

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

2019



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BOARD OF DIRECTORS

Executive Directors

Mr. Hung Shui Chak (*Chairman*)
Mr. So Kam Chuen
Mr. Yuan Mingjie
Mr. Chen Jun
Mr. Su Guicai (resigned on 1 March 2019)

Independent Non-executive Directors

Mr. Ha Kee Choy Eugene
Mr. Chan Chun Yiu Thomas
Mr. Tam Bing Chung Benson
(appointed on 1 March 2019)
Mr. Mai Guangfan (resigned on 1 March 2019)

AUDIT COMMITTEE

Mr. Ha Kee Choy Eugene (*Chairman*)
Mr. Chan Chun Yiu Thomas
Mr. Tam Bing Chung Benson
(appointed on 1 March 2019)
Mr. Mai Guangfan (resigned on 1 March 2019)

REMUNERATION COMMITTEE

Mr. Tam Bing Chung Benson (*Chairman*)
(appointed on 1 March 2019)
Mr. Ha Kee Choy Eugene
Mr. Chan Chun Yiu Thomas
Mr. Mai Guangfan
(resigned on 1 March 2019)

NOMINATION COMMITTEE

Mr. Chan Chun Yiu Thomas (*Chairman*)
Mr. Ha Kee Choy Eugene
Mr. Hung Shui Chak

COMPANY SECRETARY

Mr. Wong Chun Kit

AUTHORISED REPRESENTATIVES

Mr. Hung Shui Chak
Mr. Yuan Mingjie

董事會

執行董事

洪瑞澤先生 (*主席*)
蘇錦存先生
袁明捷先生
陳軍先生
蘇貴才先生 (於二零一九年三月一日辭任)

獨立非執行董事

夏其才先生
陳浚曜先生
譚秉忠先生
(於二零一九年三月一日獲委任)
麥廣帆先生 (於二零一九年三月一日辭任)

審核委員會

夏其才先生 (*主席*)
陳浚曜先生
譚秉忠先生
(於二零一九年三月一日獲委任)
麥廣帆先生 (於二零一九年三月一日辭任)

薪酬委員會

譚秉忠先生 (*主席*)
(於二零一九年三月一日獲委任)
夏其才先生
陳浚曜先生
麥廣帆先生
(於二零一九年三月一日辭任)

提名委員會

陳浚曜先生 (*主席*)
夏其才先生
洪瑞澤先生

公司秘書

王震傑先生

授權代表

洪瑞澤先生
袁明捷先生

REGISTERED OFFICE

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1502, 15/F.
Lucky Building
39 Wellington Street, Central
Hong Kong

PRINCIPAL BANKERS

The Bank of East Asia, Limited
China CITIC Bank International Limited

AUDITORS

HLB Hodgson Impey 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
15樓1502室

主要往來銀行

東亞銀行有限公司
中信銀行(國際)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 CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

簡明綜合損益及其他全面收益表

For the six months ended 30 June 2019 截至二零一九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	
			2019 二零一九年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核) (Restated) (經重列)
		Notes 附註		
Revenue	收益	3	237,904	319,707
Foods and beverage and other materials consumables used	食品及飲料以及已用其他耗材		(92,100)	(124,296)
Employee benefit and related expenses	僱員福利及相關開支	4	(69,229)	(86,035)
Property rentals and related expenses	物業租金及相關開支		(17,736)	(72,593)
Utilities expenses	公共設施開支		(8,590)	(9,395)
Depreciation, amortisation and impairment of property, plant and equipment, right-of-use assets and intangible asset	物業、廠房及設備、使用權資產以及無形資產的折舊、攤銷及減值		(94,108)	(37,737)
Other expenses	其他開支		(16,775)	(28,349)
Other (losses)/gains, net	其他(虧損)/收益淨額		(70)	2,554
Loss from operating activities	來自經營業務的虧損	5	(60,704)	(36,144)
Finance (expenses)/income, net	融資(開支)/收入淨額		(9,028)	2,641
Loss before tax	除稅前虧損		(69,732)	(33,503)
Income tax credit	所得稅抵免	6	14,242	5,795
Loss for the period	期內虧損		(55,490)	(27,708)
Loss attributable to:	以下各方應佔虧損：			
Owners of the Company	本公司擁有人		(55,205)	(27,426)
Non-controlling interest	非控股權益		(285)	(282)
			(55,490)	(27,708)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

簡明綜合損益及其他全面收益表

For the six months ended 30 June 2019 截至二零一九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	
		2019 二零一九年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核) (Restated) (經重列)
		Notes 附註	
Loss for the period	期內虧損		(55,490)
Other comprehensive income, net of income tax	其他全面收入，扣除所得稅		(27,708)
<i>Item that may be reclassified subsequently to profit or loss:</i>	<i>其後可能重新分類至損益之項目：</i>		
Currency translation differences	匯兌差額		—
		1,087	
Total comprehensive loss for the period	期內全面虧損總額		(54,403)
			(27,708)
Attributable to:	以下各方應佔：		
Owners of the Company	本公司擁有人		(54,118)
Non-controlling interest	非控股權益		(285)
			(27,426)
			(282)
			(54,403)
			(27,708)
Basic and diluted loss per share	每股基本及攤薄虧損	7	
			RMB人民幣(0.01)元
			RMB人民幣(0.01)元

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

As at 30 June 2019 於二零一九年六月三十日

		Notes 附註	As at 30 June 2019 於二零一九年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	As at 31 December 2018 於二零一八年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Assets	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	8	38,168	69,270
Right-of-use assets	使用權資產	9	122,997	—
Intangible asset	無形資產		205	309
Prepayments and other receivables	預付款項及其他應收款項	11	22,139	22,717
Deferred tax assets	遞延稅項資產		40,592	26,349
			224,101	118,645
Current assets	流動資產			
Inventories	存貨		25,744	31,387
Trade receivables	貿易應收款項	10	7,534	16,988
Prepayments and other receivables	預付款項及其他應收款項	11	67,822	78,513
Restricted cash	受限制現金		26,390	26,286
Cash and cash equivalents	現金及現金等價物		23,832	51,631
			151,322	204,805
Total assets	資產總值		375,423	323,450
Capital and reserves	資本及儲備			
Share capital	股本	12	87	87
Reserves	儲備		(91,449)	(36,764)
			(91,362)	(36,677)
Non-controlling interest	非控股權益		(241)	44
Total equity	總權益		(91,603)	(36,633)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

As at 30 June 2019 於二零一九年六月三十日

		Notes 附註	As at 30 June 2019 於二零一九年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	As at 31 December 2018 於二零一八年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Liabilities	負債			
Non-current liabilities	非流動負債			
Convertible bonds	可換股債券	18	76,328	72,892
Lease liabilities	租賃負債	9	115,208	—
Other non-current liabilities	其他非流動負債	16	5,319	22,369
Deferred tax liabilities	遞延稅項負債		7,102	6,535
			203,957	101,796
Current liabilities	流動負債			
Trade payables	貿易應付款項	13	52,291	63,933
Other payables and accruals	其他應付款項及應計 費用	13	109,213	131,784
Contract liabilities	合約負債	14	39,771	39,343
Income tax payables	應付所得稅		791	797
Borrowings	借貸	15	22,430	22,430
Lease liabilities	租賃負債	9	38,573	—
			263,069	258,287
Total liabilities	負債總額		467,026	360,083
Total equity and liabilities	總權益及負債		375,423	323,450
Net current liabilities	流動負債淨額		(111,747)	(53,482)

The condensed consolidated financial statements on pages 4 to 40 were approved and authorised for issue by the board (the "Board") of directors (the "Director(s)") of the Company on 22 August 2019 and are signed on its behalf by:

第4至40頁之簡明綜合財務報表乃於二零一九年八月二十二日經本公司董事(「董事」)會(「董事會」)批准及授權刊發，並由以下董事代表簽署：

Hung Shui Chak
洪瑞澤
Director
董事

Yuan Mingjie
袁明捷
Director
董事

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

For the six months ended 30 June 2019 截至二零一九年六月三十日六個月

		Share capital	Share premium	Convertible bond reserve	Statutory reserve	Capital reserve	Exchange reserve	(Accumulated loss)/retained earnings	Non-controlling interest	Total
		股本	股份溢價	可換股債券儲備	法定儲備	資本儲備	匯兌儲備	(累計虧損)/保留盈利	非控股權益	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2018 (Unaudited)	於二零一八年一月一日 (未經審核)	-	-	-	10,491	-	-	35,787	577	46,855
Loss and total comprehensive loss for the period (Restated)	期內虧損及全面虧損總額 (經重列)	-	-	-	-	-	-	(27,426)	(282)	(27,708)
At 30 June 2018 (Unaudited)	於二零一八年六月三十日 (未經審核)	-	-	-	10,491	-	-	8,361	295	19,147
At 31 December 2018 and 1 January 2019 (Audited)	於二零一八年十二月三十一日及 二零一九年一月一日 (經審核)	87	453,075	30,832	10,491	(118,137)	2,283	(415,308)	44	(36,633)
Loss for the period	期內虧損	-	-	-	-	-	-	(55,205)	(285)	(55,490)
Other comprehensive income:	其他全面收益:									
Currency translation difference	貨幣匯兌差異	-	-	-	-	-	1,087	-	-	1,087
Total comprehensive loss for the period	期內全面虧損總額	-	-	-	-	-	1,087	(55,205)	(285)	(54,403)
Deferred tax arising on convertible bonds	可換股債券產生的遞延稅項	-	-	(567)	-	-	-	-	-	(567)
At 30 June 2019 (Unaudited)	於二零一九年六月三十日 (未經審核)	87	453,075	30,265	10,491	(118,137)	3,370	(470,513)	(241)	(91,603)

Notes:

附註：

(i) Statutory reserve

In accordance with the Articles of Association of all subsidiaries established in the People's Republic of China ("PRC"), those subsidiaries are required to transfer 10% of the profit after taxation to the statutory reserve until the reserve reaches 50% of the registered capital. Transfer to this reserve must be made before distributing dividends to equity holders. The statutory reserve can be used to make up for previous years' losses, expand the existing operation or convert into additional capital of the subsidiaries.

(i) 法定儲備

根據所有在中華人民共和國(「中國」)成立的附屬公司之組織章程細則，該等附屬公司須將10%除稅後溢利撥至法定儲備，直至該儲備達到註冊資本的50%為止。撥入該儲備必須在向權益持有人派發股息前進行。法定儲備可用於彌補以往年度的虧損、擴充現有營運或轉換為附屬公司額外資本。

(ii) Capital reserve

It represents the difference between the issued share capital and share premium of the Company and the share capital of Longhui International Catering Management Holdings Limited (the accounting acquirer) immediately before the Acquisition.

(ii) 資本儲備

其指本公司已發行股本及股份溢價與龍輝國際餐飲管理控股有限公司(會計收購人)於緊接收購事項前的股本之差額。

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

For the six months ended 30 June 2019 截至二零一九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	
		2019 二零一九年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核) (Restated) (經重列)
Net cash generated from/(used in) operating activities	來自/(用於)經營業務之現金淨額	25,660	(19,296)
Net cash (used in)/generated from investing activities	(用於)/來自投資業務之現金淨額	(1,090)	64,428
Net cash used in financing activities	用於融資業務之現金淨額	(53,353)	(33,890)
Net (decrease)/increase in cash and cash equivalents	現金及現金等值項目(減少)/增加淨額	(28,783)	11,242
Effect of foreign exchange rate changes	外匯匯率變動之影響	1,088	187
Cash and cash equivalents at the beginning of the period	報告期期初之現金及現金等值項目	77,917	60,431
Cash and cash equivalents at the end of the period	期末之現金及現金等值項目	50,222	71,860

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

簡明財務報表附註

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

1. GENERAL

Longhui International Holdings Limited (the "Company"), formerly known as Daqing Dairy Holdings Limited, is a limited company incorporated in the Cayman Islands on 15 October 2009. According to the register of substantial shareholders maintained by the Company, Shui Chak Group Limited ("Shui Chak Group") is the substantial corporate shareholders of the Company. The ultimate controlling party of Shui Chak Group Limited is Mr. Hung Shui Chak ("Mr. Hung").

