30 June 2018 and net liabilities of the Company as at 30 June 2018.

2.1 編製基準 — 續

由於中期簡明財務報表乃根據本公司僅存的不完整賬冊和記錄編製，本公司董事無法說明本公司於過往期間訂立的所有交易已於中期簡明財務報表妥善反映。就此而言，本公司董事亦無法說明銀行結餘及現金(附註8)、應計開支及其他應付款項(附註9)、承擔(附註13)及或然負債(附註14)的識別及披露是否完整、存在及準確。

根據董事會的評估，並基於法證調查及現階段所得的資料，本集團已就截至二零一八年六月三十日止六個月的財務報表作出所有已識別的必要調整。由於法證調查可能仍在進行，當本集團知悉上述不明朗因素的結果及識別相應的調整及披露時，將會就本公司的中期簡明財務報表作出進一步調整及披露(如必要)，而這可能會對本公司截至二零一八年六月三十日止六個月的虧損淨額及本公司於二零一八年六月三十日的負債淨值造成相應影響。

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簡明財務報表附註

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2.1 BASIS OF PREPARATION — continued

During the six months ended 30 June 2018, the Company incurred loss of approximately HK\$5,837,000. In addition, following non-consolidation of the De-consolidated Subsidiaries, the Company become an investment holding company without conducting other business. It was further disclosed in the Company's announcements dated 19 May 2015, 23 November 2015 and 7 June 2016 respectively that the Stock Exchange has placed the Company in the first delisting stage on 14 May 2015, subsequently placed in the second delisting stage on 19 November 2015 and in the third delisting stage on 7 June 2016 pursuant to Practice Note 17 of the Listing Rules. The directors of the Company have also been unable to represent that all present and contingent liabilities of the Company have been completely identified as abovementioned. These conditions indicate the existence of a material uncertainty which may cast significant effect on the Company's ability to continue as a going concern.

As disclosed in the Company's announcement dated 23 June 2015, on 4 May 2015, the New Controlling Shareholder entered into a sale and purchase agreement with Global Courage Limited ("Global Courage") pursuant to which the New Controlling Shareholder agreed to sell and Global Courage agreed to purchase the sale shares, representing of approximately 60.39% of the entire issued share capital of the Company at a consideration of approximately HK\$61,019,000, representing HK\$0.1 per sale share. The share transactions were completed on 19 February 2016.

2.1 編製基準 — 續

截至二零一八年六月三十日止六個月，本公司產生虧損約5,837,000港元。此外，繼取消綜合入賬附屬公司不再予以綜合入賬後，本公司已成為沒有經營其他業務的投資控股公司。誠如本公司日期分別為二零一五年五月十九日、二零一五年十一月二十三日及二零一六年六月七日之公告所進一步披露，根據上市規則應用指引第17條，於二零一五年五月十四日，聯交所將本公司列入第一階段除牌程序，其後於二零一五年十一月十九日列入第二階段除牌程序及於二零一六年六月七日列入第三階段除牌程序。如上文所述，本公司董事亦無法聲明本公司所有現時及或然負債已完全被識別。此等情況說明存在重大不明朗因素，可能對本公司的持續經營能力產生重大影響。

誠如本公司日期為二零一五年六月二十三日之公告所披露，於二零一五年五月四日，新控股股東與Global Courage Limited（「Global Courage」）訂立買賣協議，據此，新控股股東同意出售及Global Courage同意收購銷售股份，佔本公司全部已發行股本之約60.39%，代價為約61,019,000港元（相當於每股銷售股份0.1港元）。股份交易於二零一六年二月十九日完成。

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2.1 BASIS OF PREPARATION — continued

As disclosed in the Company's announcement dated 21 December 2016. On 21 November 2016, the Company as purchaser entered into a conditional sale and purchase agreement with the potential investors, who are independent third parties not connected with the Company and its connected persons (within the meaning of the Listing Rules), in relation to the proposed acquisition of a new business (the "Acquisition"). On the same day, the Company also entered into a conditional sale and purchase agreement (the "Disposal Agreement") with a potential purchaser (the "Disposal Purchaser") for the disposal of the Company's subsidiaries (the "Disposal Group") (the "Disposal"). The Company has submitted a resumption proposal (the "Resumption Proposal") which contains, among other things: (i) a share consolidation; (ii) the Acquisition; (iii) the Disposal; (iv) a share placing; (v) an open offer; and (vi) a whitewash waiver, to the Stock Exchange before the expiry of the third delisting stage for the resumption of trading of the Company's shares on the Stock Exchange. The Acquisition constitutes a very substantial acquisition and reverse takeover and the Disposal constitutes a very substantial disposal under Chapter 14 of the Listing Rules in which the Acquisition is treated as a new listing application (the "New Listing Application") and is therefore subject to the approval of the Listing Committee of the Stock Exchange. The New Listing Application was filed to the Stock Exchange on 27 February 2017. Details of the above were set out in the Company's announcements dated 21 December 2016, 28 February 2017 and 7 August 2017.

2.1 編製基準 — 續

誠如本公司日期為二零一六年十二月二十一日的公告所披露，於二零一六年十一月二十一日，本公司（作為買方）與數名潛在投資者（與本公司及其關連人士（定義見上市規則）概無關聯之獨立第三方）就建議收購一項新業務（「收購事項」）訂立有條件買賣協議。同日，本公司亦與潛在買方（「出售買方」）就出售本公司附屬公司（「出售集團」）（「出售事項」）訂立有條件買賣協議（「出售協議」）。本公司已於除牌程序之第三階段結束前向聯交所提交復牌建議（「復牌建議」），當中載有（其中包括）：(i) 股份合併；(ii) 收購事項；(iii) 出售事項；(iv) 股份配售；(v) 公開發售；及(vi) 清洗豁免，以尋求恢復本公司股份於聯交所買賣。根據上市規則第14章，收購事項構成非常重大收購及反收購事項，而出售事項構成非常重大出售；當中收購事項被視為新上市申請（「新上市申請」），須待聯交所上市委員會批准後方可作實。本公司於二零一七年二月二十七日向聯交所提交新上市申請。上述詳情載於本公司日期為二零一六年十二月二十一日、二零一七年二月二十八日及二零一七年八月七日的公告。

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2.1 BASIS OF PREPARATION — *continued*

Pursuant to the Resumption Proposal, on 29 May 2018, the Company completed the share consolidation for which two (2) issued or unissued ordinary shares of the Company at HK\$0.00001 consolidated into one (1) consolidated share of HK\$0.00002 each. In addition, on 4 July 2018, the Company completed the Acquisition and the Disposal for which the Company will (i) consolidate the financial information of the target company principally engaged in hotpot business in the PRC and (ii) cease to consolidate the financial information of the Disposal Group respectively with effective on the same date. As all of the resumption conditions have been fulfilled, the Company has made an application to the Stock Exchange for resumption of the Company's shares with effective on 6 July 2018. Details of which were set out in the Company's announcements dated 4 July 2018 and 5 July 2018.

Given the circumstances that the existence of new shareholder investing in the Company and the successful of the Resumption on the Stock Exchange, the directors of the Company have adopted the going concern basis in the preparation of the interim condensed financial statements.

2.1 編製基準 — 續

根據復牌建議，於二零一八年五月二十九日，本公司完成股份合併，據此，本公司每兩(2)股每股面值0.00001港元之已發行或未發行普通股合併為一(1)股面值0.00002港元之合併股份。此外，於二零一八年七月四日，本公司完成收購事項及出售事項，據此：(i)綜合計入目標公司之財務資料，該公司主要於中國從事火鍋業務；及(ii)不再綜合計入出售集團之財務資料，由同日起生效。由於所有復牌條件已獲達成，本公司已向聯交所申請本公司股份恢復買賣，由二零一八年七月六日起生效。有關詳情載於本公司日期為二零一八年七月四日及二零一八年七月五日之公告。

鑑於有新股東有意投資本公司，且在聯交所成功復牌，本公司董事已採納持續經營基準編製中期簡明財務報表。

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For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

2.2 APPLICATION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)

The adoption of revised International Financial Reporting Standards (“IFRSs”)

In 2018, the Group adopted the following new standards, amendments, improvement and interpretation to existing IFRSs below, which are relevant to its operations.

(a) Impact on the financial statements

New standards, amendments, improvement and interpretation

IFRSs	Annual Improvements 2014-2016 Reporting Cycle
IFRS 9	Financial Instruments
IFRS 15	Revenue from Contracts with Customers
IFRS 15 (Amendment)	Clarification to IFRS 15
IAS 40 (Amendment)	Transfer of Investment Property
IFRIC 22	Foreign Currency Transactions and Advance Consideration

The adoption of the above new standards, amendments, improvement and interpretation to existing IFRSs do not have a material impact on the Group.

2.2 應用國際財務報告準則(「國際財務報告準則」)

採納經修訂國際財務報告準則(「國際財務報告準則」)

於二零一八年，本集團採納以下與其營運相關的新準則、現有國際財務報告準則的修訂、改進及詮釋。

(a) 財務報告準則的影響

新準則、修訂、改進及詮釋

國際財務報告準則	二零一四年至 二零一六年報告 週期之年度改進
國際財務準則第9號	金融工具
國際財務準則第15號	客戶合同收益
國際財務準則第15號 (修訂本)	澄清國際財務準則 第15號
國際會計準則第40號 (修訂本)	轉讓投資物業
國際(國際財務報告 詮釋委員會) 詮釋22	外幣交易及墊付 代價

採納上述新準則、現有國際財務報告準則的修訂、改進及詮釋對本集團並無造成重大影響。

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簡明財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

3. REVENUE AND SEGMENT INFORMATION

The Company did not conduct business during the period.

4. LOSS BEFORE TAXATION

The Company's loss before tax is arrived at after charging the amounts as set out below.

