

新煮意控股有限公司  
**FOOD IDEA HOLDINGS LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8179)**

**ANNOUNCEMENT OF THE FINAL RESULTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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

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*This announcement, for which the directors (“Directors”) of Food Idea Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

The board (the “Board”) of Directors of the Company is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2015, together with the comparative figures in the previous year as follows:

## **CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the year ended 31 December 2015*

	<i>NOTES</i>	<b>2015</b> <b>HK\$’000</b>	2014 <i>HK\$’000</i>
Revenue	3	<b>465,652</b>	464,924
Other income	4	<b>996</b>	641
Cost of inventories consumed		<b>(150,267)</b>	(151,504)
Employee benefits expenses	5	<b>(163,672)</b>	(151,652)
Depreciation		<b>(22,226)</b>	(22,223)
Amortisation		<b>(12)</b>	–
Operating lease rentals and related expenses		<b>(50,928)</b>	(46,105)
Utilities expenses		<b>(28,001)</b>	(31,166)
Other losses, net	5	<b>(7,919)</b>	(5,978)
(Loss) gain on disposal of financial assets at fair value through profit or loss		<b>(13,077)</b>	1,193
Gain on fair value of financial assets at fair value through profit or loss, net		<b>151,324</b>	93,351
Loss on fair value of contingent consideration payable		<b>(7,582)</b>	–
Other operating expenses		<b>(66,721)</b>	(50,056)
Share of profit of an associate		<b>11,653</b>	–
Share of loss of a joint venture		–	(1)
Finance costs	6	<b>(823)</b>	(626)
Profit before tax	5	<b>118,397</b>	100,798
Income tax expenses	7	<b>(28,092)</b>	(20,160)
Profit for the year		<b><u>90,305</u></b>	<u>80,638</u>

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

For the year ended 31 December 2015

	<i>NOTE</i>	<b>2015</b> <b>HK\$'000</b>	2014 <i>HK\$'000</i>
Other comprehensive expense for the year			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange difference arising on translation of foreign operations		(26)	(6)
Share of foreign currency translation reserve of an associate		<u>(6,298)</u>	<u>—</u>
		<u>(6,324)</u>	<u>(6)</u>
 Total comprehensive income for the year		 <u><b>83,981</b></u>	 <u>80,632</u>
 Profit (loss) for the year attributable to:			
Owners of the Company		90,249	81,626
Non-controlling interests		<u>56</u>	<u>(988)</u>
		<u><b>90,305</b></u>	<u>80,638</u>
 Total comprehensive income (expense) attributable to:			
Owners of the Company		83,925	81,620
Non-controlling interests		<u>56</u>	<u>(988)</u>
		<u><b>83,981</b></u>	<u>80,632</u>
		<b>2015</b>	2014 (Restated)
 Earnings per share			
Basic and diluted ( <i>HK cents</i> )	9	<u><b>2.08</b></u>	<u>2.44</u>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2015

	<i>NOTES</i>	<b>2015</b> <b>HK\$'000</b>	2014 <i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		<b>39,387</b>	54,139
Goodwill		<b>6,186</b>	6,186
Intangible asset		<b>4,636</b>	–
Interest in an associate		<b>97,827</b>	–
Interest in a joint venture		–	–
Available-for-sale investment		<b>2</b>	–
Rental deposits	<i>10</i>	<b>7,703</b>	11,271
Deposits paid for acquisition of property, plant and equipment		<b>3,387</b>	959
Deferred tax assets		<b>3,102</b>	2,889
Loan to an associate		<b>2,959</b>	–
Loan receivables	<i>11</i>	<b>56,500</b>	–
Pledged bank deposit	<i>12</i>	<b>–</b>	1,500
		<b>221,689</b>	76,944
<b>Current assets</b>			
Inventories		<b>8,215</b>	8,119
Loan and interest receivables	<i>11</i>	<b>73,187</b>	–
Trade receivables	<i>10</i>	<b>9,112</b>	8,461
Amount due from an associate		<b>29</b>	–
Prepayments, deposits and other receivables	<i>10</i>	<b>17,163</b>	18,937
Income tax recoverable		<b>3,034</b>	941
Financial assets at fair value through profit or loss		<b>422,569</b>	99,712
Pledged bank deposits	<i>12</i>	<b>3,531</b>	3,505
Bank balances and cash	<i>12</i>	<b>96,654</b>	69,300
		<b>633,494</b>	208,975