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 1502, 15/F, Lucky Building, 39 Wellington Street, Central, Hong Kong.

The Company acts as an investment holding company. Its subsidiaries are engaged in restaurants operation located in the PRC.

The condensed consolidated financial statements have been reviewed by the Company's Audit Committee. It has also been approved for issue by the Board of Directors on 22 August 2019.

2.1 BASIS OF PREPARATION

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

1. 一般資料

龍輝國際控股有限公司(「本公司」)(前稱大慶乳業控股有限公司)為於二零零九年十月十五日在開曼群島註冊成立之有限公司。根據本公司所存置之主要股東名冊，瑞澤集團有限公司(「瑞澤集團」)為本公司之主要法團股東。瑞澤集團有限公司之最終控股方為洪瑞澤先生(「洪先生」)。

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15樓1502室。

本公司作為投資控股公司行事，其附屬公司於中國從事餐廳業務。

簡明綜合財務報表已由本公司審核委員會審閱，亦已於二零一九年八月二十二日由董事會批准刊發。

2.1 編製基準

簡明綜合財務報表已按由國際會計準則理事會(「國際會計準則理事會」)頒佈的國際會計準則第34號「中期財務報告」及香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄16的適用披露規定編製。

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

簡明財務報表附註

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

2.1 BASIS OF PREPARATION — *Continued*

On 4 July 2018 (the “Acquisition Date”), the Company completed (I) acquisition of Longhui International Catering Management Holdings Limited (the “Acquisition”), (II) disposal of Global Milk Products Pte Ltd. (which was the Company’s wholly-owned subsidiary incorporated in the Republic of Singapore) and its subsidiaries incorporated in the PRC (III) placing of consolidated shares and (IV) open offer. Details of these transactions are set out in the Company’s announcements dated 4 July 2018.

The Acquisition constituted a very substantial acquisition and reverse takeover of the Company and involved a new listing application. Under the Acquisition, the Company acquired the entire issued share capital of Longhui International Catering Management Holdings Limited (the “Legal Acquiree” or the “Accounting Acquirer”), a company incorporated in the PRC with limited liability, in consideration of the issue of 3,789,375,000 ordinary shares of the Company at the issue price of HK\$0.125 per share and convertible bonds (the “Consideration Convertible Bonds”) in the aggregate principal amount of approximately HK\$129,470,000 to the vendors. The details of the Acquisition are set out in the Company’s circular dated 9 May 2018.

2.1 編製基準 — 續

於二零一八年七月四日（「收購日期」），本公司完成(I)收購龍輝國際餐飲管理控股有限公司（「收購事項」），(II)出售Global Milk Products Pte Ltd.（為本公司於新加坡共和國註冊成立之全資附屬公司）及其於中國註冊成立之附屬公司，(III)配售合併股份及(IV)公開發售。有關該等該交易之詳情載於本公司日期為二零一八年七月四日之公告內。

收購事項構成本公司之非常重大收購事項及反收購及涉及新的上市申請。根據收購事項，本公司收購龍輝國際餐飲管理控股有限公司（「法定被收購方」或「會計上的收購方」，為於中國註冊成立之有限公司）全部已發行股本，作為代價，本公司按發行價每股0.125港元向賣方發行3,789,375,000股普通股及本金總額為約129,470,000港元之可換股債券（「代價可換股債券」）。收購事項之詳情載於本公司日期為二零一八年五月九日之通函。

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2.1 BASIS OF PREPARATION –

Continued

For the purpose of preparation of the condensed consolidated financial statements, the Company is deemed to have been acquired by the Accounting Acquirer. These condensed consolidated financial statements have been prepared on the basis that the Accounting Acquirer has acquired the Company on the Acquisition Date (the “Reverse Acquisition”). Under the Reverse Acquisition basis of accounting, the condensed consolidated financial statements have been prepared as a continuation of the condensed consolidated financial statements of the Accounting Acquirer and its subsidiaries (the “Longhui Group”) and accordingly:

- (i) The assets and liabilities of the Longhui Group are recognised in the condensed consolidated financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) and measured at their carrying amounts as presented in the condensed consolidated financial statements of the Longhui Group;
- (ii) The identifiable assets and liabilities of the Company deemed to be acquired or assumed by the Accounting Acquirer are initially recognised on the Acquisition Date at their fair values as at that date. The fair value of the purchase consideration deemed to be transferred in exchange for the Company is determined based on the number of equity interests the Accounting Acquirer would have had to issue to give to the owners of the Company the same percentage equity interest in the combined Group that results from the Acquisition and measured at the fair value of the equity consideration deemed to be issued to the then shareholders of the Company (the “Deemed Consideration”). The Deemed Consideration is in excess of the fair values of the assets acquired and liabilities assumed by the Group and the difference is recognised as deemed listing expenses at the date of Acquisition (i.e. 4 July 2018); and

2.1 編製基準 – 續

就編製簡明綜合財務報表而言，本公司視作由會計上的收購方收購。該等簡明綜合財務報表乃基於會計上的收購方已於收購日期收購本公司（「反收購」）之基準編製。根據反收購會計處理基準，簡明綜合財務報表乃作為會計上的收購方及其附屬公司（「龍輝集團」）簡明綜合財務報表之延續而編製，因此：

- (i) 龍輝集團之資產及負債於本公司及其附屬公司（統稱「本集團」）之簡明綜合財務報表確認及按龍輝集團簡明綜合財務報表內呈列之賬面值計量；
- (ii) 視作由會計上的收購方收購或承擔之本公司可識別資產及負債初步於收購日期按其於當日之公平值確認。為交換本公司而視作轉讓之收購代價公平值乃根據會計上的收購方為了讓本公司擁有人持有與收購事項所產生相同比例的合併集團權益而須發行的股權數目釐定及按視作發行予本公司其時股東之股權代價（「視作代價」）公平值計量。於收購日期（即二零一八年七月四日），視作代價超出本集團已收購資產及所承擔負債之公平值，差額作為視作上市開支確認；及

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2.1 BASIS OF PREPARATION –

Continued

- (iii) The comparative information presented in these condensed consolidated financial statements is restated to be that of the Longhui Group.

At 30 June 2019, the Group recorded a loss of approximately RMB55,490,000, net current liabilities of approximately RMB111,747,000 and net liabilities of approximately RMB91,603,000. The substantial shareholders of the Company have given their consent to provide continuous financial support to the Group to enable the Group to meet its obligations when due.

International Accounting Standard (“IAS”) 1 “Presentation of Financial Statements” states that it is the responsibility of the management to make an assessment of an enterprise’s ability to continue as a going concern. When management is aware, in making its assessment, of material uncertainties related to events or conditions which may cast significant doubt upon the enterprise’s ability to continue as a going concern.

In view of these circumstances, the management of the Company has taken the following action to improve the Group’s financial position. On 25 July 2019, the Company, as a borrower entered into a credit facility letter with United Target Finance Company Limited as a lender, agreed to provide term loan facility in the sum of HK\$35 million to the Company for a term of 3 years.

The accounting policies, methods of computation and presentation used in the preparation of the interim condensed financial statements are consistent with those described in the 2018 annual financial statements except for those noted in note 2.2 below.

2.1 編製基準 – 續

- (iii) 於該等簡明綜合財務報表呈列之比較資料已重新呈列，以符合龍輝集團之資料。

於二零一九年六月三十日，本集團錄得虧損約人民幣55,490,000元，流動負債淨額約人民幣111,747,000元及負債淨額約人民幣91,603,000元。本公司主要股東已經同意繼續向本集團提供財務援助，讓本集團可履行到期責任。

國際會計準則（「國際會計準則」）第1號「財務報表呈列」定明，對企業可持續經營的能力作出評估屬管理層的責任。管理層在評估時，得悉有關事項或條件的重大不確定因素，而對企業持續經營的能力可能構成重大疑問。

鑒於該等情況，本公司管理層已採取以下措施，改善本集團財務狀況。於二零一九年七月二十五日，本公司（為貸款人）與聯泰財務有限公司（為借款人）訂立信貸融資函件，同意向本公司定期貸款融資金額為35,000,000港元，為期三年。

編製中期簡明綜合財務報表所使用的會計政策、計算方法及呈列方式與二零一八年年度財務報表所載者一致，惟下文附註2.2所述者除外。

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

In the current period, the Company has applied, for the first time, the following new standard, amendments and interpretations (“new IFRSs”) issued by the IASB which are effective for the Group’s financial year beginning 1 January 2019. A summary of the new IFRSs are set out as below:

IFRS 16	Leases
IFRS (Amendments)	Annual Improvements to IFRSs 2015–2017 Cycle
IAS 19 (Amendments)	Plan Amendment, Curtailment or Settlement
IFRIC-Int 23	Uncertainty over Income Tax Treatments
IFRS 9 (Amendments)	Prepayment Features with Negative Compensation
IAS 28 (Amendments)	Long term interests in associates and joint ventures

The above new IFRSs have been applied in accordance with the relevant transition provisions in the respective standards and amendments which results in changes in accounting policies, amounts reported and/or disclosures.

2.2 應用新訂及經修訂國際財務報告準則(「國際財務報告準則」)

於本期間，本公司首次應用下列由國際會計準則理事會頒佈之新訂準則、修訂本及詮釋(「新訂國際財務報告準則」)，其於二零一九年一月一日開始之本集團財政年度生效。新訂國際財務報告準則之概要列載如下：

國際財務報告準則第16號	租賃
國際財務報告準則的修訂	國際財務報告準則二零一五年至二零一七年週期之年度改進
國際會計準則第19號的修訂	計劃修訂、縮減或結清
國際財務報告詮釋委員會－詮釋第23號	所得稅的不確定性處理
國際財務報告準則第9號的修訂	具有負補償的提前還款特性
國際會計準則第28號的修訂本	聯營公司及合營企業的長期權益

上述新訂國際財務報告準則已根據相應準則及修訂本的有關過渡條文應用，其導致會計政策、呈報金額及／或披露變動。

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2.2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) – *Continued*

Except as described below, the application of the new IFRSs in the current period has had no material impact on the Group’s financial performance and positions for the current and prior periods and/or on the disclosures set out in the condensed consolidated financial statements.

IFRS 16 Leases

During the six months ended 30 June 2019, the Group has applied IFRS 16 and the related consequential amendments to other IFRSs which resulted in changes in accounting policies and adjustments to the amounts recognised in the condensed consolidated financial statements. In accordance with the transitional provisions in IFRS 16, the Group has elected to apply the new standard using the modified retrospective approach, the lease liability is measured based on the remaining lease payments discounting using the incremental borrowing rate as of the date of initial application.

Before the application of IFRS 16, commitments under operating leases for future periods were not recognised by the Group as liabilities. Operating lease rental expenses were recognised in profit or loss over the lease period on a straight-line basis.

2.2 應用新訂及經修訂國際財務報告準則（「國際財務報告準則」） — 續

除了下文所述者外，於本期間應用新訂國際財務報告準則對本集團於本期間及過往期間之財務表現及狀況及／或對簡明綜合財務報表所載披露資料並無重大影響。

國際財務報告準則第16號租賃

於截至二零一九年六月三十日止六個月，本集團已應用國際財務報告準則第16號及其他國際財務報告準則的相關後續修訂，致使會計政策變動及簡明綜合財務報表的已確認金額獲調整。根據國際財務報告準則第16號的過渡條文，本集團已選擇使用經修訂追溯法應用新準則，租賃負債按使用初步應用日期的增量借款利率貼現的餘下租賃付款計量。

應用國際財務報告準則第16號前，本集團並未確認未來期間之經營租賃項下承擔為負債。經營租賃之租金開支於租賃期內在損益以直線法確認。

2.2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) — *Continued*

IFRS 16 Leases — *Continued*

Upon application of IFRS 16, the Group recognised the full lease liabilities in relation to leases which had previously been classified as operating leases if they meet certain criteria set out in IFRS 16. These liabilities were subsequently measured at the present value of the remaining lease payments, discounted using the interest rate implicit in the lease, or the incremental borrowing rate of respective entities if the interest rate implicit to the lease cannot be determined.