3. 收益及分部資料

期內，本公司概無經營業務。

4. 除稅前虧損

本公司除稅前虧損已扣除下列款項。

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)
Loss before taxation has been arrived at after charging:	經扣除下列各項後的除稅前虧損：		
Staff costs (including directors' emoluments):	員工成本(包括董事薪酬)：		
— Salaries and wages	— 工資及報酬	300	300
— Retirement benefit scheme contributions	— 退休金計劃供款	6	6
		306	306

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簡明財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

5. INCOME TAX EXPENSES

During the six months ended 30 June 2018, Hong Kong Profits Tax rate was 16.5% (six months ended 30 June 2017: 16.5%).

No provision for Hong Kong Profits Tax has been made as the Company did not have any assessable profit arising in Hong Kong for the period.

The income tax expenses can be reconciled to the loss before taxation per the condensed statement of profit or loss as follows:

5. 所得稅開支

截至二零一八年六月三十日止六個月，香港利得稅稅率為16.5%（截至二零一七年六月三十日止六個月：16.5%）。

由於本公司於期內概無於香港產生任何應課稅溢利，故並無作出香港利得稅撥備。

所得稅開支與簡明損益表內的除稅前虧損對賬如下：

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)
Loss before taxation	除稅前虧損	(5,837)	(2,726)
Tax at the statutory tax rates	按法定稅率之稅項	(963)	(450)
Effect of unrecognised deductible losses and deductible temporary differences	未確認可抵扣虧損及可抵扣暫時性差異的影響	963	450
		—	—

6. DIVIDENDS

No dividend has been paid or proposed by the Company during the six months ended 30 June 2018 (six months ended 30 June 2017: HK\$Nil).

6. 股息

本公司於截至二零一八年六月三十日止六個月並無支付或擬派任何股息（截至二零一七年六月三十日止六個月：零港元）。

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簡明財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

7. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

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

7. 本公司擁有人應佔每股虧損

本公司擁有人應佔每股基本虧損乃根據下列數據計算：

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)
Loss	虧損		
Loss for the period attributable to owners of the Company for the purpose of basic loss per share	用於計算每股基本虧損之本公司擁有人應佔期內虧損	(5,837)	(2,726)

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年	2017 二零一七年 (Restated) (經重列)
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of basic loss per share	用於計算每股基本虧損之普通股加權平均數	606,300,000	606,300,000

Diluted loss per share were same as the basic loss per share as there were no potential dilutive ordinary shares for the six months ended 30 June 2018 and 2017.

由於截至二零一八年及二零一七年六月三十日止六個月並無潛在攤薄普通股，因此每股攤薄虧損與每股基本虧損相同。

The number of ordinary shares adopted in the calculation on the basis and diluted loss per share for the six months ended 30 June 2018 and 2017 have been retrospectively adjusted to reflect the effect of open offer on the basis of 1 offer share for every 5 consolidated shares held at an offer price of HK\$0.1025 per offer share as announced by the Company's circular dated 9 May 2018 (the "Open Offer").

計算截至二零一八年及二零一七年六月三十日止六個月基本及攤薄每股虧損所採納之普通股數目，已作追溯調整，反映公開發售之影響。根據本公司日期為二零一八年五月九日的通函所公佈，公開發售的基準為每持有5股合併股份獲發1股發售股份，發售價為每股發售股份0.1025港元（「公開發售」）。

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簡明財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

8. BANK BALANCES AND CASH

As at 30 June 2018, the Company's bank balances carry market interest rate of 0.01% per annum (31 December 2017: 0.01% per annum).

The Company's bank balances and cash as at 30 June 2018 and 31 December 2017 respectively denominated in following currencies:

8. 銀行結餘及現金

於二零一八年六月三十日，本公司的銀行結餘按市場年利率0.01%（二零一七年十二月三十一日：年利率0.01%）計息。

本公司於二零一八年六月三十日及二零一七年十二月三十一日的銀行結餘及現金分別按以下貨幣計值：

		As at 30 June 2018 於二零一八年 六月三十日 HK\$'000 千港元	As at 31 December 2017 於二零一七年 十二月三十一日 HK\$'000 千港元
Currency:	貨幣：		
United States Dollars	美元	44	44
HK\$	港元	10,296	36
Renminbi ("RMB")	人民幣（「人民幣」）	—	—
		10,340	80

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簡明財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

8. BANK BALANCES AND CASH — continued

As disclosed in note 32 of the Group's consolidated financial statements for the year ended 31 December 2010 (the "2010 Financial Statements"), a bank balances and cash amounted to approximately RMB11,523,000 was recorded on the statement of financial position of the Company at 31 December 2010. Except for bank balances of approximately RMB3,000, the directors of the Company have been unable to locate the bank accounts. The Company engaged the Forensic Accountants to conduct investigations, including (i) send letters to the Predecessor Auditors to request them provide the relevant bank information; and (ii) send letters to banks in Hong Kong (including licensed banks, restricted licensed banks and deposit-taking companies) (collectively referred as to the "Banks") to make enquiry on whether the Company maintained any bank accounts in the Banks. However, as of the date of approval of the financial statements in the previous years, the Predecessor Auditors only replied that the relevant information was not available as it was located in their PRC office. In addition, no Banks has indicated the existence of any bank accounts of the Company up to the date of approval of the financial statements in the previous years. Given these circumstances, the directors of the Company recognised a loss of approximately RMB11,520,000 as other suspense accounts in the statements of profit or loss and other comprehensive income for the year ended 31 December 2011.

8. 銀行結餘及現金 — 續

誠如本集團截至二零一零年十二月三十一日止年度的綜合財務報表(「二零一零年財務報表」)附註32所披露，銀行結餘及現金約人民幣11,523,000元已記入本公司於二零一零年十二月三十一日之財務狀況表。除了約人民幣3,000元之銀行結餘外，本公司董事未能找到銀行賬戶。本公司已委聘法證會計師作出調查，包括：(i)發信予前任核數師要求對方提供相關銀行資料；及(ii)發信予在香港之銀行(包括持牌銀行、有限牌照銀行及接受存款公司)(統稱「該等銀行」)，查詢本公司是否在該等銀行開設了任何銀行賬戶。然而，於過往年度的財務報表批准日期，前任核數師僅回覆稱未能提交相關資料，因其放置於前任核數師在中國之辦事處。此外，截至過往年度的財務報表批准日期，該等銀行均未示意有任何本公司銀行賬戶存在。考慮到該等情況，本公司董事於截至二零一一年十二月三十一日止年度之損益及其他全面收益表內確認虧損約人民幣11,520,000元，列作其他懸欠賬項。

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For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

8. BANK BALANCES AND CASH — continued

As disclosed in note 2.1 to the interim condensed financial statements, the directors of the Company have been unable to locate and to get access to books and records of the Company, including books and records of certain bank transactions of the Company took places for the previous years. Given incomplete books and records of the Company and the Company's previous management did not response to the request for information, it would be impossible and impracticable to ascertain these bank transactions which took place in the previous periods and to obtain sufficient documentary information to satisfy themselves regarding the nature, completeness, existence and accuracy of the bank transactions. Given these circumstances, the directors of the Company have recognised (i) losses of approximately HK\$10,543,000 and HK\$2,538,000 in respect of the aggregate amounts of the credit balances of bank transactions took place during the years ended 31 December 2012 and 2013 respectively as other suspense accounts in the statements of profit or loss and other comprehensive income for the year ended 31 December 2012 and 2013 respectively; and (ii) liabilities of approximately HK\$13,142,000 in respect of the aggregate amounts of the debit balances of bank transactions took place during the year ended 31 December 2012 and 2013 as other payables in the statements of financial position.

8. 銀行結餘及現金 — 續

誠如中期簡明財務報表附註2.1所披露，本公司董事未能找到及查閱過往期間之本公司賬冊及記錄，包括本公司在過往年度與銀行進行的若干交易的賬冊及記錄。由於本公司賬冊及記錄不完整及本公司前任管理層並無回應任何索取資料的請求，要確定於過往期間進行的該等銀行交易，以及取得充足文檔資料使彼等信納該等銀行交易的性質、完整、存在及準確實屬不可能及不實際。鑒於有關情況，本公司董事已(i)於截至二零一二年及二零一三年十二月三十一日止年度損益及其他全面收益表內，分別確認截至二零一二年及二零一三年十二月三十一日止年度所進行銀行交易貸方餘額總額約10,543,000港元及2,538,000港元的虧損，列作其他懸欠賬項；及(ii)於財務狀況表內，確認截至二零一二年及二零一三年十二月三十一日止年度所進行銀行交易借方結餘總額約13,142,000港元的負債，列作其他應付款項。

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For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

9. ACCRUED EXPENSES AND OTHER PAYABLES

9. 應計開支及其他應付款項

		As at 30 June 2018 於二零一八年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	As at 31 December 2017 於二零一七年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Accrued expenses	應計開支	4,478	3,004
Receipt in advance (note)	預收款項(附註)	10,263	—
Amount due to a de-consolidated subsidiary	應付取消綜合入賬 附屬公司款項	1,028	1,028
Amount due to related parties	應付關連方款項	26,144	21,847
Other payables	其他應付款項	17,694	17,694
		59,607	43,573

Note: The receipt in advance of approximately HK\$10,263,000 represented the proceeds received from the Open Offer. The Open Offer has become effective in July 2018.

附註：預收款項約10,263,000港元指公開發售所得款項。公開發售已於二零一八年七月生效。

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9. ACCRUED EXPENSES AND OTHER PAYABLES – *continued*

As disclosed in notes 2.1 and 8 to the interim condensed financial statements, the directors of the Company have been unable to locate and to get access to the complete books and records of the Company and the De-consolidated Subsidiaries. In addition, the directors of the Company have been unable to locate books and records of certain bank transactions took place for the previous periods. Given the incomplete books and records and the previous management of the Group did not response to request for information, it would be impossible and impracticable to ascertain these bank transactions took place for the previous periods and to obtain sufficient documentary information to satisfy themselves regarding the nature, completeness, existence and accuracy of these bank transactions. It would also be extremely difficult and time consuming to obtain sufficient documentary information to satisfy themselves regarding the nature, completeness, existence and accuracy of these bank transactions. Given these circumstances, the directors of the Company have recognised (i) liabilities of approximately HK\$13,142,000 in respect of the aggregate amounts of the debit balances of bank transactions took place in the previous periods; and (ii) liabilities of approximately HK\$4,552,000 as other payables in the previous periods among which the directors of the Company have been unable to locate relevant books and records in the previous periods.