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2015

		2015	2014
	NOTES	HK\$'000	HK\$'000
<b>Current liabilities</b>			
Trade payables	13	15,481	13,823
Other payables, accruals and deposits received	13	38,082	33,437
Provision for reinstatement costs		762	559
Income tax payable		362	435
Borrowings	14	35,769	13,122
		<u>90,456</u>	<u>61,376</u>
<b>Net current assets</b>		<u>543,038</u>	<u>147,599</u>
<b>Total assets less current liabilities</b>		<u>764,727</u>	<u>224,543</u>
<b>Non-current liabilities</b>			
Contingent consideration payable		94,780	–
Provision for reinstatement costs		3,321	3,320
Deferred tax liabilities		40,227	15,445
		<u>138,328</u>	<u>18,765</u>
		<u>626,399</u>	<u>205,778</u>
<b>Capital and reserves</b>			
Share capital	15	6,528	3,200
Reserves		617,434	201,411
		<u>623,962</u>	<u>204,611</u>
Equity attributable to owners of the Company		623,962	204,611
Non-controlling interests		2,437	1,167
		<u>626,399</u>	<u>205,778</u>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2015

	Attributable to owners of the Company								
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000 (Note i)	Other reserve HK\$'000 (Note ii)	Foreign currency translation reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
At 1 January 2014	3,200	65,421	106	448	–	55,236	124,411	2,962	127,373
Profit (loss) for the year	–	–	–	–	–	81,626	81,626	(988)	80,638
Other comprehensive expense for the year									
Exchange differences arising on translation of a foreign operation	–	–	–	–	(6)	–	(6)	–	(6)
Total comprehensive (expense) income for the year	–	–	–	–	(6)	81,626	81,620	(988)	80,632
Capital contribution from non-controlling interests	–	–	–	–	–	–	–	637	637
Acquisition of non-controlling interests	–	–	–	(1,420)	–	–	(1,420)	1,220	(200)
Acquisition of subsidiaries	–	–	–	–	–	–	–	(1,764)	(1,764)
Dividends to non-controlling interests	–	–	–	–	–	–	–	(900)	(900)
At 31 December 2014	<u>3,200</u>	<u>65,421</u>	<u>106</u>	<u>(972)</u>	<u>(6)</u>	<u>136,862</u>	<u>204,611</u>	<u>1,167</u>	<u>205,778</u>
At 1 January 2015	3,200	65,421	106	(972)	(6)	136,862	204,611	1,167	205,778
Profit for the year	–	–	–	–	–	90,249	90,249	56	90,305
Other comprehensive expense for the year									
Exchange differences arising on translation of foreign operations	–	–	–	–	(26)	–	(26)	–	(26)
Share of foreign currency translation reserve of an associate	–	–	–	–	(6,298)	–	(6,298)	–	(6,298)
Total comprehensive (expense) income for the year	–	–	–	–	(6,324)	90,249	83,925	56	83,981
Acquisition of a subsidiary	–	–	–	–	–	–	–	2,114	2,114
Share of other reserve of an associate	–	–	–	(182)	–	–	(182)	–	(182)
Issue of new shares	3,328	338,560	–	–	–	–	341,888	–	341,888
Transaction costs attribute to the issue of new shares	–	(6,280)	–	–	–	–	(6,280)	–	(6,280)
Dividends to non-controlling interests	–	–	–	–	–	–	–	(900)	(900)
At 31 December 2015	<u>6,528</u>	<u>397,701</u>	<u>106</u>	<u>(1,154)</u>	<u>(6,330)</u>	<u>227,111</u>	<u>623,962</u>	<u>2,437</u>	<u>626,399</u>