At the inception of a contract that contain a lease component, as a lessee, the Group should allocate the consideration in the contract to each lease component on the basis of their relative stand-alone price. The Group, as a lessee, assessed its leases for non-lease components and separated non-lease component from lease components for certain classes of assets if the non-lease components are material.

The associated right-of-use assets were measured at the amount equal to the initial measurement of lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the condensed consolidated statement of financial position immediately before the date of initial application. Depreciation is charged on a straight-line basis over the shorter of the lease term or the asset’s useful life.

When measuring lease liabilities for leases that were classified as operating leases, the Group discount future lease payments using the interest rate implicit to the lease or the incremental borrowing rate as of the date of initial application. The rate applied range from 4.57% to 6.50%.

2.2 應用新訂及經修訂國際財務報告準則（「國際財務報告準則」）— 續

國際財務報告準則第16號租賃 — 續

應用國際財務報告準則第16號時，本集團就符合先前根據國際財務報告準則第16號所載若干準則分類為「經營租賃」的租賃確認全數租賃負債。該等負債其後按租賃付款餘額的現值計量，並使用租賃的隱含利率或（倘租賃的隱含利率無法釐定）相關實體的增量借款利率進行貼現。

在包含租賃部分的合約開始時，本集團作為承租人應根據其相對獨立價格，將合約的代價分配予每個租賃部分。本集團作為承租人評估租賃中的非租賃部分，倘該非租賃部分是重大的，則會將若干類別資產的非租賃部分從租賃部分區分開來。

相關使用權資產按等同於租賃負債初步計量的金額計算，並按緊接初步應用日期前於簡明綜合財務狀況表中所確認任何預付或應計租賃付款的金額作出調整。折舊乃根據租約年期或資產可使用年期（以較短者為準）按直線法扣除。

為分類為經營租賃的租賃計量租賃負債時，本集團使用租賃隱含的利率或初始應用日期的增量借款利率以貼現未來租賃付款。利率介乎4.57%至6.50%。

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2.2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) — Continued

IFRS 16 Leases — Continued

The lease liabilities as at 1 January 2019 reconciled to the operating lease commitments as at 31 December 2018 is as follows:

2.2 應用新訂及經修訂國際財務報告準則（「國際財務報告準則」）— 續

國際財務報告準則第16號租賃 — 續

於二零一九年一月一日的租賃負債與二零一八年十二月三十一日的經營租賃承擔的對賬如下：

		RMB'000 人民幣千元
Operating lease commitments disclosed as at 31 December 2018	於二零一八年十二月三十一日披露的經營租賃承擔	255,614
Less: Short-term leases recognised on a straight-line basis as expense	減：短期租賃按直線法基準確認為開支	(3,157)
Less: low-value leases recognised on a straight-line basis as expense	減：低價值租賃按直線法基準確認為開支	(2,087)
Discounted using the lessee's incremental borrowing rate of at the date of initial application	使用承租人於首次應用日期的增量借款利率進行折現	186,732
Weighted average incremental borrowing rate as at 1 January 2019	於二零一九年一月一日的加權平均增量借貸利率	4.74%
Lease liabilities recognised at 1 January 2019 of which are:	於二零一九年一月一日確認的租賃負債當中包括：	186,732
— Current lease liabilities	— 即期租賃負債	31,800
— Non-current lease liabilities	— 非即期租賃負債	154,932

In summary, the following adjustments were made to the amounts recognised in the condensed consolidated statement of financial position at the date of initial application (1 January 2019):

作為匯總，已就首次應用日期（二零一九年一月一日）於簡明綜合財務狀況表中確認的款項作出如下調整：

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2.2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) – Continued

Amounts recognised in the condensed consolidated statement of financial position and profit or loss

The carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the six months ended 30 June 2019 are as follow:

		Right-of-use assets 使用權資產 RMB'000 人民幣千元	Lease liabilities 租賃負債 RMB'000 人民幣千元
As at 1 January 2019	於二零一九年一月一日	162,242	186,732
Additions	添置	15,320	—
Depreciation expense	折舊開支	(41,953)	—
Impairment	減值	(12,612)	—
Interest expense	利息開支	—	5,082
Payments	付款	—	(38,033)
As at 30 June 2019	於二零一九年六月三十日	122,997	153,781

Summary of effects arising from initial application of IFRS 16

The table below illustrates effect of IFRS 16 at the date of initial application, 1 January 2019.

		Right-of-use assets 使用權資產 RMB'000 人民幣千元	Prepayment 預付款項 RMB'000 人民幣千元	Other payables and accruals 其他應付 款項及 應計費用 RMB'000 人民幣千元	Lease liabilities 租賃負債 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元
Closing balance at 31 December 2018	於二零一八年十二月三十一日的期末結餘	—	78,513	(131,784)	—	(415,308)
Effect arising from initial application of IFRS 16:	初次應用國際財務報告準則第16號所產生的影響：					
Remeasurement	重新計量	162,242	(788)	25,278	(186,732)	—
Opening balance at 1 January 2019	於二零一九年一月一日的期初結餘	162,242	77,725	(106,506)	(186,732)	(415,308)

2.2 應用新訂及經修訂國際財務報告準則（「國際財務報告準則」）— 續

於簡明綜合財務狀況及損益表中確認的款項

本集團使用權資產及租賃負債於截至二零一九年六月三十日的止六個月的賬面值及變動如下：

初次應用國際財務報告準則第16號所產生的影響概述

下表載列國際財務報告準則第16號於首次應用日期（二零一九年一月一日）的影響。

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2.2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) – *Continued*

New and revised IFRSs that have been issued but are not yet effective

The Group has not early adopted the following new and revised IFRSs, which have been issued but are not yet effective.

IFRS 3 (Amendments)	Definition of a Business ¹
IFRS 10 and IAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
IFRS 17	Insurance Contracts ³
IAS 1 and IAS 8 (Amendments)	Definition of Material ²

- ¹ Effective for business combination and asset acquisition for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.
- ² Effective for annual periods beginning on or after 1 January 2020.
- ³ Effective for annual periods beginning on or after 1 January 2021.
- ⁴ Effective for annual periods beginning on or after a date to be determined.

2.2 應用新訂及經修訂國際財務報告準則（「國際財務報告準則」） — 續

已頒佈但尚未生效的新訂及經修訂國際財務報告準則

本集團尚未提早採納以下已頒佈但尚未生效的新訂及經修訂國際財務報告準則。

國際財務報告準則第3號 (修訂本)	業務的定義 ¹
國際財務報告準則第10號及國際會計準則第28號(修訂本)	投資者及其聯營公司或合資企業之間出售或注入資產 ⁴
國際財務報告準則第17號	保險合約 ³
國際會計準則第1號及國際會計準則第8號 (修訂本)	重大的定義 ²

- ¹ 於二零二零年一月一日或之後開始的首個年度期間開始或之後的收購日期的業務合併與資產收購生效。
- ² 於二零二零年一月一日或之後開始的年度期間生效。
- ³ 於二零二一年一月一日或之後開始的年度期間生效。
- ⁴ 於待釐定日期或之後開始的年度期間生效。

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3. REVENUE AND SEGMENT INFORMATION

(A) Segment revenue

		Six months ended 30 June 2019 (Unaudited)												
		Faigo 輝哥				Xiao Faigo Hotpot 小輝哥火鍋					Unallocated 未分配		Total 總計	
		Shanghai 上海	Beijing 北京	Others 其他	Subtotal 小計	Shanghai 上海	Beijing 北京	Wuxi 無錫	Nanjing 南京	Hangzhou 杭州	Others 其他	Subtotal 小計		
Revenue	收益	38,678	5,022	4,925	48,625	123,495	16,216	13,591	3,546	2,964	29,467	189,279	—	237,904
Depreciation, amortisation and impairment	折舊、攤銷及減值	(6,598)	(2,142)	(2,132)	(10,872)	(55,323)	(9,801)	(1,233)	(3,025)	(1,273)	(11,971)	(82,626)	(610)	(94,108)
Operating profit/(losses)	經營溢利/(虧損)	1,515	(1,329)	(2,991)	(2,805)	(18,066)	(2,374)	(1,990)	(519)	(434)	(5,382)	(28,765)	(29,134)	(60,704)
(Loss)/profit before tax	除稅前(虧損)/溢利	1,515	(1,329)	(4,137)	(3,951)	(18,066)	(2,374)	(1,990)	(519)	(434)	(6,528)	(29,911)	(35,670)	(69,732)

		Six months ended 30 June 2018 (Unaudited) (Restated)												
		Faigo 輝哥				Xiao Faigo Hotpot 小輝哥火鍋					Unallocated 未分配		Total 總計	
		Shanghai 上海	Beijing 北京	Others 其他	Subtotal 小計	Shanghai 上海	Beijing 北京	Wuxi 無錫	Nanjing 南京	Hangzhou 杭州	Others 其他	Subtotal 小計		
Revenue	收益	51,746	6,934	4,054	62,734	174,785	22,785	13,800	6,444	3,997	35,162	256,973	—	319,707
Depreciation, amortisation and impairment	折舊、攤銷及減值	(2,054)	(109)	(596)	(2,759)	(16,910)	(4,369)	(1,361)	(989)	(990)	(10,246)	(34,962)	(107)	(37,737)
Operating profit/(losses)	經營溢利/(虧損)	6,593	(203)	(760)	5,624	(14,997)	(1,068)	(648)	(302)	(188)	(1,651)	(18,854)	(22,914)	(36,144)
(Loss)/profit before tax	除稅前(虧損)/溢利	6,593	(203)	(760)	5,624	(14,997)	(1,068)	(648)	(302)	(188)	(1,651)	(18,854)	(20,273)	(33,503)

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3. REVENUE AND SEGMENT INFORMATION — Continued

(B) Geographical information

The Group's revenue from external customers by location of sales and information about its non-current assets by location of assets are detailed as below:

		Revenue from external customers 外部客戶收益		Non-current assets 非流動資產	
		Six months ended 30 June 截至六月三十日止六個月		At 31 December 於二零一八年十二月三十一日	
		2019 二零一九年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核) (Restated) (經重列)	At 30 June 2019 於二零一九年六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	At 31 December 2018 於二零一八年十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
The PRC	中國	237,904	319,707	224,101	118,645

(C) Information about major customers

The Group are primarily engaged in the operation of a hotpot restaurant chain.

The Group's customer base is diversified. No individual customer (2018: nil) had transactions which exceeded 10% of the Group's aggregate revenue for the six months ended 30 June 2019.

3. 收益及分部資料 — 續

(B) 地區資料

本集團按銷售地點劃分之外部客戶收益及按資產位置劃分之非流動資產詳列如下：

(C) 主要客戶資料

本集團主要從事經營連鎖火鍋餐廳。

本集團的客戶基礎很多元化。概無個人客戶(二零一八年：無)的交易超過本集團截至二零一九年六月三十日止六個月總收益之10%。

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3. REVENUE AND SEGMENT INFORMATION — Continued

(D) Disaggregation of revenue

Revenue represents the sales value of goods supplied to customers (net of value-added tax, other sales tax and discounts). Disaggregation of revenue from contracts with customers by major product lines is as follows:

Revenue from contracts with customers within the scope of IFRS 15	屬於國際財務報告準則第15號範圍的客戶合約收益
Disaggregated by major product lines	按主要產品線劃分的明細
— Hotpot business	— 火鍋業務

The timing of revenue recognition of all revenue from contracts with customers is at a point in time.