As further disclosed in note 2.1 to the interim condensed financial statements, the directors of the Company have been unable to locate and to get access to the complete books and records of the Company and the De-consolidated Subsidiaries for the previous periods. Given the incomplete books and records and the previous management of the Group did not response to any request for information, it is impossible and impracticable for the directors of the Company to ascertain balances of the amount due to a de-consolidated subsidiary and other payables for the current and the previous periods.

9. 應計開支及其他應付款項 – 續

誠如中期簡明財務報表附註2.1及附註8所披露，本公司董事未能找到及查閱本公司及取消綜合入賬附屬公司於過往年度之完整賬冊及記錄。此外，本公司董事未能找到於過往期間之若干銀行交易賬冊及記錄。由於賬冊及記錄不完整以及本集團前任管理層並無回應任何索取資料的請求，要確定於過往期間進行之該等銀行交易，以及取得充足文檔資料使彼等信納該等銀行交易的性質、完整、存在及準確實屬不可能及不實際。取得足夠的文檔資料使彼等信納該等銀行交易的性質、完整、存在及準確，亦會異常困難及耗時。基於此等情況，本公司董事已於過往期間(i)就於過往期間之銀行交易借方結餘總額確認負債約13,142,000港元；及(ii)在過往期間，確認本公司董事未能找到相關賬冊及記錄之負債約4,552,000港元為其他應付款項。

誠如中期簡明財務報表附註2.1所進一步披露，本公司董事未能找到及查閱本公司及取消綜合入賬附屬公司過往期間之完整賬冊及記錄。由於賬冊及記錄不完整及本集團前任管理層並無回應任何索取資料的請求，本公司董事不可能及實際上難以確定本期及過往期間之應付取消綜合入賬附屬公司款項的結餘及其他應付款項。

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For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

9. ACCRUED EXPENSES AND OTHER PAYABLES – *continued*

The amount due to related parties were interest-free and repayable on demand.

9. 應計開支及其他應付款項 – 續

應付關連方款項為免息及須按要求償還。

10. SHARE CAPITAL

10. 股本

		Number of shares 股份數目	Share capital 股本 HK\$'000 千港元
Ordinary shares	普通股		
Authorised:	法定：		
As at 31 December 2017 and 30 June 2018 (HK\$0.00001 each)	於二零一七年十二月三十一日及二零一八年六月三十日 (每股面值0.00001港元)	38,000,000,000	380
Issued:	已發行：		
As at 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	1,010,500,000	10
Share consolidation (note a)	股份合併(附註a)	(505,250,000)	—
As at 30 June 2018	於二零一八年六月三十日	505,250,000	10

Note:

- a. Pursuant to an ordinary resolution passed by shareholders at the special general meeting held on 9 May 2018, the consolidation of every two (2) issued and unissued shares of HK\$0.00001 each into one (1) consolidated share of HK\$0.00002 became effective on 29 May 2018 (the "Share Consolidation"). Details of the Share Consolidation were set out in the Company's circular dated 9 May 2018.

附註：

- a. 根據股東於二零一八年五月九日特別股東大會通過的普通決議，每兩(2)股每股面值0.00001港元之已發行及未發行股份合併為一(1)股面值0.00002港元之合併股份。股份合併於二零一八年五月二十九日生效(「股份合併」)。股份合併之詳情於日期為二零一八年五月九日之本公司通函發佈。

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11. SHARE-BASED PAYMENTS

As set out in note 15 to the interim condensed consolidated financial statements of the Group for the six months ended 30 June 2011 which were authorised for issue on 18 August 2011 (the "2011 Interim Report"), the Company's share option scheme (the "Scheme") was adopted pursuant to a resolution passed on 10 October 2010 for the purpose to reward the directors and employees who have contributed to the Group and to encourage the directors and employees to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole, and will expire on 9 October 2020. Under the Scheme, the board of directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company.

The maximum number of shares which may be issued upon exercise of all options to be granted under the Scheme of the Company shall not, in the absence of shareholders' approval, in aggregate exceed 10% in nominal amount of the aggregate of shares in issue on the listing date.

The maximum number of shares issued and to be issued upon exercise of the options granted to each grantee under the Scheme in any 12-month period shall not exceed 1% of the shares in issue for the time being.

Where any further grant of options to a director or employee would result in the shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the shares in issue, such further grant must be separately approved by shareholders in general meeting with such director or employee and his associates abstaining from voting. The Company must send a circular to the shareholders disclosing the identity of the director or employee in question, the number and terms of the options to be granted (and options previously granted to such director or employee) and other information required under the Listing Rules.

11. 以股份為基礎付款

誠如本集團截至二零一一年六月三十日止六個月的中期簡明綜合財務報表(於二零一一年八月十八日獲授權刊發)(「二零一一年中期報告」)附註15所載，本公司購股權計劃(「該計劃」)乃根據於二零一零年十月十日通過的決議案採納，以獎勵為本集團作出貢獻的董事及僱員，並鼓勵董事及僱員致力於為本公司及其股東之整體利益而提升本公司及其股份的價值，該計劃將於二零二零年十月九日屆滿。根據該計劃，本公司董事會或會向合資格僱員(包括本公司及其附屬公司董事)授出購股權，以認購本公司股份。

未經股東批准，行使根據本公司該計劃將予授出的所有購股權而可予發行的股份最高數目合共不得超過於上市日期已發行股份總數賬面值的10%。

因行使根據該計劃授予各承授人的購股權而發行及將予發行的股份數目於任何12個月期間最多不得超過當時已發行股份之1%。

向董事或僱員進一步授出購股權，將導致當於截至及包括該進一步授出日期止12個月期間內所有已授予及將授予該名人士的購股權(包括已行使、註銷及尚未行使購股權)獲行使時的已發行股份及將予發行股份合共超過已發行股份的1%，該進一步授出必須個別由股東於股東大會上批准，而董事或僱員及其聯繫人士須於該股東大會上放棄投票。本公司必須向股東寄發通函，披露有關董事或僱員的身份、將予授出的購股權(以及早前向該董事或僱員授出的購股權)數目及條款，以及該等根據上市規則規定的其他資料。

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11. SHARE-BASED PAYMENTS – *continued*

At any time, the maximum number of shares which may be issued upon exercise of all options which then have been granted and have yet to be exercised under the Scheme shall not in aggregate exceed 30% of the shares in issue from time to time.

There were no share options outstanding as at 1 January 2017, 31 December 2017, 1 January 2018 and 30 June 2018.

12. RELATED PARTY TRANSACTIONS

(a) Balances with related parties

Save as disclosed in notes elsewhere to the interim condensed financial statements, the Company did not have any significant material related party transactions during the period.

(b) Key management personnel emoluments

The key management of the Company comprises all the directors of the Company. The short term benefits were HK\$300,000 for the six months ended 30 June 2018 (six months ended 30 June 2017: HK\$300,000).

13. COMMITMENTS

As disclosed in note 2.1 to the interim condensed financial statements, the directors of the Company have been unable to locate and to get access to the complete books and records of the Company and the De-consolidated Subsidiaries for the previous periods. Given the incomplete books and records and the previous management of the Group did not response to any request for information, it is impossible and impracticable for the directors of the Company to ascertain the balances for the previous periods.

11. 以股份為基礎付款 – 續

於任何時間，可能因行使所有當時已授出惟尚未根據該計劃獲行使的購股權而予以發行的股份最高數目合共不得超過不時已發行股份的30%。

於二零一七年一月一日、二零一七年十二月三十一日、二零一八年一月一日及二零一八年六月三十日並無未行使購股權。

12. 關連方交易

(a) 關連方結餘

除中期簡明財務報表另處的附註披露者外，本公司於期內並無任何重大關連方交易。

(b) 主要管理人員之薪酬

本公司主要管理人員包括本公司全體董事。截至二零一八年六月三十日止六個月的短期福利為300,000港元(截至二零一七年六月三十日止六個月：300,000港元)。

13. 承擔

誠如中期簡明財務報表附註2.1所披露，本公司董事未能找到及查閱本公司及取消綜合入賬附屬公司於過往期間之完整賬冊及記錄。由於賬冊及記錄不完整及本集團前管理層對於索取資料的任何要求均未有回應，本公司董事不可能及實際上難以確定過往期間的結餘。

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14. CONTINGENT LIABILITIES

As disclosed in note 2.1 to the interim condensed financial statements, the directors of the Company have been unable to locate and to get access to the complete books and records of the Company and the De-consolidated Subsidiaries for the previous periods. Given the incomplete books and records and the previous management of the Group did not response to any request for information, it is impossible and impracticable for the directors of the Company to ascertain the balances for the previous periods.

15. EVENTS AFTER THE REPORTING PERIOD

UNDERWRITING AGREEMENT

As announced by the Company on 3 July 2018, all of the conditions precedent of the underwriting agreement entered into by the Company and an underwriter (the "Underwriter") in relation to the open offer of the Company on 2 May 2018 (the "Underwriting Agreement") had been satisfied and the Underwriting Agreement was not terminated by the Underwriter prior the latest time for termination of the Underwriting Agreement. Accordingly, the open offer became unconditional.

Pursuant to the Underwriting Agreement and based on the results of the open offer, the Underwriter subscribed for 26,150,938 offer shares which were all the offer shares not taken up by the qualifying shareholders upon the Underwriting Agreement became unconditional.