## Notes:

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

# NOTES

## 1. GENERAL INFORMATION

Food Idea Holdings Limited (formerly known as Gayety Holdings Limited) (the “Company”) was incorporated in the Cayman Islands on 10 February 2011 as an exempted company with limited liability under the Companies Law (2010 Revision) of the Cayman Islands. The shares of the Company were listed on GEM of the Stock Exchange since 8 July 2011. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, the Cayman Islands. The address of its principal place of business is Shop 46, G/F., Ho Shun Tai Building, No. 10 Sai Ching Street, Yuen Long, New Territories, Hong Kong.

Pursuant to a special resolution passed at the annual general meeting held on 22 May 2015, the English name of the Company was changed from “Gayety Holdings Limited” to “Food Idea Holdings Limited” and the Chinese name of the Company was changed from “喜尚控股有限公司” to “新煮意控股有限公司” with immediate effect.

The Company’s principal activity during the year was investment holding. The principal activities of its principal subsidiaries are set out in Note 39 to the Company’s 2015 annual report (“2015 Annual Report”).

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company.

## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS(s)”) AND NEW HONG KONG COMPANIES ORDINANCE

In the current year, the Group has applied the following new and revised HKFRSs, which include HKFRSs, Hong Kong Accounting Standards (“HKAS(s)”), amendments and interpretations, issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

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

The application of the new and revised HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in the Group’s consolidated financial statements.

### ***Annual Improvements to HKFRSs 2010 – 2012 Cycle***

The Annual Improvements to HKFRSs 2010 – 2012 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of HKFRS 9 or HKAS 39 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit and loss. The amendments to HKFRS 3 are effective for business combinations for which the acquisition date is on or after 1 July 2014.

The amendments to HKFRS 8 (i) require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have ‘similar economic characteristics’; and (ii) clarify that a reconciliation of the total of the reportable segments’ assets to the entity’s assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.

The amendments to the basis for conclusions of HKFRS 13 clarify that the issue of HKFRS 13 and consequential amendments to HKAS 39 and HKFRS 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial.

The amendments to HKAS 16 and HKAS 38 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

The Directors do not anticipate that the application of the amendments included in the Annual Improvements to HKFRSs 2010 – 2012 Cycle will have a material effect on the Group’s consolidated financial statements.

### ***Annual Improvements to HKFRSs 2011 – 2013 Cycle***

The Annual Improvements to HKFRSs 2011 – 2013 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, HKAS 39 or HKFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within HKAS 32.

The amendments are applied prospectively. The Directors do not anticipate that the application of the amendments included in the Annual Improvements to HKFRSs 2011 – 2013 Cycle will have a material effect on the Group’s consolidated financial statements.



### ***Amendments to HKAS 19 Defined Benefit Plans: Employee Contributions***

The amendments to HKAS 19 simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. Specifically, contributions that are linked to services are attributed to periods of services as a negative benefit. The amendments to HKAS 19 specifies that such negative benefit are attributed in the same way as the gross benefit, i.e. attribute to periods of services under the plan's contribution formula or on a straight-line basis.

Besides, the amendments also states that if the contributions are independent of the number of years of employee service, such contributions may be recognised as a reduction of the service cost as they fall due.

The amendments to HKAS 19 will become effective for annual periods beginning on or after 1 July 2014 with early application permitted.

The Directors anticipate that the application of the amendments to HKAS 19 has had no material impact in the Group's consolidated financial statements.

### ***Part 9 of Hong Kong Companies Ordinance (Cap. 622)***

In addition, the annual report requirements of Part 9 "Accounts and Audit" of the Hong Kong Companies Ordinance (Cap. 622) come into operation during the financial year. As a result, there are changes to presentation and disclosures of certain information in the consolidated financial statements.