3. 收益及分部資料 — 續

(D) 收益明細

收益指供應予客戶的貨品銷售價值(已扣除增值稅、其他銷售稅及折扣)。按主要產品劃分之客戶合約收益明細如下：

Six months ended 30 June 截至六月三十日止六個月

2019 二零一九年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核) (Restated) (經重列)
237,904	319,707

所有客戶合約收益的收益確認時間為於某一時間點。

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4. EMPLOYEE BENEFIT AND RELATED EXPENSES 4. 僱員福利及相關開支

		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核) (Restated) (經重列)
Wages and salaries	工資及薪金	8,322	19,970
Defined contribution plan (Note i)	界定供款計劃(附註i)	5,022	6,593
Other social security costs and housing benefits	其他社會保障成本及住房福利	623	1,949
Other employee benefits	其他僱員福利	3,974	6,250
Labour outsourcing expenses (Note ii)	勞務外判開支(附註ii)	51,288	51,273
		69,229	86,035

Notes:

- (i) Employees of the Group established in the PRC are required to participate in a retirement benefit scheme administered and operated by the PRC government. The Group is required to contribute 14.0% to 22.5% of payroll costs as determined by respective local government authorities to the designated pension fund. The only obligation of the Group with respect to retirement benefit scheme is to make the specific contributions under the scheme.
- (ii) In October, 2017, the Group entered into an agreement with Ningbo Tianxin Catering Management Co., Ltd. ("Ningbo Tianxin"), a third party agent who provides catering outsourcing services. Pursuant to this agreement, the Group outsourced a portion of its low level positions, such as waiter or waitress, kitchen assistants etc to Ningbo Tianxin. The Group pays annual service fee at 15.0% of revenue of each store that uses such kind of outsourcing services. In March 2019, the Group terminated with Ningbo Tianxin, and entered another agreement with Ningbo Aibaosui Information Technology Co., Ltd ("Ningbo Aibaosui") instead of the same services for consideration of better services.

附註：

- (i) 在中國成立的本集團的僱員須參與由中國政府管轄及經營的退休福利計劃。本集團須作出工資成本14.0%至22.5%的供款，由相關地方政府機關就指定養老金釐定。本集團就退休福利計劃而言的唯一責任為根據計劃作出具體供款。
- (ii) 於二零一七年十月，本集團與提供膳食外判服務的第三方代理——寧波田薪企業管理服務有限公司(「寧波田薪」)訂立協議。根據該協議，本集團外包其部分低級職位(如侍應、廚房助手等)予寧波田薪。本集團按使用該類外包服務的每間店舖的15.0%收益支付服務年費。於二零一九年三月，本集團終止與寧波田薪的合作，而就相同服務與Ningbo Aibaosui Information Technology Co., Ltd(「Ningbo Aibaosui」)訂立另一協議，主要考慮到可提供更好服務。

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For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

5. LOSS FROM OPERATING ACTIVITIES

5. 經營業務虧損

		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核) (Restated) (經重列)
Loss from operating activities has been arrived at after charging:	經扣除下列各項後的經營業務虧損：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	18,850	27,251
Depreciation of right-of-use assets	使用權資產折舊	41,953	—
Impairment of right-of-use assets	使用權資產減值	12,612	—
Impairment of property, plant and equipment	物業、廠房及設備減值	13,342	8,955

6. INCOME TAX CREDIT

6. 所得稅抵免

The income tax credit of the Group for the periods are analysed as follows:

本集團期內所得稅抵免的分析如下：

		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核) (Restated) (經重列)
Current income tax:	即期所得稅：		
PRC Enterprise Income tax	中國企業即期所得稅	—	(1,977)
Deferred tax	遞延所得稅	14,242	7,772
Income tax credit	所得稅抵免	14,242	5,795

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簡明財務報表附註

For the six months ended 30 June 2019 截至二零一九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 and diluted loss per share attributable to owners of the Company is based on the following data:

Loss figures are calculated as follows:

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及攤薄虧損乃根據以下數據：

虧損數據按下文計算：

		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (Restated) (經重列)
Loss:	虧損：		
Loss for the period attributable to owners of the Company for the purpose of loss per share	用於計算每股虧損之本公司擁有人應佔期內虧損	(55,205)	(27,426)

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

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For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

7. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

— Continued

Number of shares:

Weighted average number of ordinary shares for the purpose of basic and diluted loss per share 用於計算每股基本及攤薄虧損之普通股加權平均數

For the six months ended 30 June 2019, the computation of diluted loss per share does not assume the conversion of the Consideration Convertible Bonds since their exercise would result in an decrease in loss per share.

There were no dilutive potential ordinary shares during the six months ended 30 June 2019, and therefore, diluted loss per share is the same as the basic loss per share.

The weighted average number of shares used for the purpose of calculating basic loss per share for the six months ended 30 June 2018 is determined by reference to the number of ordinary shares issued for the Acquisition.

7. 本公司擁有人應佔每股虧損

— 續

股份數目：

Six months ended 30 June
截至六月三十日止六個月

2019 二零一九年 (Unaudited) (未經審核)	2018 二零一八年 (Unaudited) (未經審核) (Restated) (經重列)
5,153,550,000	3,789,375,000

截至二零一九年六月三十日止六個月，每股攤薄虧損的計算並無假設轉換代價可換股債券，因為彼等之行使將導致每股虧損減少。

截至二零一九年六月三十日止六個月概無攤薄潛在普通股，因此，每股攤薄虧損與每股基本虧損相同。

用作計算截至二零一八年六月三十日止六個月的每股基本虧損的加權平均股數乃參考就收購事項而發行的普通股數目而釐定。

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8. PROPERTY, PLANT AND EQUIPMENT

At 30 June 2019, the carrying amounts of property, plant and equipment comprise the followings:

Carrying amounts:	賬面值：
Vehicles	汽車
Machineries	機械
Furniture	傢俬
Equipment and computers	設備及電腦
Leasehold improvements	租賃裝修
Construction in progress	在建工程

For the purposes of assessing impairment, assets are grouped at each store level for which there are separately identifiable cash flows (cash-generating units). An impairment loss was recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. These calculations used income approach-discounted pre-tax cash flow method based on financial budgets approved by management. The key assumptions used for impairment tests for property, plant and equipment as at 30 June 2019 and 31 December 2018 are the revenue growth rates which are based on the estimated growth rate of each restaurant store unit taking into account the industry growth rate, past experience and the medium-term growth target of restaurant business.

During the period ended 30 June 2019, the property, plant and equipment of several stores were impaired due to the continuous loss-making situation. The management used "value in use" as the recoverable amount of each store. The Group recognised impairment loss of approximately RMB13,342,000 (31 December 2018: RMB8,955,000) for the period ended 30 June 2019 compared each store's recoverable amount with its carrying amounts.

8. 物業、廠房及設備

於二零一九年六月三十日，物業、廠房及設備的賬面值包括以下項目：

At 30 June 2019 於二零一九年六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	At 31 December 2018 於二零一八年十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
1,966	2,588
7,627	12,021
4,179	7,083
1,654	3,463
22,742	38,597
—	5,518
38,168	69,270

為評估減值，資產按可獨立產生可識別現金流量之各店舖水平(現金產生單位)組合。當資產賬面值超過可收回金額時則會確認減值虧損。可收回金額指資產公平值減出售成本與使用價值兩者之間的較高者。該等計算方法按根據管理層批准的財政預算使用收入法貼現稅前現金流量法作出。於二零一九年六月三十日及二零一八年十二月三十一日用於物業、廠房及設備減值測試的關鍵假設為收益增長率，乃根據各店舖單位的估計增長率釐定，其中已計及餐廳業務的行業增長率、過往經驗及中期增長目標。

於截至二零一九年六月三十日止期間，由於不間斷的虧蝕情況的緣故，數間店舖的物業、廠房及設備減值。管理層用「使用價值」作為各店舖的可收回金額。與各間店舖的賬面值的可收回金額相比，本集團截至二零一九年六月三十日止期間的減值虧損約人民幣13,342,000元(二零一八年十二月三十一日：人民幣8,955,000元)。

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9. RIGHT-OF-USE ASSETS/LEASE LIABILITIES

9. 使用權資產／租賃負債

		At 30 June 2019 二零一九年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	At 31 December 2018 於二零一八年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Right-of-use assets	使用權資產		
Shops	店舖	108,163	—
Offices	辦公室	14,423	—
Warehouses	倉庫	411	—
		122,997	—
		At 30 June 2019 二零一九年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	At 31 December 2018 於二零一八年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Lease liabilities	租賃負債		
Minimum lease payment due	於以下時間到期的最低租賃付款		
— Within one year	— 一年內	38,573	—
— In the second to fifth years, inclusive	— 第二至第五年，包括首尾兩年	115,208	—
		153,781	—

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9. RIGHT-OF-USE ASSETS/LEASE LIABILITIES – *Continued*

The Group obtains right to control the use of various shops, offices and warehouses for a period of time through lease arrangements. Rental contracts are typically made for fixed periods of 1 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

During the six months ended 30 June 2019, total cash outflow for leases of approximately RMB38,033,000 was included in net cash used in financing activities.

Extension options are included in a number of property leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts.

9. 使用權資產／租賃負債 – 續

本集團透過租賃安排於一段時間內獲得使用多間店舖、辦公室及倉庫的控制權。租賃合約通常為固定租期1至5年。租賃條款乃個別磋商及包括多項不同條款及條件。

截至二零一九年六月三十日止六個月，租賃的總現金流出約人民幣38,033,000元已計入融資活動所用現金淨額。

本集團多項物業租賃包含延續權。該等條款旨在於管理合約方面爭取最大經營靈活性。

10. TRADE RECEIVABLES

10. 貿易應收款項

		At 30 June 2019 於二零一九年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	At 31 December 2018 於二零一八年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Trade receivables	貿易應收款項	11,319	18,721
Less: Allowance for credit loss	減：信貸虧損撥備	(3,785)	(1,733)
		7,534	16,988

As at 30 June 2019 and 31 December 2018, the fair values of the trade receivables of the Group approximated their carrying amounts.

於二零一九年六月三十日及二零一八年十二月三十一日，本集團貿易應收款項的公平值與其賬面值相若。

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10. TRADE RECEIVABLES — Continued

- (a) The aging analysis of trade receivables based on the invoice date were as follows:

		At 30 June 2019 於二零一九年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	At 31 December 2018 於二零一八年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Up to 6 months	六個月以下	4,445	14,493
6 months to 1 year	六個月至一年	3,089	2,495
1 to 2 years	一至兩年	—	—
2 to 3 years	兩至三年	—	—
Over 3 years	三年以上	—	—
		7,534	16,988

The Directors consider trade receivables mainly derived from sales through shopping malls or billed settled with credit cards, WeChat or Alipay, which are generally collectible within 1 month from sales date and no past due history.

10. 貿易應收款項 — 續

- (a) 根據發票日期劃分的貿易應收款項賬齡分析如下：

董事認為貿易應收款項主要來自透過購物商場作出的銷售或以信用卡、微信或支付寶結算的發票，其一般可於自銷售日期起1個月內收回且並無逾期記錄。

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11. PREPAYMENTS AND OTHER RECEIVABLES

11. 預付款項及其他應收款項

		At 30 June 2019 於二零一九年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	At 31 December 2018 於二零一八年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Included in non-current assets:	計入非流動資產：		
Rental deposits	租賃按金		
— non-current portion	— 非流動部分	22,139	22,717
Included in current assets:	計入流動資產		
Rental and utilities prepayments	租金及公共設施預付款項	8,764	16,055
Raw materials procurement prepayments	原材料採購預付款項	13,109	15,096
Rental deposits	租賃按金		
— current portion	— 流動部分	7,034	12,511
Value added tax inputs	增值稅輸入值	36,265	32,038
Staff advances	員工墊款	889	998
Other receivables and prepayments due from related parties	應收關聯方的其他款項及預付款項	—	2,813
Others	其他	1,761	1,947
Less: Allowance for credit loss	減：信貸虧損撥備	—	(2,945)
		67,822	78,513

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For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

12. SHARE CAPITAL

12. 股本

Share capital of the Company

本公司股本

		Number of shares 股份數目	Share capital 股本
Authorised	法定		
As at 31 December 2018,	於二零一八年		
30 June 2019	十二月三十一日、 二零一九年六月三十日	19,000,000,000	380
		Number of shares 股份數目	Amount in RMB'000 人民幣 千元金額
		Amount in HK\$'000 千港元金額	Amount in RMB'000 人民幣 千元金額
Issued and fully paid	已發行及繳足		
As at	於二零一八年		
31 December 2018,	十二月三十一日		
30 June 2019	、二零一九年 六月三十日	5,153,550,000	103
			87