14. 或然負債

誠如中期簡明財務報表附註2.1所披露，本公司董事未能找到及查閱本公司及取消綜合入賬附屬公司於過往期間之完整賬冊及記錄。由於賬冊及記錄不完整及本集團前管理層對於索取資料的任何要求均未有回應，本公司董事不可能及實際上難以確定過往期間的結餘。

15. 報告期後事項

包銷協議

誠如本公司於二零一八年七月三日宣佈，本公司與包銷商（「包銷商」）就本公司的公開發售於二零一八年五月二日訂立的包銷協議（「包銷協議」）的所有先決條件已經達成，且包銷協議未有於包銷協議最後終止期限前終止。因此，公開發售成為無條件。

根據包銷協議及基於公開發售的結果，包銷商已認購26,150,938股發售股份，全部為包銷協議成為無條件後未獲合資格股東承購的發售股份。

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15. EVENTS AFTER THE REPORTING PERIOD — *continued*

COMPLETION OF THE OPEN OFFER

As announced by the Company on 3 July 2018 and 4 July 2018, a total of 113 valid acceptances of allotments for an aggregate of 74,899,062 offer shares, representing approximately 74.12% of the total number of the offer shares available for subscription under the open offer, were received. Share certificates for the offer shares to those qualifying shareholders who had accepted and paid for their offer shares were despatched by ordinary post on 4 July 2018.

COMPLETION OF THE ACQUISITION

As announced by the Company on 4 July 2018, all the conditions precedent to the Acquisition as set out in the conditional sale and purchase agreement (as amended and restated on 20 February 2017 and supplemented on 30 June 2017) entered into between the Company as purchaser and independent potential investors (the "Vendors") on 21 November 2016 (the "Acquisition Agreement") had been fulfilled and the completion of the Acquisition (the "Acquisition Completion") took place on 4 July 2018. A total of 3,789,375,000 consideration shares were allotted and issued and the consideration convertible bonds in the aggregate principal amount of HK\$129,470,312.50 were issued to the Vendors (or their nominees) on 4 July 2018. Upon Acquisition Completion, the target company has become a wholly-owned subsidiary of the Company and the financial results of the target group are consolidated into the financial statements of the Company.

15. 報告期後事項 — 續

公開發售完成

誠如本公司於二零一八年七月三日及二零一八年七月四日宣佈，合共已接獲113份有效配發接納書，涉及總數74,899,062股發售股份，相當於公開發售項下可供認購的發售股份總數約74.12%。已接納並已繳付發售股份股款的該等合資格股東的發售股份股票已於二零一八年七月四日以平郵方式寄出。

收購事項完成

誠如本公司於二零一八年七月四日宣佈，本公司(作為買方)與多名獨立潛在投資者(「賣方」)於二零一六年十一月二十一日訂立的有條件買賣協議(於二零一七年二月二十日經修訂及重列，以及於二零一七年六月三十日經補充)所載收購事項的所有先決條件已經達成，且收購事項已於二零一八年七月四日完成(「收購完成」)。於二零一八年七月四日，賣方(或其代名人)合共獲配發及發行3,789,375,000股代價股份及本金總額為129,470,312.50港元的代價可換股債券。於收購完成後，目標公司成為本公司全資附屬公司，而目標集團的財務業績則綜合計入本公司的財務報表。

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15. EVENTS AFTER THE REPORTING PERIOD — *continued*

COMPLETION OF THE DISPOSAL

As announced by the Company on 4 July 2018, all the conditions precedent to the Disposal as set out in the Disposal Agreement had been fulfilled and the completion of the Disposal (the “Disposal Completion”) took place on 4 July 2018. Upon Disposal Completion, the Group has ceased to have any beneficial interest in any company in the Disposal Group, and all the companies in the Disposal Group have ceased to be subsidiaries of the Company.

COMPLETION OF THE SHARE PLACING

As announced by the Company on 4 July 2018, all the conditions set out in the placing agreement entered into between the Company and an placing agent (the “Placing Agent”) on 2 May 2018 (the “Placing Agreement”) had been fulfilled and the completion of the share placing took place on 4 July 2018. An aggregate of 757,875,000 placing shares were successfully placed by the Placing Agent to not less than six placees at the placing price of HK\$0.1025 per placing share pursuant to the terms and conditions of the Placing Agreement.

RESUMPTION OF TRADING

As all the resumption conditions had been fulfilled, trading in the shares of the Company was resumed on 6 July 2018 (the “Resumption”).

15. 報告期後事項 — 續

出售事項完成

誠如本公司於二零一八年七月四日宣佈，出售協議所載出售事項的所有先決條件已經達成，且出售事項已於二零一八年七月四日完成（「出售完成」）。於出售完成後，本集團不再於出售集團任何公司擁有任何實益權益，且出售集團所有公司均不再為本公司附屬公司。

股份配售完成

誠如本公司於二零一八年七月四日宣佈，本公司與配售代理（「配售代理」）於二零一八年五月二日訂立的配售協議（「配售協議」）所載的所有條件已經達成，且股份配售已於二零一八年七月四日完成。配售代理已根據配售協議條款及條件成功按配售價每股配售股份0.1025港元向不少於六名承配人配售合共757,875,000股配售股份。

恢復買賣

由於所有復牌條件已經達成，故本公司股份於二零一八年七月六日恢復買賣（「復牌」）。

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15. EVENTS AFTER THE REPORTING PERIOD — *continued*

CHANGE OF DIRECTORS

With effect from the date of the Resumption, Dr. Choi Chiu Fai Stanley and Mr. Choi Ka Wai have resigned and ceased to be executive directors of the Company, and Mr. Szeto Tat Kwan and Mr. Fok Wai Ming Eddie have resigned and ceased to be independent non-executive directors of the Company due to the change in control of the Company.

The appointments of Mr. Hung Shui Chak, Mr. So Kam Chuen, Mr. Chen Jun and Mr. Yuan Mingjie as executive directors of the Company, and the appointments of Mr. Chan Chun Yiu Thomas and Mr. Mai Guangfan as independent non-executive directors of the Company, took effect from the date of the Resumption.

CHANGE OF COMPANY NAME

As announced by the Company on 30 July 2018, the English and Chinese names of the Company have been changed to “Longhui International Holdings Limited” and “龍輝國際控股有限公司” respectively (the “Change of Company Name”). The Change of Company Name will not affect any right of the holders of the securities or the daily business operation or the financial position of the Company.

CHANGE OF STOCK SHORT NAME

As announced by the Company on 30 July 2018, the securities of the Company are traded on the Stock Exchange under the new stock short name of “LONGHUI INTL” in English and “龍輝國際控股” in Chinese with effect from 3 August 2018. The stock code of the Company remains as 1007.

APPOINTMENT OF EXECUTIVE DIRECTOR

As announced by the Company on 10 August 2018, Mr. Su Guicai has been appointed as an executive director of the Company with effect from 10 August 2018.

15. 報告期後事項 — 續

更換董事

由復牌日期起，由於本公司控制權變動，蔡朝暉博士及蔡嘉偉先生已辭任及不再擔任本公司執行董事，以及司徒達坤先生及霍偉明先生已辭任及不再擔任本公司獨立非執行董事。

委任洪瑞澤先生、蘇錦存先生、陳軍先生及袁明捷先生為本公司執行董事及委任陳浚曜先生及麥廣帆先生為本公司獨立非執行董事由復牌日期起生效。

更改公司名稱

誠如本公司於二零一八年七月三十日宣佈，本公司的英文及中文名稱已分別改為「Longhui International Holdings Limited」及「龍輝國際控股有限公司」(「更改公司名稱」)。更改公司名稱將不會影響證券持有人的任何權利或本公司的日常業務營運和財務狀況。

更改股份簡稱

誠如本公司於二零一八年七月三十日宣佈，本公司證券於聯交所買賣的英文及中文新股份簡稱分別為「LONGHUI INTL」及「龍輝國際控股」，自二零一八年八月三日起生效。本公司之股份代號維持為1007。

委任執行董事

誠如本公司於二零一八年八月十日宣佈，蘇貴才先生已獲委任為執行董事，自二零一八年八月十日起生效。

BUSINESS REVIEW

At the request of the Company, trading in the shares of the Company (the "Share(s)") had been suspended since 22 March 2012 due to the resignation of the Predecessor Auditors.

On 26 May 2016, the Stock Exchange issued a letter to the Company stating that the Company was placed in the third delisting stage. The third delisting stage would expire on 6 December 2016. The Company should provide a viable resumption proposal at least 10 business days before the third delisting stage expires (i.e. 21 November 2016) to:

- 1) demonstrate sufficient operations of assets under rule 13.24 of the Listing Rules;
- 2) conduct forensic investigation on the issues raised by the Predecessor Auditors, disclose the findings of the investigation and take any remedial actions;
- 3) demonstrate that there is no reasonable regulatory concern about the integrity the Company's management which will pose a risk to investors and damage market confidence;
- 4) demonstrate that the Company has put in place adequate financial reporting procedures and internal control systems to meet obligations under the Listing Rules; and
- 5) inform the market of material information for the shareholders and the investors to appraise the Group's position.

業務回顧

應本公司要求，由於前任核數師辭任，本公司股份（「股份」）自二零一二年三月二十二日起暫停買賣。

於二零一六年五月二十六日，聯交所向本公司發出函件，指本公司被列入第三階段除牌程序。第三階段除牌程序將於二零一六年十二月六日屆滿。本公司須於第三階段除牌程序之屆滿日前至少十個營業日（即二零一六年十一月二十一日）提呈可行之復牌計劃以回應以下各項：

- 1) 證明具備上市規則第13.24條所規定之足夠資產運作；
- 2) 就前任核數師提出的問題進行法證調查並披露調查結果及採取補救措施；
- 3) 證明本公司之管理層的品格概無任何導致投資者風險及破壞市場信心的合理監管顧慮；
- 4) 證明本公司有實施充足的財務報告程序和內部監控系統，以履行上市規則之責任；及
- 5) 知會股東及投資者重大市場資料，以評估本集團之狀況。

On 21 November 2016, the Company as purchaser entered into the Acquisition Agreement (as amended and restated on 20 February 2017 and supplemented on 30 June 2017) with independent potential investors for the proposed acquisition of a target group which is primarily engaged in the operation of a hotpot restaurant chain in the PRC from the independent investors at a consideration of HK\$517,881,250. The acquisition constituted a very substantial acquisition, connected transaction and reverse takeover and was treated as a new listing application for the Company under the Listing Rules; therefore, subject to the approval of the Listing Committee of the Stock Exchange. On the same day, the Company entered into the Disposal Agreement (as amended and supplemented by a supplemental agreement dated 30 June 2017) with a potential purchaser for the proposed disposal of the Company's subsidiaries at a consideration of HK\$1. The subsidiaries were incorporated in Singapore and the PRC. As the complete books and records of those subsidiaries could not be located or accessed, the financial statements of those subsidiaries have been de-consolidated from the consolidated financial information of the Group.