### ***New and revised HKFRSs issued but not yet effective***

The Group has not early applied the following new or revised HKFRSs that have been issued but are not yet effective.

Amendments to HKFRSs	Annual Improvements to HKFRSs 2012 – 2014 Cycle <sup>1</sup>
HKFRS 9 (2014)	Financial Instruments <sup>2</sup>
HKFRS 15	Revenue from Contracts with Customers <sup>2</sup>
Amendments to HKAS 1	Disclosure Initiative <sup>1</sup>
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation <sup>1</sup>
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants <sup>1</sup>
Amendments to HKAS 27	Equity Method in Separate Financial Statements <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception <sup>1</sup>
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations <sup>1</sup>

<sup>1</sup> *Effective for annual periods beginning on or after 1 January 2016.*

<sup>2</sup> *Effective for annual periods beginning on or after 1 January 2018.*

<sup>3</sup> *Effective date not yet determined.*

The Directors anticipate that, except as described in the 2015 Annual Report, the application of other new and revised HKFRSs will have no material impact on the results and the financial position of the Group.

### 3. SEGMENT INFORMATION

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

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

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

*Notes:*

- (a) During the year ended 31 December 2015, catering services includes the operation of a chain of dessert catering restaurants and Chinese restaurants (2014: Chinese restaurant). As a result, the Group combines these operations under catering services as they have similar economic characteristics and are similar in the nature of production processes.
- (b) The Group’s money lending operation was newly introduced in the current year.

#### ***Segment revenues and results***

Segment revenues represent revenue derived from the provision of catering services, sales of food products, gross proceeds from the disposal of investments, dividend income and interest income from both the financial assets at fair value through profit or loss (“FVTPL”) and the provision of money lending business.

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

### For the year ended 31 December

	Catering services		Food products operation		Investments		Money lending		Elimination		Consolidated	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
SEGMENT TURNOVER	<u>374,493</u>	<u>405,215</u>	<u>88,818</u>	<u>59,709</u>	<u>18,991</u>	<u>1,380</u>	<u>3,413</u>	<u>-</u>	<u>(2,905)</u>	<u>-</u>	<u>482,810</u>	<u>466,304</u>
Revenue from external customers	<u>374,493</u>	<u>405,215</u>	<u>88,818</u>	<u>59,709</u>	<u>1,833</u>	<u>-</u>	<u>3,413</u>	<u>-</u>	<u>(2,905)</u>	<u>-</u>	<u>465,652</u>	<u>464,924</u>
Segment result	<u>(13,209)</u>	<u>10,714</u>	<u>1,288</u>	<u>317</u>	<u>140,031</u>	<u>94,544</u>	<u>2,855</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>130,965</u>	<u>105,575</u>
Unallocated income											<u>100</u>	<u>166</u>
Unallocated corporate expenses											<u>(15,916)</u>	<u>(4,316)</u>
Loss on fair value of contingent consideration payable	<u>(7,582)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,582)</u>	<u>-</u>
Share of profit of an associate	<u>11,653</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,653</u>	<u>-</u>
Share of loss of a joint venture											<u>-</u>	<u>(1)</u>
Finance costs											<u>(823)</u>	<u>(626)</u>
Profit before tax											<u>118,397</u>	<u>100,798</u>

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment (loss) profit represents the (loss) from/profit earned by each segment without allocation of bank interest income, interest income from loan to an associate, central administrative costs, Directors' emoluments, loss on fair value of contingent consideration payable, share of profit of an associate, share of loss of a joint venture and finance costs. This is the measure reported to CODM for the purposes of resource allocation and performance assessments.

### Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments.