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簡明財務報表附註

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

13. TRADE AND OTHER PAYABLES AND ACCRUALS

13. 貿易及其他應付款項及應計費用

		At 30 June 2019 於二零一九年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	At 31 December 2018 於二零一八年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Trade payables	貿易應付款項	52,291	63,933
Other payables	其他應付款項	62,895	78,353
Staff costs and welfare accruals	應計員工成本及福利	46,318	53,431
		161,504	195,717

As at 30 June 2019 and 31 December 2018, the aging analysis of the trade payables based on invoice date were as follows:

於二零一九年六月三十日及二零一八年十二月三十一日，根據發票日期劃分的貿易應付款項賬齡分析如下：

		At 30 June 2019 於二零一九年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	At 31 December 2018 於二零一八年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Less than 1 year	少於一年	50,744	61,144
1 to 2 years	一至兩年	243	1,842
2 to 3 years	兩至三年	1,201	853
Over 3 years	三年以上	103	94
		52,291	63,933

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

簡明財務報表附註

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

14. CONTRACT LIABILITIES

14. 合約負債

	At 30 June 2019 於二零一九年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	At 31 December 2018 於二零一八年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Advance received from online group-purchasing websites	39,205	38,332
Prepaid cards	565	1,010
Cash coupons and others	1	1
	39,771	39,343

15. BORROWINGS

15. 借貸

	At 30 June 2019 於二零一九年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	At 31 December 2018 於二零一八年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
The carrying amounts of the borrowings are repayable – Within one year	22,430	22,430

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簡明財務報表附註

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

15. BORROWINGS — Continued

Notes:

- (a) On 6 November 2018, Shanghai Longhui Catering Management Company Limited took out an secured loan from China Everbright Bank with a principal of RMB22,430,000, which was secured by fixed deposits of HK\$30,000,000, equivalent to approximately RMB26,286,000. The term of the secured loan commenced from the drawdown date of 6 November 2018 and shall mature and be payable after 12 months. The loan bears interest at 4.5675% per annum, which shall be payable in cash on a quarterly basis. The carrying amount of short-term borrowings approximated the fair values because the interest rate approximates the market rate.

15. 借貸 — 續

附註：

- (a) 於二零一八年十一月六日，上海龍輝餐飲管理有限公司向中國光大銀行取得本金額人民幣22,430,000元的有抵押貸款，以定期存款30,000,000港元（相當於約人民幣26,286,000元）作抵押。有抵押貸款的期限由提取日期二零一八年十一月六日及將於12個月後到期應付。貸款按年利率4.5675%計息，須每季以現金支付。短期借貸的賬面值與其公平值相若，因為利率與市場比率相近。

16. OTHER NON-CURRENT LIABILITIES

16. 其他非流動負債

	At 30 June 2019 於二零一九年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	At 31 December 2018 於二零一八年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Provision of rental payable 應付租金撥備	—	16,689
Reinstatement costs of stores (Note i) 店舖復原成本(附註i)	5,319	5,680
	5,319	22,369

Note:

- (i) According to the leasing contracts entered into by the Group and the landlords, the Group is required to restore the leased premises to its original status at the end of the lease period. The Group accrued for the related expenses based on its past experience of estimated reinstatement cost per square metre for stores.

附註：

- (i) 根據本集團與業主訂立的租賃合約，本集團須在租賃期完結時還原租賃物業至原本狀態。本集團根據其過往估計店舖每平方米復原成本的經驗計提有關開支。

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簡明財務報表附註

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17. SIGNIFICANT RELATED PARTY TRANSACTIONS

The following companies are related parties of the Group that had balances and/or transactions with the Group.

17. 重大關聯方交易

下列公司為本集團之關聯方與本集團有結餘及/或交易。

(a) Names and relationships with related parties

(a) 名稱及與關聯方關係

Name 名稱	Relationship 關係
Mr. Hung 洪先生	Controlling shareholder 控股股東
Shanghai Xiao Ducheng Food & Beverage Management Co., Ltd. ("Xiao Ducheng") 上海小都成餐飲管理有限公司(「小都成」)	Controlled by the controlling shareholder 由控股股東控制
Shanghai Zhaorong Investment Consulting Co., Ltd. ("Zhaorong") 上海兆榮投資諮詢有限公司(「兆榮」)	Controlled by the controlling shareholder 由控股股東控制
Shanghai Zhipeng Food & Beverage Management Co., Ltd. ("Zhipeng") 上海致鵬餐飲管理有限公司(「致鵬」)	Controlled by the controlling shareholder 由控股股東控制
Shanghai Tao Huayuan Food & Beverage Management Co., Ltd. ("Tao Huayuan") 上海桃花源餐飲管理有限公司(「桃花源」)	Controlled by Ms. Hung (Mr. Hung's elder sister) 由洪女士(洪先生之長姊)控制
Zhenwei (Shanghai) International Trading Co., Ltd. ("Zhenwei") 甄味(上海)國際貿易有限公司(「甄味」)	Controlled by Ms. Hung (Mr. Hung's elder sister) 由洪女士(洪先生之長姊)控制
Ma Shuaixiang 馬帥翔	Shareholder of a non-wholly owned subsidiary 非全資附屬公司的股東
Shanghai Arabica Coffee Co., Ltd ("Arabica") Shanghai Arabica Coffee Co., Ltd (「Arabica」)	Controlled by the controlling shareholder 由控股股東控制
Shanghai Grandpa Thai Catering Management Co., Ltd ("Grandpa Thai") Shanghai Grandpa Thai Catering Management Co., Ltd (「Grandpa Thai」)	Controlled by Ms. Hung (Mr. Hung's elder sister) 由洪女士(洪先生之長姊)控制

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For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

17. SIGNIFICANT RELATED PARTY TRANSACTIONS — *Continued*

- (b) The Group had the following balance with related party at the end of each reporting period:

		At 30 June 2019 於二零一九年 六月三十日 (Unaudited) (未經審核)	At 31 December 2018 於二零一八年 十二月三十一日 (Audited) (經審核)
Arabica	Arabica	250	1,625
Ma Shuaixiang	馬帥翔	1,029	1,029
Mr. Hung	洪先生	818	722
Grandpa Thai	Grandpa Thai	5	—
Tao Huayuan	桃花源	25	24
Zhaorong	兆榮	226	226
Zhenwei	甄味	69	215
Zhipeng	致鵬	1,473	230
		3,895	4,071

- (c) The Group entered into the following transaction with its related company during the six months ended 30 June 2019:

		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (Restated) (經重列)
Mr. Hung	洪先生	—	104,710
Xiao Ducheng	小都成	—	5,855
Zhipeng	致鵬	31	210
		31	110,775

17. 重大關聯方交易 — 續

- (b) 本集團於各報告期末有以下關聯方結餘：

- (c) 本集團於截至二零一九年六月三十日止六個月與其關聯方訂立以下交易：

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For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

17. SIGNIFICANT RELATED PARTY TRANSACTIONS — Continued

(d) Key management compensation

Key management includes the executive director, Mr. Hung, and certain executive of the Group who have important role in marketing operational and financial decisions. The compensation paid or payable to key management for employee service is shown below:

17. 重大關聯方交易 — 續

(d) 主要管理層薪酬

主要管理層包括執行董事洪先生及本集團若干行政人員，彼等於營銷營運及財務決策擔當重任。就僱員服務已付或應付予主要管理層之薪酬列載如下：

		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 (Unaudited) (未經審核)	2018 二零一八年 (Unaudited) (未經審核)
Wages and salaries	工資及薪金	1,238	1,378
Defined contribution plan and other social security costs	定額供款計劃及其他社會保障成本	132	180
		1,370	1,558

18. CONVERTIBLE BONDS

The liability and equity components of the Consideration Convertible Bonds recognized in the condensed consolidated statement of financial position were calculated as follows:

18. 可換股債券

於簡明綜合財務狀況表確認的代價可換股債券的負債及權益部分按下文計算：

		Liability component 債務部分 RMB'000 人民幣千元	Equity component 權益部分 RMB'000 人民幣千元
At 31 December 2018 (audited)	於二零一八年十二月三十一日 (經審核)	72,892	30,832
Deferred tax liabilities recognised	已確認之遞延稅項負債	—	(567)
Imputed interest recognised	已確認應計利息	3,436	—
At 30 June 2019 (unaudited)	於二零一九年六月三十日 (未經審核)	76,328	30,265

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18. CONVERTIBLE BONDS — Continued

On 4 July 2018, the Company issued the Consideration Convertible Bonds, which is 5-year, zero coupon and in the aggregate principal amount of approximately HK\$129,470,000 (equivalent to approximately RMB109,388,000) to the vendors, including Mr. Hung Shui Chak, Ms. Hung Ying, Mr. Ho, Roy Poon Kwong, Mr. So Kam Chuen and Ms. Sezto Yuen Man (collectively the "Vendors"), as part of the consideration of the Acquisition. Pursuant to the terms and conditions of the acquisition agreement, the Consideration Convertible bonds are convertible into the Company's shares at the initial conversion price of HK\$0.1025 per conversion share (subject to adjustments). The conversion period is 5 years from the date of issue of the Consideration Convertible Bonds.

The bondholder could convert the principal amount outstanding under the Consideration Convertible Bonds registered in its names into the Company's shares subject to the terms and conditions.

Any amount of the Consideration Convertible Bonds which is converted will forthwith be cancelled. Certificate in respect of the Consideration Convertible Bonds cancelled will be forwarded to or to the order of the Company and the Consideration Convertible Bonds may not be reissued or resold. Any amount of the bonds which remains outstanding on the maturity date shall be redeemed at its then outstanding principal amount. The Company shall not be entitled to redeem any part of the Consideration Convertible Bonds prior to the maturity date.

The Consideration Convertible Bonds contained two components, liability and equity component. The fair value of the liability component was calculated using an effective interest rate of 9.41% per annum for instruments of comparable credit status. The residual amount, representing the value of the equity component, has been included in the convertible bonds reserve under the condensed consolidated statement of change in equity.

18. 可換股債券 — 續

於二零一八年七月四日，本公司向賣方(包括洪瑞澤先生、洪瑩女士、何磐光先生、蘇錦存先生及司徒婉雯女士)(統稱「賣方」)發行代價可換股債券，為五年、零票面息率及本金總額約129,470,000港元(相當於約人民幣109,388,000元)，作為收購事項的代價。根據收購協議的條款及條件，代價可換股債券可初步轉換價每股轉換股份0.1025港元(可予調整)轉換為本公司股份。轉換期間為代價可換股債券發行日期起計五年。

債券持有人可將其名義登記的代價可換股債券的未轉換本金額轉換為本公司股份，惟受限於條款及條件。

代價可換股債券獲兌換的任何金額將隨即註銷。所有已註銷代價可換股債券之證書將送呈本公司或由本公司掌管，而該等代價可換股債券均不會重新發行或重售。於到期日仍未兌換的可換股債券之任何金額須按當時未兌換本金額予以贖回。於到期日前，本公司不得贖回代價可換股債券的任何部分。

代價可換股債券包含兩個部分，即債務部分及權益部分。債務部分的公平值乃按可資比較信貸狀況的工具的實際年利率9.41%計算。餘值(即權益部分的價值)已計入簡明綜合權益變動表的可換股債券儲備。

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19. EVENT AFTER THE REPORTING PERIOD

On 15 July 2019, the Company received a conversion notice from one of the Vendors, Ms. Hung Ying (洪瑩), exercising her right to convert all of the convertible bonds issued in her name in the principal amount of approximately HK\$3,806,000 (equivalent to approximately RMB3,235,000) into ordinary shares of the Company (the "Shares"). Based on the conversion price of HK\$0.1025 per Share, a total of 37,135,875 Shares (the "Conversion Shares") were allotted and issued by the Company to the Vendor on 17 July 2019. Immediately after the allotment and issue of the Conversion Shares, the issued share capital of the Company has been increased from 5,153,550,000 Shares to 5,190,685,875 Shares. The Conversion Shares represent: (a) approximately 0.721% of the issued share capital immediately before the allotment and issue of the Conversion Shares; and (b) approximately 0.715% of the issued share capital as enlarged by the allotment and issue of the Conversion Shares.