The Company submitted a resumption proposal which contains, among other things, (i) a share consolidation; (ii) the Acquisition; (iii) the Disposal; (iv) a share placing; (v) an open offer; and (vi) a whitewash waiver, to the Stock Exchange before the expiry of the third delisting stage.

On 27 February 2017, the Company filed the new listing application to the Stock Exchange which comprised of, inter alia, (i) proposed share consolidation on the basis that every two (2) issued and unissued shares of HK\$0.00001 each will be consolidated into one (1) consolidated share of HK\$0.00002; (ii) the Acquisition in which the target group engaged in hotpot restaurant business in the PRC at a consideration of HK\$517,881,250; (iii) the Disposal in which the Company proposed to dispose of the entire issued share capital of Global Milk for a cash consideration of HK\$1.00; (iv) proposed placing of the Company's shares at an aggregate of up to 757,875,000 shares at HK\$0.1025 each; (v) proposed open offer involving the allotment and issue of 101,050,000 offer shares at the offer price of HK\$0.1025 per offer share on the basis of one (1) offer share for every five (5) consolidated shares held on the record date; and (vi) change of the board

於二零一六年十一月二十一日，本公司(作為買方)與多名獨立潛在投資者就建議向獨立投資者收購主要在中國從事火鍋餐廳連鎖的目標集團，訂立收購協議(於二零一七年二月二十日修訂及重列，以及於二零一七年六月三十日補充)，代價為517,881,250港元。根據上市規則，是次收購構成一項非常重大收購、關連交易及反收購事項，且被視為本公司新上市申請；因此，待聯交所上市委員會批准後，方告作實。同日，本公司亦與一名潛在買方就建議出售本公司附屬公司訂立出售協議(經日期為二零一七年六月三十日的補充協議所修訂及補充)，代價為1港元。該等附屬公司於新加坡及中國註冊成立。由於無法找到或查閱該等附屬公司的完整賬冊及記錄，故有關附屬公司的財務報表已於本集團綜合財務資料取消綜合入賬。

本公司於第三階段除牌程序之屆滿前，向聯交所提交復牌計劃，包括(其中包括)(i)股份合併；(ii)收購事項；(iii)出售事項；(iv)股份配售；(v)公開發售；及(vi)清洗豁免。

於二零一七年二月二十七日，本公司已向聯交所提交新上市申請，包括(其中包括)(i)建議按每兩(2)股每股面值0.00001港元之已發行及未發行股份合併為一(1)股面值0.00002港元之合併股份之基準實行股份合併；(ii)收購事項，有關目標集團在中國從事火鍋餐廳業務，代價為517,881,250港元；(iii)出售事項，本公司建議以現金代價1.00港元，出售Global Milk全部已發行股本；(iv)建議配售本公司股份，按每股0.1025港元配售總數最多達757,875,000股股份；(v)建議公開發售，將以發售價每股發售股份0.1025港元配發及發行101,050,000股發售股份，基準為按於記錄日期每持有五

composition of the Company upon resumption of the Company's shares, which subsequently lapsed in August 2017.

On 20 September 2017, the Company resubmitted a second new listing application to the Stock Exchange which subsequently lapsed in 2018. The Company resubmitted a third new listing application to the Stock Exchange on 6 April 2018. As disclosed in the announcements of the Company, the Acquisition constituted a very substantial acquisition for the Company and a reverse takeover for the Company under the Listing Rules.

On 2 May 2018, the Company entered into (i) a supplemental agreement to the Acquisition Agreement with the Vendors; and (ii) a supplemental agreement to the Disposal Agreement with the Disposal Purchaser, to, among other things, extend both long stop dates of the Acquisition Agreement and the Disposal Agreement for the fulfillment or waiver (as the case may be) of the respective conditions precedent thereto, from 30 April 2018 to 31 August 2018. Save for such amendments, the salient terms of the Acquisition Agreement and the Disposal Agreement remained unchanged and effective. Also, the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Placing Agent conditionally agreed to place an aggregate of 757,875,000 placing shares at HK\$0.1025 per placing share, on a fully underwritten basis, to not less than six placees. Furthermore, the Company and the Underwriter entered into the Underwriting Agreement pursuant to which the Underwriter conditionally agreed to fully underwrite the offer shares (save for 64,167,662 offer shares to be subscribed by Global Courage).

As announced by the Company on 28 May 2018, the Executive had conditionally granted the whitewash waiver to Mr. Hung Shui Chak, one of the Vendors, which was subject to certain conditions.

All conditions precedent of the Share Consolidation had been fulfilled as at 28 May 2018. The Share Consolidation took effect on 29 May 2018. Following the implementation of the Share Consolidation, the board lot size for trading on the Stock Exchange has changed from 1,000 shares to 20,000 consolidated shares since 29 May 2018.

(5) 股合併股份獲發一(1)股發售股份；及(vi)本公司股份復牌後，變更本公司董事會組成，該申請其後已於二零一七年八月失效。

於二零一七年九月二十日，本公司向聯交所再次提交第二次新上市申請，該申請其後已於二零一八年失效。本公司於二零一八年四月六日向聯交所再次提交第三次新上市申請。誠如本公司該等公告所披露，根據上市規則，收購事項構成本公司一項非常重大收購事項及本公司的反收購行動。

於二零一八年五月二日，本公司已(i)與該等賣方訂立收購協議之補充協議；及(ii)與出售買方訂立出售協議之補充協議，以將(其中包括)收購協議及出售協議兩者的最後截止日期由二零一八年四月三十日延遲至二零一八年八月三十一日以達成或豁免(視情況而定)該等協議各自的先決條件。除該等修訂外，收購協議及出售協議的主要條款維持不變及生效。另外，本公司與配售代理訂立配售協議，據此配售代理有條件同意按每股配售股份0.1025港元，向悉數包銷基準，向不少於六名承配人配售合共757,875,000股配售股份。此外，本公司與包銷商訂立包銷協議，據此包銷商有條件同意悉數包銷發售股份(Global Courage將予認購的64,167,662股發售股份除外)。

誠如本公司於二零一八年五月二十八日宣佈，執行人員已有條件向其中一名賣方洪瑞澤先生授出清洗豁免，惟須受限於若干條件。

截至二零一八年五月二十八日，股份合併所有先決條件已經達成。股份合併於二零一八年五月二十九日生效。實施股份合併後，自二零一八年五月二十九日起，於聯交所的每手買賣單位由1,000股股份改為20,000股合併股份。

On 4 June 2018, the Board proposed to change the English name of the Company from Daqing Dairy Holdings Limited to Longhui International Holdings Limited, and to change the dual foreign name of the Company in Chinese from “大慶乳業控股有限公司” to “龍輝國際控股有限公司”. The Change of Company Name was subject to certain conditions.

FINANCIAL REVIEW

Given the circumstances that substantial portion of the books and records of Global Milk and the PRC Subsidiaries could not be located or accessed and the previous management of the Group did not respond to the Board's request, the financial statements of those subsidiaries have been de-consolidated from the consolidated financial information of the Group since the year ended 31 December 2011. There was no turnover for the six months ended 30 June 2018 (six months ended 30 June 2017: HK\$Nil). The loss for the six months ended 30 June 2018 was approximately HK\$5,837,000 (six months ended 30 June 2017: approximately HK\$2,726,000). The increase in loss during the period was mainly attributable to the professional fees incurred for the publication of the documents in relation to the resumption work and the listing expenses incurred for the listing application.

INTERIM DIVIDEND

The directors of the Company (the “Directors”) do not recommend to pay any interim dividend for the six months ended 30 June 2018 (six months ended 30 June 2017: HK\$Nil).

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

As at 30 June 2018, the Company had total assets of approximately HK\$10,463,000 (31 December 2017: approximately HK\$266,000). The assets of the Company as at 30 June 2018 were prepayments and bank balances and cash.

As at 30 June 2018, the Company's current liabilities amounted to approximately HK\$59,607,000 (31 December 2017: approximately HK\$43,573,000).

The net liabilities value per share of the Company was approximately HK\$0.081 as at 30 June 2018 (31 December 2017: approximately HK\$0.071). The

於二零一八年六月四日，董事會建議將本公司的英文名稱由Daqing Dairy Holdings Limited改為Longhui International Holdings Limited，並將本公司的中文雙重外文名稱由「大慶乳業控股有限公司」更改為「龍輝國際控股有限公司」。更改公司名稱須受限於若干條件。

財務回顧

由於無法找到或查閱Global Milk及中國附屬公司大部分賬冊及記錄及本集團前任管理層並無回應董事會之要求，該等附屬公司之財務報表已自截至二零一一年十二月三十一日止年度起取消綜合入賬至本集團之綜合財務資料。截至二零一八年六月三十日止六個月並無錄得營業額（截至二零一七年六月三十日止六個月：零港元）。截至二零一八年六月三十日止六個月的虧損約為5,837,000港元（截至二零一七年六月三十日止六個月：約2,726,000港元）。期內虧損增加，主要是刊發復牌工作有關的文件產生的專業費用及支付上市申請產生的上市開支所致。

中期股息

本公司董事（「董事」）不建議就截至二零一八年六月三十日止六個月派發任何中期股息（截至二零一七年六月三十日止六個月：零港元）。

流動資金、財務資源及資產負債比率

於二零一八年六月三十日，本公司的總資產約為10,463,000港元（二零一七年十二月三十一日：約266,000港元）。本公司於二零一八年六月三十日之資產為預付款項及銀行結餘及現金。

於二零一八年六月三十日，本公司的流動負債約為59,607,000港元（二零一七年十二月三十一日：約43,573,000港元）。

本公司於二零一八年六月三十日的每股負債淨值約為0.081港元（二零一七年十二月三十一日：約0.071港元）。每股負債淨值乃根

net liabilities value per share was computed based on 606,300,000 ordinary shares in issue as at 30 June 2018 and 31 December 2017 (Restated) respectively.