19. 報告期後事項

於二零一九年七月十五日，本公司接獲賣方之一洪瑩女士的兌換通知，指出行使其權利兌換以其名義發行的全部可換股債券（本金額約為3,806,000港元（相當於約人民幣3,235,000元））為本公司普通股（「股份」）。於二零一九年七月十七日，本公司根據換股價每股股份0.1025港元向賣方配發及發行合共37,135,875股股份（「換股股份」）。緊隨配發及發行換股股份後，本公司已發行股本已由5,153,550,000股股份增加至5,190,685,875股股份。換股股份相當於：(a)緊接配發及發行換股股份前的已發行股本約0.721%；及(b)經配發及發行換股股份擴大後已發行股本約0.715%。

FINANCIAL AND BUSINESS REVIEW

The Group is principally engaged in the hotpot restaurant business in the PRC. The Company has a clear and distinct focus on the market segments that it appeals to and thus it created three brands, namely Faigo (“輝哥”), Xiao Faigo Hotpot (“小輝哥火鍋”) and Hong Yuanwai (“洪員外”). Restaurants operating under the brand Faigo appeal to the high-end market such as business clientele, while restaurants operating under the brands Xiao Faigo Hotpot (“小輝哥火鍋”) and Hong Yuanwai (“洪員外”) cater to the mid-tier market for a wide spectrum of guests.

Revenue

For the six months ended 30 June 2019 (the “Period”), the Group’s revenue decreased by approximately 25.6% to approximately RMB237.9 million from approximately RMB319.7 million (restated) in the last corresponding period, which was mainly attributable to the decrease in the revenue of the hotpot business of its existing restaurants due to the decrease in customer flow impacted by the economic recession in mainland and keen competition in other restaurants which lead to lesser attraction from customers as compared to the six months ended 30 June 2018.

Foods and beverage and other materials consumables used

The Group’s foods and beverage and other materials consumables costs mainly represent the costs of food ingredients for the hotpot business. The foods and beverage and other materials consumables costs decreased by approximately 25.9% to approximately RMB92.1 million for the six months ended 30 June 2019 from approximately RMB124.3 million (restated) in the last corresponding period. Gross profit margin of the Group remained stable at approximately 61.3% during the Period (2018: 61.1%).

Employee benefit and related expenses

The Group’s employee benefit and related expenses, being one of the largest components of the operating expenses of the Group, mainly consist of wages and salaries, labour outsourcing expenses, defined contribution plan and other employee benefits.

財務及業務回顧

本集團主要於中國從事火鍋餐廳業務。本公司在主攻市場分部具有清楚、明確的目標，因而設下三種品牌（即「輝哥」、「小輝哥火鍋」及「洪員外」）。以「輝哥」品牌經營的餐廳主攻高端市場如商務客戶、以「小輝哥火鍋」及「洪員外」品牌經營的餐廳則為迎合中端市場各式各樣的客戶。

收益

截至二零一九年六月三十日止六個月（「本期間」）本集團的收益由去年同期的約人民幣319,700,000元（經重列）減少約25.6%，至約人民幣237,900,000元，此乃主要由於與截至二零一八年六月三十日止六個月相比，受內地經濟衰退及其他餐廳的激烈競爭，對客戶的吸引力下降而客流減少，致使旗下餐廳的火鍋業務收益下跌。

已使用的食品及餐飲及其他材料消耗品

本集團已使用的食品及餐飲及其他材料消耗品的成本主要指火鍋業務食材成本。食品及餐飲及其他材料消耗品的成本由去年同期的約人民幣124,300,000元（經重列）減少約25.9%，至截至二零一九年六月三十日止六個月約人民幣92,100,000元。本集團的毛利率於本期間維持穩定，約61.3%（二零一八年：61.1%）。

僱員福利及相關開支

本集團僱員福利及相關開支是本集團營運開支的最大部份之一，主要包括工資及薪金、勞務外判開支、定額供款計劃、社會保險成本及住房福利以及其他僱員福利。

The employee benefit and related expenses decreased by approximately 19.5% to approximately RMB69.2 million for the six months ended 30 June 2019 from approximately RMB86.0 million (restated) in the last corresponding period, which was mainly attributable to the decrease in wages and salaries expenses caused by the decrease in number of staff due to the closure of several restaurants during the Period, from approximately RMB20.0 million (restated) in 2018 to approximately RMB8.3 million in 2019.

Depreciation, amortisation and impairment of property, plant and equipment, right-of-use assets and intangible asset

The Group's depreciation, amortisation and impairment of property, plant and equipment, right-of-use assets and intangible asset increased by approximately 149.6% to approximately RMB94.1 million for the six months ended 30 June 2019 from approximately RMB37.7 million (restated) in the last corresponding period, which was mainly attributable to the effects of the application of IFRS 16 on the expenditures spent on the leases of the restaurants the Group operates.

As at 30 June 2019, the Group leased 87 properties in Mainland China, the application of IFRS 16 will result in a higher total charge to the statement of profit or loss in the first few years of the lease in regarding to the deprecation charges of the right of use asset, and such expenses will decrease during the latter part of the lease term, therefore it is expected that no significant impact on the expenses recognized during the lease term.

Furthermore, several restaurants were impaired due to continuous loss-making situation. Under the application of IFRS 16, an impairment for right-of-use assets amounting to approximately RMB12.6 million was recorded during the Period.

Property rentals and related expenses

Further to the application of IFRS 16 as mentioned above, property rentals and related expenses decreased by approximately 75.6% to approximately RMB17.7 million for the six months ended 30 June 2019 from approximately RMB72.6 million (restated) in the last corresponding period.

本集團的僱員福利及相關開支由去年同期約人民幣86,000,000元(經重列)減少約19.5%至截至二零一九年六月三十日止六個月約人民幣69,200,000元，此乃由於若干餐廳於本期間關閉，令員工數目減少，以致工資及薪金開支由二零一八年約人民幣20,000,000元(經重列)降至二零一九年約人民幣8,300,000元。

物業、廠房及設備、使用權資產及無形資產的折舊、攤銷及減值

本集團物業、廠房及設備、使用權資產及無形資產的折舊、攤銷及減值由去年同期約人民幣37,700,000元(經重列)增加約149.6%至截至二零一九年六月三十日止六個月約人民幣94,100,000元，此乃主要由於本集團在經營餐廳的租賃上所花的開支，應用國際財務報告準則第16號的影響所致。

於二零一九年六月三十日，本集團於中國內地租用87個物業，應用國際財務報告準則第16號將會導致因應使用權資產的折舊開支，致使租賃最初數年計入損益表的開支總額較高，而有開支於租賃後期將繼續減少，故預期對租約期內確認的開支並無重大影響。

再者，數家餐廳因持續出現虧損而須減值。在應用國際財務報告準則第16號下，本期間錄得約人民幣12,600,000元的使用權資產減值。

物業租賃及相關開支

繼上文所述應用國際財務報告準則第16號後，物業租賃及相關開支由去年同期約人民幣72,600,000元(經重列)減少約75.6%，至截至二零一九年六月三十日止六個月約人民幣17,700,000元。

Other expenses

The Group's other expenses, which mainly consist of cleaning fee, audit related fee and professional fees, decreased by approximately 40.6% to approximately RMB16.8 million for the six months ended 30 June 2019 from approximately RMB28.3 million (restated) in the last corresponding period, which was mainly attributable to the payment of professional fees incurred for the publication of documents in relation to the resumption work and the listing expenses incurred for the listing application in 2018, whereas no such one-off significant expenses was recorded during the Period.

Other (losses)/gains

The Group's other (losses)/gains mainly consist of (i) subsidies received from local governments for the Group's local business developments; and (ii) default fine received from/paid to landlord due to the early termination of certain lease agreement. During the Period, the Group recorded other losses of approximately RMB0.1 million as compared to other gains of approximately RMB2.6 million (restated) in 2018. Such turnaround from other gains to other losses was mainly attributable to the combined effect of (i) decrease in subsidies received amounting to approximately RMB1.0 million from approximately RMB1.8 million in 2018 to approximately RMB0.8 million during the Period; and (ii) the one-off gain arising from the receipt of default fine received from landlord due to the early termination of certain lease agreement amounting to RMB1.9 million in the last corresponding period (six months ended 30 June 2019: nil).

Finance income

The Group's finance income, which mainly consists of interest income received from loan to related parties and bank interest income, decreased by approximately 97.3% to approximately RMB0.1 million for the six months ended 30 June 2019 from approximately RMB3.7 million (restated) in the last corresponding period, which was mainly attributable to loans borrowed to related parties before the resumption, whereas no such kind of finance income was generated during the Period.

其他開支

本集團的其他開支主要包括清潔費及相關審核費用及專業費，由去年同期約人民幣28,300,000元(經重列)減少約40.6%，至截至二零一九年六月三十日止六個月約人民幣16,800,000元，主要歸因於二零一八年印發有關復牌工作的文件所產生的專業費用，以及上市申請產生的上市開支，而於本期間並無錄得該等一次過重大支出。

其他(虧損)/收益

本集團的其他(虧損)/收益主要包括(i)就本集團當地業務發展而收到的地方政府補貼；及(ii)因若干租賃協議提早終止而收取業主/向業主支付的違約罰款。於本期間內，本集團錄得其他虧損約人民幣100,000元，相比二零一八年錄得其他收益約人民幣2,600,000元(經重列)。其他收益轉為其他虧損乃主要歸因於以下各項的綜合影響(i)收到的補貼由二零一八年的約人民幣1,800,000元減少約人民幣1,000,000元，至本期間內的約人民幣800,000元；及(ii)因若干租賃協議提早終止而收到違約罰款，由此產生去年同期的一次性收益人民幣1,900,000元(截至二零一九年六月三十日止六個月：無)。

財務收入

本集團的財務收入主要包括來自向關聯方貸款收取之利息收入及銀行利息收入，由去年同期的約人民幣3,700,000元(經重列)減少約97.3%，至截至二零一九年六月三十日止六個月的約人民幣100,000元，主要歸因於復牌前向關聯方借入的貸款，而本期間則無產生該類財務收入。

Finance expenses

The Group's finance expenses mainly represent interest expense on borrowings, imputed interest on convertible bonds and bank interest expenses on lease liabilities. During the Period, finance expenses of the Group increased by 810% to approximately RMB9.1 million from approximately RMB1.0 million (restated) in the last corresponding period, which was mainly due to (i) increase in imputed interest on convertible bonds to approximately RMB3.4 million during the Period (six months ended 30 June 2018: nil (restated)) upon the issue of convertible bonds on 4 July 2018; and (ii) increase in finance expenses charged on lease liabilities amounting to approximately RMB5.1 million resulted from the adoption of IFRS 16 as mentioned above.

Loss for the period

Loss for the Period attributable to owners of the Company was approximately RMB55.2 million (six months ended 30 June 2018: RMB27.4 million). Basic loss per share for the Period was approximately RMB0.01 cents (six months ended 30 June 2018: RMB0.01 cents (restated)). The increase in net loss was mainly attributable to (i) decrease in revenue of the hotpot business of its existing restaurants due to the decrease in customer flow impacted by the economic recession in mainland and keen competition in other restaurants which lead to lesser attraction from customers as compared to the last corresponding period; and (ii) effects of the adoption of IFRS 16 which resulted in the increase in expenditures spent on the lease of restaurants.

INTERIM DIVIDEND

The Directors do not recommend to pay any interim dividend for the six months ended 30 June 2019 (six months ended 30 June 2018: Nil).

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

As at 30 June 2019, the Group recorded cash and bank balances (including restricted cash) amounting to approximately RMB50.2 million (31 December 2018: approximately RMB77.9 million) and the net current liabilities value was approximately RMB111.7 million (31 December 2018: approximately RMB53.5 million).

財務開支

本集團財務開支主要包括借款利息開支、可換股債券的推算利息及租賃負債的銀行利息開支。期內，本集團財務開支由去年同期的約人民幣1,000,000元（經重列）增加810%至約人民幣9,100,000元，主要由於(i)於二零一八年七月四日發行可換股債券後可換股債券的推算利息增至本期間約人民幣3,400,000元（截至二零一八年六月三十日止六個月：零（經重列））；及(ii)由於如上文所述採納國際財務報告準則第16號導致租賃開支的財務成本增加約人民幣5,100,000元。

期內虧損

本公司擁有人應佔期內虧損約為人民幣55,200,000元（截至二零一八年六月三十日止六個月：人民幣27,400,000元）。期內每股基本虧損約為人民幣0.01分（截至二零一八年六月三十日止六個月：人民幣0.01分（經重列））。純損增加主要由於(i)現有餐廳火鍋業務的收益減少，此乃由於客流量受內地經濟衰退而減少及其他餐廳的激烈競爭，從而導致對顧客的吸引力較去年同期為少；及(ii)採納國際財務報告準則第16號的影響，導致租賃餐廳開支增加。

中期股息

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（截至二零一八年六月三十日止六個月：零）。

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，本集團錄得現金及銀行結餘（包括受限制現金）約人民幣50,200,000元（二零一八年十二月三十一日：約人民幣77,900,000元）及流動負債淨值約人民幣111,700,000元（二零一八年十二月三十一日：約人民幣53,500,000元）。

The net liabilities value per share of the Company was approximately RMB1.78 cents as at 30 June 2019 (31 December 2018: net liabilities value per share of approximately RMB0.82 cents). The net liabilities value per share was computed based on 5,153,550,000 and 4,476,238,151 shares in issue as at 30 June 2019 and 31 December 2018 respectively.

The Group's gearing ratio as at 30 June 2019 was approximately 0.26 (31 December 2018: 0.29), being a ratio of total debts, including borrowings and convertible bonds, of approximately RMB98.8 million (31 December 2018: RMB95.3 million) to the total assets of approximately RMB375.4 million (31 December 2018: approximately RMB323.5 million).

USE OF PROCEEDS FROM SHARE PLACING

On 2 May 2018, the Company and the placing agent entered into a placing agreement (the "Placing Agreement") on a fully underwritten basis, to not less than six placees who and whose ultimate beneficial owners are independent third parties (the "Share Placing").

The completion of Share Placing took place on 4 July 2018. An aggregate of 757,875,000 ordinary shares of HK\$0.00002 each with aggregate nominal value of HK\$15,157.50 (the "Placing Shares") were placed at the placing price of HK\$0.1025 per Placing Share pursuant to the terms and conditions of the Placing Agreement. The Placing Shares were issued under a specific mandate obtained at the extraordinary general meeting held on 28 May 2018. The net proceeds from the Share Placing (after deducting the expenses) were approximately HK\$75.73 million. As previously disclosed in the circular of the Company dated 9 May 2018, the Company intended to apply the net proceeds of approximately HK\$75.73 million from the Share Placing to expand and develop the business of the Group.

於二零一九年六月三十日，本公司每股的負債淨值為約人民幣1.78分(二零一八年十二月三十一日：每股負債淨值約人民幣0.82分)。每股負債淨值乃根據於二零一九年六月三十日及二零一八年十二月三十一日分別為5,153,550,000及4,476,238,151股已發行股份計算。

本集團於二零一九年六月三十日之資產負債比率約為0.26(二零一八年十二月三十一日：0.29)，即總債務(包括借貸及可換股債券)約人民幣98,800,000元(二零一八年十二月三十一日：人民幣95,300,000元)對總資產約人民幣375,400,000元(二零一八年十二月三十一日：約人民幣323,500,000元)之比率。

股份配售所得款項用途

於二零一八年五月二日，本公司與配售代理訂立配售協議(「配售協議」)，按全數包銷基準向不少於六名承配人(彼等與其最終實益擁有人均為獨立第三方)進行配售(「股份配售」)。

股份配售已於二零一八年七月四日完成。根據配售協議的條款及條件，合共757,875,000股總面值為15,157.50港元的每股面值0.00002港元的普通股(「配售股份」)以每股配售股份0.1025港元的配售價獲配售。配售股份已根據於二零一八年五月二十八日舉行的股東特別大會上獲取的特別授權而發行。誠如先前於本公司日期為二零一八年五月九日的通函披露，股份配售所得款項淨額(經扣除開支後)約為75,730,000港元。本公司擬動用股份配售所得款項淨額約75,730,000港元拓展及發展本集團的業務。

As at 30 June 2019, the Group utilised the net proceeds from the Share Placing as to approximately HK\$18.68 million for the capital expenditure of 7 Xiao Faigo Hotpot and 1 Hong Yuanwai in Shanghai, Suzhou, Changsha, Xiamen and Nantong to expand and develop the business of the Group. The unutilised net proceeds have been placed as the interest bearing saving deposits with licensed banks in Hong Kong and the PRC. The Group plans to utilise the remaining proceeds from the Share Placing to open more restaurants under Faigo, Xiao Faigo Hotpot and Hong Yuanwai in order to expand and develop the business of the Group in the coming financial years as intended.

PLEDGE OF ASSETS

As at 30 June 2019, the Company had no charges on its assets (31 December 2018: Nil).

CHANGE OF DIRECTORS

Mr. Su Guicai has resigned as an executive Director with effect from 1 March 2019.

Mr. Mai Guangfan has resigned as an independent non-executive Director with effect from 1 March 2019.

Mr. Tam Bing Chung Benson has been appointed as an independent non-executive Director with effect from 1 March 2019.

於二零一九年六月三十日，本集團使用股份配售所得款項淨額約18,680,000港元用作上海、蘇州、長沙、廈門及南通7間小輝哥火鍋及1間洪員外的資本開支，以擴展及發展本集團業務。未動用所得款項淨額已作為計息儲蓄存款存置於香港及中國的持牌銀行。本集團有意於未來財政年度按計劃將餘下的股份配售所得款項用作開設更多輝哥、小輝哥火鍋及洪員外門店，以擴展及發展本集團業務。

資產抵押

於二零一九年六月三十日，本公司概無抵押任何資產（二零一八年十二月三十一日：零）。

更換董事

蘇貴才先生自二零一九年三月一日起已辭任執行董事。

麥廣帆先生自二零一九年三月一日起已辭任獨立非執行董事。

譚秉忠先生自二零一九年三月一日起已獲委任為獨立非執行董事。

CAPITAL STRUCTURE

For the six months ended 30 June 2019, there was no change in the capital structure and issued share capital of the Company.

INVESTMENT POSITION AND PLANNING

There was no acquisition or disposal of subsidiary and associated company or significant investments of the Group, which would have been required to be disclosed under the Listing Rules for the six months ended 30 June 2019.

CONNECTED TRANSACTIONS

For the six months ended 30 June 2019, the Company did not have any connected transactions which were subject to the reporting requirements under Chapter 14A of the Listing Rules.

AUDIT QUALIFICATIONS

The auditors of the Company (the "Auditors") made audit qualification on the audited financial statements of the Company for the year ended 31 December 2018 which was mainly due to certain amount due to a deconsolidated subsidiary and the accrued expenses and other payables (collectively, the "Unknown Sum") of the Group brought forward from 1 January 2018, which affected the determination of the effect of reverse takeover transaction took place during the year ended 31 December 2018. When assessing whether and when the disclaimer of opinion will be removed, the Auditors discussed with the management of the Company about the future development of the Group and considered the documents available.

The Company has used its best effort to identify the nature of the Unknown Sum including publishing a public notice on certain Hong Kong newspapers which invited any potential creditors to inform the Company of any debts or claims.

資本架構

截至二零一九年六月三十日止六個月，本公司資本架構及已發行股本概無變動。

投資狀況及計劃

截至二零一九年六月三十日止六個月，本集團概無任何根據上市規則規定須予披露之收購或出售本集團附屬公司及聯營公司或重大投資。

關聯交易

截至二零一九年六月三十日止六個月，本公司並無任何關連交易須滿足上市規則第14A章的報告規定。

審核保留意見

本公司核數師（「核數師」）就本公司截至二零一八年十二月三十一日止年度的經審核財務報表作出審核保留意見，主要由於本集團轉承自二零一八年一月一日的應付一家取消綜合入賬附屬公司的若干款項及應計開支及其他應付款項（統稱「未知金額」），其影響釐定截至二零一八年十二月三十一日止年度發生的反收購交易的影響。於評估不發表意見聲明會否及何時移除時，核數師與本公司管理層就本集團未來發展進行討論並認為該等文件可以取得。

本公司已盡最大努力識別未知金額的性質，包括於若干香港報章刊登公眾告示，邀請任何潛在債權人就任何債務或申索知會本公司。

The Auditors consider that they are unable to perform any audit procedures such as, among others, sending audit confirmations or reviewing the underlying books and records, to verify the existence and accuracy of those balances and they did not have sufficient information to assess whether the Group had a present obligation in respect of the Unknown Sum. As the Unknown Sum is required to be included in the calculation when determining the effect of the reverse takeover transaction took place during the year ended 31 December 2018, which had a material impact to the Group's profit or loss for the year ended 31 December 2018, it resulted the disclaimer of opinion being issued.

The Auditors considered that, among other reasons, given actions founded on simple contract shall not be brought after 6 years from the day on which the course of action accrued pursuant to the Limitation Ordinance (Laws of Hong Kong Chapter 347), any potential creditors would be statutorily barred from taking action against another person 6 years after the day when the liabilities were due (unless such liability was created under deed, in which case, the limitation period shall be 12 years from the day of the liabilities were due) and any payment obligation by the Company is likely to be expired by 31 December 2019, the Auditors considered that the audit qualifications relating to the Unknown Sum would be removed for the year ending 31 December 2019.

The audit committee of the Company concurs with the view of the Auditors on the audit qualifications and steps which may be taken to address the audit qualifications. The audit committee of the Company confirms that they have reviewed and agreed with the directors' position with regard to the audit qualifications.

FOREIGN CURRENCY RISK

Most of the Group's business transactions, assets and liabilities are denominated in Renminbi and settled in Renminbi, which are the functional currencies of respective group companies. The Group's exposure to currency risk is minimal. The Group has not entered into any instruments on the foreign exchange exposure. The Group will closely monitor exchange rate movement and will take appropriate activities to reduce the exchange risk.

核數師認為彼等未能進行任何審核程序，例如(其中包括)寄發審核確認或審閱相關賬冊及記錄；核實該等結餘屬存在及準確及彼等並無足夠資料評估本集團是否對未知金額有現行責任。由於釐定截至二零一八年十二月三十一日止年度發生的反收購交易的影響時(其對本集團截至二零一八年十二月三十一日止年度的損益有重大影響)，未知金額須納入計算之中，因而致使發出不發表意見聲明。

核數師考慮到(其中包括)，根據香港法例第347章《時效條例》，基於簡單合約的訴訟於訴訟因由產生的日期起計滿6年後不得提出，任何潛在債權人於債務到期當日起計6年後在法律上不得向另一人士提出訴訟(除非有關債務根據契據訂立，於此情況下，限制期應為債務到期當日起計12年)，以及任何本公司的付款責任很可能於二零一九年十二月三十一日屆滿，核數師認為有關未知金額的審核保留意見將於截至二零一九年十二月三十一日止年度刪除。

本公司的審核委員會同意核數師對審核保留意見的觀點及為處理審核保留意見而可能採取的措施。本公司的審核委員會確認，其已審閱及同意董事對審核保留意見的取態。

外幣風險

本集團大部分的業務交易、資產及負債乃以人民幣計值及以人民幣結付，該等貨幣為相關集團公司的功能貨幣。本集團所受外幣風險低微。本集團並無就外匯風險訂立任何工具。本集團將密切監察匯率變動，並將採取適當行動降低匯率風險。

EMPLOYEES AND REMUNERATION POLICIES

The number of employees of the Group as at 30 June 2019 was 2,876 (31 December 2018: 3,057). Employees' remuneration is commensurate with their job nature, qualifications and experience. Salaries and wages are normally reviewed annually based on performance appraisals and other relevant factors. The Group continues to offer competitive remuneration packages and bonus to eligible staff, based on the performance of the Group and the individual employee.

EVENTS AFTER REPORTING PERIOD

Save as disclosed in note 19 to the interim condensed financial statements, there are no other significant events occurred after the reporting date and up to the date of this interim report.

PROSPECTS

Targeting the High-End Segment

Hotpot restaurants offering meat as their major food ingredient have a lower customer's average spending compared with those serving seafood. Therefore, more hotpot restaurants begin to offer more diversified food materials to target different customer segments. Seafood has been introduced in hotpot restaurants recently, which will attract more customers from the high-end segment. The Group will continue to target more high-end food ingredients as additional drive for the growth of revenue of our restaurants.