The gearing ratio as computed based on total interest bearing indebtedness over total assets. No gearing ratio was computed as the Company did not have interest bearing indebtedness as at 30 June 2018 and 31 December 2017 respectively.

PLEDGE OF ASSETS

As at 30 June 2018, the Company had no charges on its assets (31 December 2017: HK\$Nil).

CAPITAL STRUCTURE

For the six months ended 30 June 2018, the Share Consolidation took effect on 29 May 2018. Save as disclosed above, there was no change in the capital structure and issued share capital of the Company.

INVESTMENT POSITION AND PLANNING

On 21 November 2016, the Company as purchaser entered into the Acquisition Agreement (as amended and restated on 20 February 2017 and supplemented on 30 June 2017) with independent potential investors for an acquisition of a new business which is primarily engaged in the operation of a hotpot restaurant business in the PRC at a consideration of HK\$517,881,250. The acquisition constituted a very substantial acquisition, connected transaction and was treated as a new listing application for the Company under the Listing Rules, therefore, subject to the approval of the Listing Committee of the Stock Exchange. On the same day, the Company entered into the Disposal Agreement (as amended and supplemented by a supplemental agreement dated 30 June 2017) with the Disposal Purchaser for the disposal of Global Milk and its subsidiaries at a consideration of HK\$1. The subsidiaries were incorporated in Singapore and the PRC. As the complete books and records of those subsidiaries could not be located or accessed, the financial statements of those subsidiaries have been de-consolidated from the consolidated financial information of the Group since the year ended 31 December 2011.

據分別於二零一八年六月三十日及二零一七年十二月三十一日已發行的606,300,000股(經重列)普通股計算。

資產負債比率乃以總計息債務除以總資產計算。於二零一八年六月三十日及二零一七年十二月三十一日，概無計算資產負債比率，因為本公司並無計息債務。

資產抵押

於二零一八年六月三十日，本公司概無抵押任何資產(二零一七年十二月三十一日：零港元)。

資本架構

截至二零一八年六月三十日止六個月，股份合併於二零一八年五月二十九日生效。除前文所披露者外，本公司資本架構及已發行股本概無變動。

投資狀況及計劃

於二零一六年十一月二十一日，本公司(作為買方)與數名獨立潛在投資者就收購一項主要在中國從事火鍋餐廳業務的新業務，訂立收購協議(於二零一七年二月二十日修訂及重列，以及於二零一七年六月三十日補充)，代價為517,881,250港元。根據上市規則，是次收購構成一項非常重大收購及關連交易，且被視為本公司新上市申請；因此，待聯交所上市委員會批准後，方告作實。同日，本公司亦與一名出售事項買方就出售Global Milk及其附屬公司訂立出售協議(經日期為二零一七年六月三十日的補充協議所修訂及補充)，代價為1港元。該等附屬公司於新加坡及中國註冊成立。由於無法找到或查閱該等附屬公司的完整賬冊及記錄，故有關附屬公司的財務報表自截至二零一一年十二月三十一日止年度起於本集團綜合財務資料取消綜合入賬。

Upon Acquisition Completion, the target company has become a wholly-owned subsidiary of the Company and the financial results of the target group are consolidated into the financial statements of the Company.

Upon Disposal Completion, the Group has ceased to have any beneficial interest in any company in the Disposal Group, and all the companies in the Disposal Group have ceased to be subsidiaries of the Company.

CONNECTED TRANSACTIONS

The acquisition of a new business which is primarily engaged in the operation of a hotpot restaurant business in the PRC constituted connected transaction as Mr. Hung Shui Chak, one of the vendors to the Acquisition, would become a controlling shareholder and an executive director of the Company. As such, the transactions contemplated under the Acquisition were subject to the reporting, announcement and independent shareholders' approval under the Listing Rules. The Acquisition Completion took place on 4 July 2018.

NON-COMPLIANCE OF APPENDIX 16 “DISCLOSURE OF FINANCIAL INFORMATION” OF THE LISTING RULES

Given the circumstances that substantial portion of the books and records of Global Milk and the PRC Subsidiaries either could not be located or could not be accessed, no sufficient data available to compile this interim report so as to comply with the Appendix 16 “Disclosure of Financial Information” of the Listing Rules. The following information has been omitted:

1. Details of commitments and contingent liabilities; and
2. Information in respect of major customers and major suppliers.

於收購完成後，目標公司成為本公司的全資附屬公司及目標集團的財務業績綜合入賬至本公司的財務報表。

於出售完成後，本集團不再於出售集團旗下任何公司中擁有任何實益權益，且出售集團旗下所有公司不再被本公司的附屬公司。

關連交易

收購主要在中國從事火鍋餐廳業務的新業務構成關連交易，因洪瑞澤先生（收購事項的賣方之一）將成為一名控股股東及本公司的執行董事。因此，收購事項下擬進行的交易須遵守上市規則的申報、公佈及經獨立股東批准的規定。收購完成於二零一八年七月四日發生。

不符合上市規則附錄十六「財務資料披露」

由於無法找到或查閱Global Milk及中國附屬公司大部分賬冊及記錄，並無充份可使用之數據可供編製本中期報告，使其符合上市規則附錄十六「財務資料披露」。以下資料已省略：

1. 承擔及或然負債之詳情；及
2. 關於主要客戶及主要供應商之資料。

Save as disclosed above and elsewhere in this interim financial information, there was no other material breach of or non-compliance with applicable laws and regulations by the Company that has a significant impact on the business and operations of the Company.

FOREIGN CURRENCY RISK

The foreign currency risk of the Company is the foreign currencies deposited in the bank. As at 30 June 2018, the Company had bank balances of approximately HK\$44,000 (31 December 2017: approximately HK\$44,000) and approximately HK\$10,296,000 (31 December 2017: approximately HK\$36,000) denominated in USD and HKD respectively.

EMPLOYEES AND REMUNERATION POLICIES

The number of employees of the Company as at 30 June 2018 was five (31 December 2017: five). The Company remunerates its employees mainly based on individual's performance and qualification. Other benefits include bonuses awarded on a discretionary basis and mandatory provident fund schemes.

EVENTS AFTER REPORTING PERIOD

Save as disclosed in note 15 to the interim condensed financial statements, there is no other significant events occurred after the reporting date and up to the date of signing this interim report.

PROSPECTS

After acquisition of Longhui International Catering Management Holdings Limited, we are principally engaged in the hotpot restaurant business and we own three brands in the PRC, namely *Faigo* ("輝哥"), *Xiao Faigo Hotpot* ("小輝哥火鍋") and *Hong Yuanwai* ("洪員外"). As at 5 July 2018, we owned and operated 97 restaurants in total in 18 cities in the PRC. As disclosed in the resumption circular, we aim to replicate the business models and expand the restaurant network to become the preferred hotpot restaurant chain offering quality foods and services in the PRC.

除上文及本中期財務資料其他地方披露者外，本公司概無對適用法律及法規的其他重大違反或不合規情況，而對本公司業務及營運有重大影響。

外幣風險

本公司之外幣風險為存於銀行之外幣。於二零一八年六月三十日，本公司以美元及港元計值之銀行結餘分別約為44,000港元(二零一七年十二月三十一日：約44,000港元)及約10,296,000港元(二零一七年十二月三十一日：約36,000港元)。

僱員及薪酬政策

本公司於二零一八年六月三十日之僱員人數為五名(二零一七年十二月三十一日：五名)。本公司主要根據個人表現及資質釐定僱員薪酬。其他福利包括酌情花紅及強制性公積金計劃。

報告期後事項

除於中期簡明財務報表附註15所披露外，於報告日期後及截至本中期報告日期，概無發生其他重大事項。

前景

收購龍輝國際餐飲管理控股有限公司後，我們主要經營火鍋食店業務，並於中國擁有「輝哥」、「小輝哥火鍋」及「洪員外」三個品牌。於二零一八年七月五日，我們在中國18個城市擁有及經營97間食店。誠如復牌通函所披露，我們致力複製業務模式、擴充食店網絡，成為中國首屈一指的連鎖火鍋食店，提供優質食品與服務。

As at 5 July 2018, we had totally seven restaurants under the brand *Faigo* (“輝哥”). One new *Faigo* restaurant was opened in Hefei, Anhui Province in July, which is a joint venture that we own 70% of the share interest. We will continue to seek opportunities for opening more restaurants under the brand *Faigo* (“輝哥”) in other cities in the PRC.

As at 5 July 2018, we had totally eighty nine restaurants under the brand *Xiao Faigo Hotpot* (“小輝哥火鍋”) and one restaurant under the brand *Hong Yuanwai* (“洪員外”). We have entered into six binding leases for sites of new restaurants under these two brands which shall be opened by 31 December 2018.

Apart from the expansion plan, we will also continue to refine our current business operations to enhance our same-store sales growth and profitability. These enhancements will include but not limited to strengthening marketing efforts, developing new food products, optimizing workflow for better labor cost efficiency and incentivizing staff to further improve our service quality.