Inclusive of New Food Ingredients and Flavors

New food ingredients will be added to hotpot dining. As hotpot is more inclusive than other styles of cooking, new food ingredients can be easily introduced to hotpot dining. Hotpot restaurants are more willing to stay appealing to customers by offering new food ingredients in their menus rather than stick to their own understanding of hotpot stereotype.

Growth of Delivery Business

Delivery food service is growing fast in the PRC in the past few years. The Group plans to strengthen our competitiveness in the delivery segment to fully utilize the business hours of rush hours in a day such as lunch and dinner time to improve our revenue density. The Group will closely cooperate with online ordering and delivery platforms to promote the delivery business.

僱員及薪酬政策

本集團於二零一九年六月三十日之僱員人數為2,876名(二零一八年十二月三十一日: 3,057名)。員工薪酬按其工作性質、資歷及經驗而釐定。通常薪酬及薪金根據表現評核及其他相關因素作每年檢討。本集團會根據本集團及個別員工的表現,繼續向符合資格的員工給予具競爭力的薪酬組合和花紅。

報告期後事項

除於中期簡明財務報表附註19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。

展望

瞄準高端市場

與供應海鮮的火鍋餐廳相比,以肉類為主要食品成分的火鍋餐館的消費購買力較低。因此,越來越多的火鍋餐廳開始提供更多樣化的食材,以滿足不同顧客群體。海鮮已於近期引入火鍋餐廳,這將吸引更多來自高端市場的顧客。本集團將繼續以高端食材為目標,作為餐廳收益增長的額外動力。

廣納新食材及口味

火鍋餐廳將添加新食品配料。由於火鍋比其他烹飪方式更具包容性,因此可以輕易將新食品成分引入火鍋餐廳。火鍋餐廳更願意透過在菜單中提供新食品成分來吸引顧客,而非固守自身對火鍋的刻板印象。

外賣業務增長

中國外賣食品服務過去數年迅速增長。本集團計劃加強外賣分部的競爭力,以全面利用午市及晚市等每日營業時間中的繁忙時段,以提升收益密度。本集團將與網上訂餐及外送平台緊密合作,以推廣外賣業務。

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

As at 30 June 2019, 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

於二零一九年六月三十日，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 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
董事姓名	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
Mr. Hung Shui Chak 洪瑞澤先生	Interest of controlled corporation 受控制法團權益	1,182,916,562 (L) (Note 1) (附註1)	3,548,749,688 (L) (Note 2) (附註2)	4,731,666,250 (L)	91.81%
Mr. So Kam Chuen 蘇錦存先生	Beneficial owner 實益擁有人	14,904,875 (L) (Note 3) (附註3)	44,714,625 (L)	59,619,500 (L)	1.15%

(L): Long position

(L): 好倉

(Note 4)
(附註4)

Note 1: These underlying shares represented a maximum of 1,182,916,562 new Shares to be issued to Shui Chak Group Limited upon full conversion of the convertible bonds which, in an aggregate principal amount of HK\$121,248,947.605 at a conversion price of HK\$0.1025 per Share, were issued to Shui Chak Group Limited on 4 July 2018. By virtue of the SFO, Mr. Hung was deemed to be interested in the underlying shares held by Shui Chak Group Limited.

Note 2: These 3,548,749,688 Shares were held by Shui Chak Group Limited. Shui Chak Group Limited was wholly-owned by Mr. Hung. Thus, Mr. Hung was deemed to be interested in the 3,548,749,688 Shares held by Shui Chak Group Limited pursuant to the SFO.

Note 3: These underlying shares represented a maximum of 14,904,875 new Shares to be issued to Mr. So upon full conversion of the convertible bonds which, in an aggregate principal amount of HK\$1,527,749.6875 at a conversion price of HK\$0.1025 per Share, were issued to Mr. So on 4 July 2018.

Note 4: The percentage is calculated on the basis of 5,153,550,000 shares of the Company in issue as at 30 June 2019.

Save as disclosed above, as at 30 June 2019, 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 2019 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：該等相關股份指可換股債券獲悉數轉換後將向瑞澤集團有限公司發行的最多1,182,916,562股新股份，本金總額為121,248,947.605港元，轉換價為每股0.1025港元，於二零一八年七月四日發行予瑞澤集團有限公司。根據證券及期貨條例，洪先生被視為於所持有的相關股份中擁有權益。

附註2：3,548,749,688股股份乃由瑞澤集團有限公司持有。瑞澤集團有限公司由洪先生全資擁有。故此，根據證券及期貨條例，洪先生被視為於瑞澤集團有限公司所持有的3,548,749,688股股份中擁有權益。

附註3：該等相關股份指可換股債券獲悉數轉換後將向蘇先生發行的最多14,904,875股新股份，本金總額為1,527,749.6875港元，轉換價為每股0.1025港元，於二零一八年七月四日發行予蘇先生。

附註4：該百分比乃按本公司於二零一九年六月三十日有5,153,550,000股已發行股份之基準計算。

除上文所披露者外，截至二零一九年六月三十日，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二零一九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。

CORPORATE GOVERNANCE AND OTHER INFORMATION

企業管治及其他資料

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

As at 30 June 2019, 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:

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
Shui Chak Group Limited 瑞澤集團有限公司	Beneficial owner 實益擁有人	1,182,916,562 (L) (Note 1) (附註1)	3,548,749,688 (L) (Note 2) (附註2)	4,731,666,250 (L)	91.81%
Global Courage Limited Global Courage Limited	Beneficial owner 實益擁有人	—	385,005,976 (L)	385,005,976 (L)	7.47%
Head and Shoulders Direct Investment Limited (Note 3)	Interest of controlled corporation 受控制法團權益	—	385,005,976 (L)	385,005,976 (L)	7.47%
Head and Shoulders Direct Investment Limited (附註3)					
Dr. Choi Chiu Fai Stanley (Note 3)	Interest of controlled corporation 受控制法團權益	—	385,005,976 (L)	385,005,976 (L)	7.47%
蔡朝暉博士(附註3)					

(L): Long position

主要股東於股份、相關股份或債券的權益及淡倉

於二零一九年六月三十日，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
Shui Chak Group Limited 瑞澤集團有限公司	Beneficial owner 實益擁有人	1,182,916,562 (L) (Note 1) (附註1)	3,548,749,688 (L) (Note 2) (附註2)	4,731,666,250 (L)	91.81%
Global Courage Limited Global Courage Limited	Beneficial owner 實益擁有人	—	385,005,976 (L)	385,005,976 (L)	7.47%
Head and Shoulders Direct Investment Limited (Note 3)	Interest of controlled corporation 受控制法團權益	—	385,005,976 (L)	385,005,976 (L)	7.47%
Head and Shoulders Direct Investment Limited (附註3)					
Dr. Choi Chiu Fai Stanley (Note 3)	Interest of controlled corporation 受控制法團權益	—	385,005,976 (L)	385,005,976 (L)	7.47%
蔡朝暉博士(附註3)					

(L): 好倉

Note 1: These underlying shares represented a maximum of 1,182,916,562 new Shares to be issued to Shui Chak Group Limited upon full conversion of the convertible bonds which, in an aggregate principal amount of HK\$121,248,947.605 at a conversion price of HK\$0.1025 per Share, were issued to Shui Chak Group Limited on 4 July 2018. By virtue of the SFO, Mr. Hung was deemed to be interested in the underlying shares held by Shui Chak Group Limited.

Note 2: These 3,548,749,688 Shares were held by Shui Chak Group Limited. Shui Chak Group Limited was wholly-owned by Mr. Hung. Thus, Mr. Hung was deemed to be interested in the 3,548,749,688 Shares held by Shui Chak Group Limited pursuant to the SFO.

附註1: 該等相關股份指可換股債券獲悉數轉換後將向瑞澤集團有限公司發行的最多1,182,916,562股新股份，本金總額為121,248,947.605港元，轉換價為每股0.1025港元，於二零一八年七月四日發行予瑞澤集團有限公司。根據證券及期貨條例，洪先生被視為於所持有的相關股份中擁有權益。

附註2: 3,548,749,688股股份乃由瑞澤集團有限公司持有。瑞澤集團有限公司由洪先生全資擁有。故此，根據證券及期貨條例，洪先生被視為於瑞澤集團有限公司所持有的3,548,749,688股股份中擁有權益。

Note 3: The 385,005,976 Shares were held by Global Courage Limited. Global Courage Limited was wholly-owned by Head and Shoulders Direct Investment Limited, which in turn was 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 385,005,976 Shares held by Global Courage Limited pursuant to the SFO.

Note 4: The percentage is calculated on the basis of 5,153,550,000 shares of the Company in issue as at 30 June 2019.

Save as disclosed above, as at 30 June 2019, 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

Mr. Chan Chun Yiu Thomas
(Independent Non-executive Director)

陳浚耀先生(獨立非執行董事)

Mr. Ha Kee Choy Eugene
(Independent Non-executive Director)

夏其才先生(獨立非執行董事)

附註3：385,005,976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385,005,976股股份擁有權益。

附註4：有關百分比乃以於二零一九年六月三十日之5,153,550,000股本公司已發行股份為基準計算。

除上文所披露者外，於二零一九年六月三十日，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：

Details of change 變動詳情

He has been appointed as the chief executive officer of International Entertainment Corporation (stock code: 1009) with effect from 1 July 2019.

彼獲委任為國際娛樂有限公司(股份代號：1009)之行政總裁，由二零一九年七月一日起生效。

He has been appointed as an independent non-executive director of Planetree International Development Limited (stock code: 613) with effect from 30 April 2019.

彼獲委任為梧桐國際發展有限公司(股份代號：613)之獨立非執行董事，由二零一九年四月三十日起生效。

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 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 2019, 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.

During the six months ended 30 June 2019, the Company has complied with the CG Code except for the deviation from the code provisions which are explained below.

購買、出售或贖回本公司上市證券

於本期間，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。

於截至二零一九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。

於截至二零一九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。

Code Provision A.2.1

The role of the chairman of the Board is performed by Mr. Hung who possesses essential leadership skills and has extensive knowledge in the business of the Group. The Board believes that vesting the role of the chairman in Mr. Hung provides the Company with strong and consistent leadership, facilitates effective and efficient planning, implementation of business decisions and strategies, and ensures the generation of benefits to the shareholders of the Company.

Although the appointment of the chief executive officer of the Company remains outstanding, the overall management of the Company is performed by the executive Directors and the senior management of the Group whom have extensive experience in the business of the Group. Their respective areas of profession spearhead the Group's overall development and business strategies.

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. Mr. Ha Kee Choy Eugene, an independent non-executive Director, is not appointed for a specific term as required under code provision A.4.1 but is subject to retirement by rotation and re-election at annual general meeting in accordance with the Company's articles of association. As such, the Company considers that sufficient measures have been taken to ensure that the Company has good corporate governance practices.

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 2019.

守則條文第A.2.1條

由洪先生擔任董事會主席，彼具備必要的領導技能，並對本集團業務擁有深入的了解。董事會認為，主席一職由洪先生擔任，令本公司之領導強勢及貫徹一致，可促進有效及快速計劃及實行業務決策及策略，確保本公司股東的整體利益。

儘管尚未委任本公司行政總裁，本公司的整體管理由對本集團業務具備豐富經驗的執行董事及本集團高級管理層實施。彼等各自的專業範圍引導了本集團整體發展及業務策略。

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。獨立非執行董事夏其才先生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。

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，於截至二零一九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. Chan Chun Yiu Thomas and Mr. Tam Bing Chung Benson.

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 interim report of the Group for the six months ended 30 June 2019.

REVIEW OF ACCOUNTS

The Audit Committee has reviewed the Group's condensed consolidated financial statements for the six months ended 30 June 2019.

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、陳浚曜先生及譚秉忠先生。

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，包括審閱本集團截至二零一九年六月三十日止六個月之未經審核中期報告。

審閱賬目

審核委員會已審閱本集團截至二零一九年六月三十日止六個月的簡明綜合財務報表。

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