於二零一八年七月五日，我們合共擁有7間「輝哥」品牌的食店。一間新輝哥食店已於七月在安徽省合肥市開張。該食店為一間合營企業，我們擁有70%的股權。我們會繼續探索商機，在中國其他城市開設更多「輝哥」品牌的食店。

於二零一八年七月五日，我們合共擁有89間「小輝哥火鍋」品牌的食店，以及一間「洪員外」品牌的食店。我們已就二零一八年十二月三十一日以兩個品牌開設的6間食店地址訂立具約束力的租約。

除擴張計劃外，我們將會改善現有業務營運，提升同店銷售增長及盈利能力。改善方法包括但不限於增強營銷舉措，開發新食品、優化工作流程以達致良好勞工成本效益，並會獎勵員工，藉此進一步改善服務質素。

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

As at 30 June 2018, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provision of the SFO) or which were required to be recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as follows:

董事及主要行政人員於股份、相關股份及債券的權益及淡倉

於二零一八年六月三十日，董事及本公司主要行政人員於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）股份、相關股份及債券中擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益或淡倉（包括根據該證券及期貨條例規定被當作或視為擁有的權益或淡倉），或根據證券及期貨條例第352條須記錄於該條所述登記冊的權益或淡倉，或根據上市發行人董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所的權益或淡倉如下：

Name of Director	Capacity	Number of issued ordinary shares held	Approximate percentage of the issued share capital of the Company
董事姓名	身份	所持已發行普通股數目	佔本公司已發行股本概約百分比

(Note 2)
(附註2)

Dr. Choi Chiu Fai Stanley (Note 1) 蔡朝暉博士 (附註1)	Interest of controlled corporation 受控制法團權益	320,838,314 (L)	63.50%
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(L): Long position

(L): 好倉

Note 1: The 320,838,314 Shares were held by Global Courage Limited. Global Courage Limited is wholly-owned by Head and Shoulders Direct Investment Limited, which in turn is wholly-owned by Dr. Choi Chiu Fai Stanley. Thus, Head and Shoulders Direct Investment Limited and Dr. Choi Chiu Fai Stanley were deemed to be interested in the 320,838,314 Shares held by Global Courage Limited pursuant to the SFO. With effect from 6 July 2018, Dr. Choi Chiu Fai Stanley has resigned and ceased to be an executive director of the Company due to the change in control of the Company.

Note 2: The percentage is calculated on the basis of 505,250,000 shares of the Company in issue as at 30 June 2018.

Save as disclosed above, as at 30 June 2018, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which were required to be recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above, at no time during the six months ended 30 June 2018 was the Company, or any of its holding companies, its subsidiaries or its fellow subsidiaries a party to any arrangement to enable the Directors and chief executives of the Company (including their spouses and children under 18 years of age) to hold any interest or short positions in the shares, or underlying shares, or debentures, of the Company or its associated corporations (with the meaning of Part XV of the SFO).

附註1：320,838,314股股份由Global Courage Limited持有，而Global Courage Limited由Head and Shoulders Direct Investment Limited全資擁有，而Head and Shoulders Direct Investment Limited則由蔡朝暉博士全資擁有。故此，根據證券及期貨條例，Head and Shoulders Direct Investment Limited及蔡朝暉博士被視為於Global Courage Limited持有之320,838,314股股份擁有權益。由二零一八年七月六日起，由於本公司控制權變動，蔡朝暉博士已辭任及不再擔任本公司執行董事。

附註2：該百分比乃按本公司於二零一八年六月三十日有505,250,000已發行股份之基準計算。

除上文所披露者外，截至二零一八年六月三十日，董事或本公司主要行政人員並無於本公司及其相聯法團（定義見證券及期貨條例第XV部）股份、相關股份或債券中擁有或視為擁有根據證券及期貨條例第352條須記錄於該條所述登記冊的權益或淡倉，或根據標準守則須知會本公司及聯交所的權益或淡倉。

董事購買股份及債券的權利

除上文所披露者外，本公司或其任何控股公司、附屬公司或同系附屬公司於截至二零一八年六月三十日止六個月內任何時間概無訂立任何安排促使董事及本公司主要行政人員（包括彼等的配偶及未成年子女）可於本公司或其聯營法團（定義見證券及期貨條例第XV部）任何股份、相關股份或債券持有任何權益或淡倉。

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2018, the following persons or corporations (other than Directors or chief executives of the Company) were interested in 5% or more of the issued share capital of the Company which were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO, or to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO and the Listing Rules:

主要股東於股份、相關股份或債券的權益及淡倉

於二零一八年六月三十日，以下人士（董事或本公司主要行政人員除外）按本公司根據證券及期貨條例第336條須存置的權益登記冊所示，或於根據證券及期貨條例第XV部第2及3分部的條文及上市規則須披露的本公司已發行股本中擁有5%或以上權益：

Name of shareholder	Capacity	Number of underlying shares held	Number of shares held	Total number of shares and underlying shares held	Approximate percentage of the issued share capital of the Company
股東姓名	身份	所持相關股份數目	所持股份數目	所持股份及相關股份總數	佔本公司已發行股本概約百分比
Global Courage Limited	Beneficial owner	—	320,838,314 (L)	320,838,314 (L)	63.50%
Global Courage Limited	實益擁有人				
Head and Shoulders Direct Investment Limited (Note 1)	Interest of controlled corporation	—	320,838,314 (L)	320,838,314 (L)	63.50%
Head and Shoulders Direct Investment Limited (附註1)	受控制法團權益				
Extensive Success Limited	Interest of controlled corporation	—	28,500,000 (L)	28,500,000 (L)	5.64%
Extensive Success Limited	受控制法團權益				
Mr. Hung Shui Chak ("Mr. Hung") (Note 2)	Beneficial owner	1,182,916,562 (L)	3,548,749,688 (L)	4,731,666,250 (L)	936.50%
洪瑞澤先生(「洪先生」)(附註2)	實益擁有人				
Mr. Ho Roy Poon Kwong ("Mr. Ho") (Note 2)	Beneficial owner	28,167,688 (L)	84,503,062 (L)	112,670,750 (L)	22.30%
何磐光先生(「何先生」)(附註2)	實益擁有人				
Ms. Hung Ying ("Ms. Hung") (Note 2)	Beneficial owner	37,135,875 (L)	111,407,625 (L)	148,543,500 (L)	29.40%
洪瑩女士(「洪女士」)(附註2)	實益擁有人				
Mr. So Kam Chuen ("Mr. So") (Note 2)	Beneficial owner	14,904,875 (L)	44,714,625 (L)	59,619,500 (L)	11.80%
蘇錦存先生(「蘇先生」)(附註2)	實益擁有人				

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Name of shareholder	Capacity	Number of underlying shares held	Number of shares held	Total number of shares and underlying shares held	Approximate percentage of the issued share capital of the Company
股東姓名	身份	所持相關股份數目	所持股份數目	所持股份及相關股份總數	佔本公司已發行股本概約百分比
Joyful Marvel Limited ("Joyful Marvel") (Note 3)	Beneficial owner 實益擁有人	—	508,000,000 (L)	508,000,000 (L)	100.54%
Joyful Marvel Limited (「Joyful Marvel」)(附註3)					
Mr. Ou Jin Yao Norris ("Mr. Ou") (Note 3) 歐晉堯先生(「歐先生」) (附註3)	Interest of controlled corporation 受控制法團權益	—	508,000,000 (L)	508,000,000 (L)	100.54%

(Note 4)
(附註4)

(L): Long position

(L): 好倉

Note 1: The 320,838,314 Shares were held by Global Courage Limited. Global Courage Limited is wholly-owned by Head and Shoulders Direct Investment Limited, which in turn is wholly-owned by Dr. Choi Chiu Fai Stanley. Thus, Head and Shoulders Direct Investment Limited and Dr. Choi Chiu Fai Stanley were deemed to be interested in the 320,838,314 Shares held by Global Courage Limited pursuant to the SFO.

附註1: 320,838,314股股份由Global Courage Limited持有，而Global Courage Limited由Head and Shoulders Direct Investment Limited全資擁有，而Head and Shoulders Direct Investment Limited則由蔡朝暉博士全資擁有。故此，根據證券及期貨條例，Head and Shoulders Direct Investment Limited及蔡朝暉博士被視為於Global Courage Limited持有之320,838,314股股份擁有權益。

Note 2: On 21 November 2016, the Company (as the purchaser) and Mr. Hung, Ms. Hung, Mr. Ho, Mr. So and Ms. Seztu Yuen Man, (collectively as the vendors) entered into the Acquisition Agreement (as amended and restated on 20 February 2017 and supplemented on 30 June 2017) pursuant to which the Company conditionally agreed to acquire, and the vendors conditionally agreed to sell, the sale shares for a total consideration of HK\$517,881,250, which would be satisfied by way of allotment and issue of shares and by way of issue of convertible bonds. Details of the above were set out in the Company's announcement dated 7 August 2017.

附註2: 於二零一六年十一月二十一日，本公司(作為買方)與洪先生、洪女士、何先生、蘇先生及司徒婉雯女士(統稱賣方)訂立收購協議(於二零一七年二月二十日經修訂及重述並於二零一七年六月三十日經補充)，據此，本公司有條件同意收購，而該等賣方有條件同意出售待售股份，代價共為517,881,250港元，將透過發行可換股債券配發及發行股份支付。上述詳情載於本公司日期為二零一七年八月七日的公告。

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Note 3: Under the SFO, Joyful Marvel was deemed to be interested in the 508,000,000 placing shares to be allotted and issued to Joyful Marvel, as a placee, upon completion of the share placing pursuant to the Placing Agreement. Joyful Marvel is wholly-owned by Mr. Ou. Thus, Mr. Ou was deemed to be interested in the 508,000,000 placing shares to be allotted and issued to Joyful Marvel pursuant to the SFO.

Note 4: The percentage is calculated on the basis of 505,250,000 shares of the Company in issue as at 30 June 2018.

Save as disclosed above, as at 30 June 2018, the Company had not been notified by any person or company, other than Directors or chief executives of the Company whose interest are set out in the section headed "DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES" in this report, who had interests or short positions in the shares, underlying shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register to be kept by the Company under section 336 of the SFO.

DISCLOSURE OF CHANGE IN INFORMATION OF DIRECTORS

Pursuant to rule 13.51B(1) of the Listing Rules, the change of information on Directors is as follows:

Name of Director 董事名稱	Details of change 變動詳情
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Mr. Chan Chun Yiu Thomas (Independent Non-executive Director)	He has been appointed as an executive director of International Entertainment Corporation (stock code: 1009) with effect from 6 July 2018.
陳浚曜先生(獨立非執行董事)	彼獲委任為國際娛樂有限公司(股份代號：1009)的執行董事，由二零一八年七月六日起開始生效。

附註3：根據證券及期貨條例，Joyful Marvel被視為於508,000,000股配售股份中擁有權益，該等配售股份乃根據配售協議完成股份配售後向Joyful Marvel(作為承配人)配發及發行。Joyful Marvel由歐先生全資擁有，因此，根據證券及期貨條例，歐先生被視為於將配發及發行予Joyful Marvel的508,000,000股股份中擁有權益。

附註4：有關百分比乃以於二零一八年六月三十日之505,250,000股本公司已發行股份為基準計算。

除上文所披露者外，於二零一八年六月三十日，概無任何人士或公司(董事或本公司主要行政人員於本報告「董事及主要行政人員於股份、相關股份及債券的權益及淡倉」所載之權益除外)曾知會本公司其於根據證券及期貨條例第XV部第2及第3分部之條文須向本公司披露，或於根據證券及期貨條例第336條須記錄於該條所述登記冊的本公司股份、相關股份或債券中擁有權益或淡倉。

有關董事資料變動之披露

根據上市規則第13.51B(1)條，董事資料的變動如下：

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the financial period.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the "Share Option Scheme") which was approved by the written resolutions of all the shareholders of the Company and adopted by the resolutions of the Board passed on 10 October 2010 (the "Adoption Date"). The Share Option Scheme is for a period of 10 years commencing from the Adoption Date, after which period no further options shall be granted.

During the six months ended 30 June 2018, there were no options outstanding, granted, exercised, cancelled or lapsed under the Share Option Scheme.

CORPORATE GOVERNANCE PRACTICES

The Directors recognise the importance of incorporating the elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability to the shareholders as a whole. The Board strived to uphold good corporate governance and adopt sound corporate governance practices. The principles and the code provisions of the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 of the Listing Rules have been adopted by the Company.

In accordance with the requirements of the Listing Rules, the Company has established an audit committee (the "Audit Committee") with defined term of reference. The Company has also established a nomination committee and a remuneration committee with defined terms of reference. The terms of reference of these Board committees are available on the Stock Exchange's website and the Company's website.

購買、出售或贖回本公司上市證券

於財政期間，本公司或其任何附屬公司概無購買、贖回或出售任何本公司之上市證券。

購股權計劃

本公司採納經本公司全體股東以書面決議案批准並以於二零一零年十月十日（「採納日期」）通過的董事會決議案採納的購股權計劃（「購股權計劃」）。購股權計劃自採納日期起為期10年，其後將不得另行授出購股權。

於截至二零一八年六月三十日止六個月，購股權計劃下概無尚未行使、已授出、已行使、已註銷及已失效的購股權。

企業管治常規

董事認同為達致向整體股東有效的問責性，在本集團管理架構及內部控制程序引進良好企業管治元素非常重要。董事會依然努力貫徹良好企業管治，並採用健全的企業管治常規。本公司已採用的上市規則附錄十四所載列的《企業管治常規守則》（「企業管治守則」）的原則及守則條文。

根據上市規則的規定，本公司已成立具明文職權範圍的審核委員會（「審核委員會」）。本公司亦已成立具明文職權範圍的提名委員會及薪酬委員會。該等董事會屬下委員會的職權範圍可在聯交所網址及本公司網址查閱。

During the six months ended 30 June 2018, the Company has complied with the CG Code except for the deviation from the code provisions which are explained below.

Code Provision A.1.8

No insurance cover was arranged for the Directors because of the suspension in trading of the Company's shares during the six months ended 30 June 2018. Following the Resumption, directors' insurance is being arranged for each Director.

Code Provision A.2.1

Dr. Choi Chiu Fai Stanley was the chairman and the chief executive officer of the Company during the six months ended 30 June 2018. The Board believed that vesting the roles of both chairman and chief executive officer in the same person provided the Company with strong and consistent leadership and allowed for effective and efficient planning and implementation of business decisions and strategies. The Board considered that the structure of vesting the roles of chairman and chief executive officer in the same person would not impair the balance of power and authority between the Board and the management of the Company.

Code Provision A.4.1

Under the code provision A.4.1 of the CG Code, non-executive directors should be appointed for a specific term, subject to re-election. The independent non-executive Directors during the six months ended 30 June 2018 were not appointed for a specific term as required under code provision A.4.1 but were subject to retirement by rotation and re-election at annual general meeting in accordance with the articles of association. As such, the Company considered that sufficient measures had been taken to ensure that the Company has good corporate governance practices.

於截至二零一八年六月三十日止六個月，本公司已遵守企業管治守則，惟下文闡述偏離守則條文的情況除外。

守則條文第A.1.8條

由於截至二零一八年六月三十日止六個月，本公司股份暫停買賣，故並未為董事安排投購保險。復牌後，本公司現正為每名董事安排董事保險。

守則條文第A.2.1條

截至二零一八年六月三十日止六個月，蔡朝暉博士為本公司主席兼行政總裁。董事會認為由同一人士兼任主席及行政總裁之職責令本公司之領導強勢且貫徹一致，可有效及快速計劃及實行業務決策及策略。董事會認為，架構由同一人士兼任主席及行政總裁之職責，不會影響董事會與本公司管理層間之權力及授權平衡。

守則條文第A.4.1條

根據企業管治守則守則條文第A.4.1條，非執行董事須按固定任期獲委任，並須重選連任。截至二零一八年六月三十日止六個月，獨立非執行董事並無根據守則條文第A.4.1條之規定按固定任期獲委任，惟彼等須根據本公司章程細則於股東週年大會輪值退任及重選連任。因此，本公司認為已採取足夠措施以確保本公司奉行良好企業管治慣例。

Code Provision C.1.2

Management should provide all members of the board with monthly updates giving a balanced and understandable assessment of the issuer's performance, position and prospects. During the six months ended 30 June 2018, the Company did not provide monthly updates on the financial information of the Group's performance position and prospects due to the loss of control over the subsidiaries in Singapore and in the PRC, and thus the financial statements of those subsidiaries were de-consolidated from the consolidated financial information of the Group.

Code Provision C.2.1

The Company did not conduct a review of the effectiveness of its subsidiaries' risk management and internal control systems due to the loss of control over the subsidiaries in Singapore and in the PRC, and thus the financial statements of those subsidiaries were de-consolidated from the consolidated financial statements of the Group.

The existing Board is of the view that following the Resumption, one of its main priorities in 2018 is to improve the corporate governance of the Group.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the model code as set out in Appendix 10 of the Listing Rules (the "Model Code") as the required standard for securities transactions by Directors. The Company has made specific enquiries of all Directors held offices during the six months under review. All Directors have confirmed that they complied with the required standards set out in the Model Code and its code of conduct regarding directors' securities transactions throughout the six months ended 30 June 2018.

守則條文第C.1.2條

管理層應每月向董事會全體成員提供更新資料，就發行人之表現、狀況及前景提供公正及易於理解之評估。截至二零一八年六月三十日止六個月，由於失去對新加坡及中國附屬公司之控制權，本公司未提供有關本集團業績狀況及前景之每月更新財務資料，因此，該等附屬公司之財務報表已自本集團之綜合財務報表取消綜合入賬。

守則條文第C.2.1條

由於失去對新加坡及中國附屬公司的控制權，本公司尚未對其附屬公司之風險管理系統及內部監控系統有效性進行審閱，因此該等附屬公司之財務報表已取消綜合入賬至本集團綜合財務報表。

現任董事會認為於復牌後，本公司於二零一八年的其中一個首要目標是提升本集團的企業管治。

董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載的標準守則（「標準守則」）作為董事進行證券交易的規定標準。本公司已向回顧期內六個月在任的全體董事作出具體查詢。全體董事確認，於截至二零一八年六月三十日止六個月內，彼等已遵守標準守則及董事進行證券交易操守守則的規定標準。

AUDIT COMMITTEE

The Audit Committee was established on 10 October 2010 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C3 of the CG Code as set out in Appendix 14 of the Listing Rules. The primary duties of the Audit Committee are to provide the Board with an independent review of the effectiveness of the financial reporting process, internal control and risk management system of the Group, to oversee the audit process and to perform other duties and responsibilities as assigned by the Board. The Audit Committee comprises three independent non-executive Directors, namely, Mr. Ha Kee Choy Eugene (being the chairman of the Audit Committee), Mr. Mai Guangfan and Mr. Chan Chun Yiu Thomas.

The Audit Committee has reviewed with the Board the accounting principles and practices adopted by the Company and discussed the internal control and financial reporting matters including the review of the unaudited condensed interim financial statements and results of the Company for the six months ended 30 June 2018.

REVIEW OF ACCOUNTS

The Audit Committee has reviewed the Company's financial statements for the six months ended 30 June 2018.

審核委員會

本公司遵照上市規則第3.21條及上市規則附錄十四企業管治守則第C3段的規定，於二零一零年十月十日成立具書面職權範圍的本公司審核委員會。審核委員會的主要職責是就本集團財務報告程序、內部控制及風險管理制度之有效程度向董事會提供獨立審閱，監管審計程序及履行董事會所委派的其他職務及責任。審核委員會由三名獨立非執行董事組成，包括審核委員會主席夏其才先生、麥廣帆先生及陳浚曜先生。

審核委員會與董事會經已審閱本公司採用之會計原則及方法，並探討內部管理及財務報告事宜，包括審閱本公司截至二零一八年六月三十日止六個月之未經審核簡明中期財務報表及業績。

審閱賬目

審核委員會已審閱本公司截至二零一八年六月三十日止六個月的財務報表。

Longhui International Holdings Limited
龍輝國際控股有限公司