### As at 31 December

	Catering services		Food products operation		Investments		Money lending		Consolidated	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>ASSETS</b>										
Segment assets	<u>57,969</u>	<u>89,703</u>	<u>17,137</u>	<u>18,369</u>	<u>423,001</u>	<u>99,712</u>	<u>129,687</u>	<u>-</u>	<u>627,794</u>	<u>207,784</u>
Interest in an associate	<u>97,827</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>97,827</u>	<u>-</u>
Loan to an associate	<u>2,959</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,959</u>	<u>-</u>
Amount due from an associate	<u>29</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29</u>	<u>-</u>
Unallocated corporate assets									<u>126,574</u>	<u>78,135</u>
Consolidated total assets									<u>855,183</u>	<u>285,919</u>
<b>LIABILITIES</b>										
Segment liabilities	<u>41,675</u>	<u>42,214</u>	<u>11,209</u>	<u>8,925</u>	<u>29,898</u>	<u>-</u>	<u>177</u>	<u>-</u>	<u>82,959</u>	<u>51,139</u>
Contingent consideration payable	<u>94,780</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>94,780</u>	<u>-</u>
Unallocated corporate liabilities									<u>51,045</u>	<u>29,002</u>
Consolidated total liabilities									<u>228,784</u>	<u>80,141</u>

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

- all assets are allocated to operating segments other than certain property, plant and equipment, interest in an associate, loan to an associate, interest in a joint venture, available-for-sale investment, deferred tax assets, income tax recoverable, pledged bank deposits, amount due from an associate, bank balances and cash and other assets that cannot be allocated to a specific segment; and
- all liabilities are allocated to operating segments other than income tax payable, certain borrowings, deferred tax liabilities, contingent consideration payable and other liabilities that cannot be allocated to a specific segment.

### ***Geographical information***

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

Information about the Group's revenue from external customers is presented based on the location of the operations. Information about the Group's non-current assets is presented based on the geographical location of the assets.

	Revenue from external customers		Non-current assets ( <i>Note</i> )	
	For the year ended 31 December		As at 31 December	
	2015	2014	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong (country of domicile)	<b>465,558</b>	464,924	<b>48,960</b>	61,284
Singapore	–	–	<b>4,636</b>	–
PRC	<b>94</b>	–	–	–
	<b><u>465,652</u></b>	<u>464,924</u>	<b><u>53,596</u></b>	<u>61,284</u>

*Note:* Non-current assets excluded interest in an associate, interest in a joint venture, financial instruments and deferred tax assets.

### **Information about major customers**

None of the Group's customers contributed 10% or more of the Group's total revenue during the years ended 31 December 2015 and 2014.

### **Other segment information**

#### **For the year ended 31 December 2015**

	Catering services <i>HK\$'000</i>	Food products operation <i>HK\$'000</i>	Investments <i>HK\$'000</i>	Money lending <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Amount included in the measure of segment result or segment assets:						
Additions to non-current assets ( <i>Note</i> )	10,833	123	-	-	12,816	23,772
Depreciation	20,569	537	-	-	1,120	22,226
Amortisation	12	-	-	-	-	12
Gain on disposals/written-off of property, plant and equipment	(538)	-	-	-	-	(538)
Impairment loss of property, plant and equipment	8,457	-	-	-	-	8,457
Gain on fair value of financial assets at FVTPL, net	-	-	(151,324)	-	-	(151,324)
Loss on disposal of financial assets at FVTPL	-	-	13,077	-	-	13,077
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

Amounts regularly provided to the CODM  
but not included in the measure of  
segment profit or loss or segment assets:

Interest income	(64)	(5)	-	-	(31)	(100)
Finance costs	207	497	48	-	71	823
Income tax expenses (credit)	4,009	(88)	24,134	-	37	28,092
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

For the year ended 31 December 2014

	Catering services <i>HK\$'000</i>	Food products operation <i>HK\$'000</i>	Investments <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Amount included in the measure of segment result or segment assets:					
Additions to non-current assets ( <i>Note</i> )	2,400	3,923	–	8	6,331
Depreciation	21,480	735	–	8	22,223
Loss on disposals/written-off of property, plant and equipment	1,705	267	–	–	1,972
Loss on disposal of a subsidiary	237	–	–	–	237
Impairment loss of property, plant and equipment	3,769	–	–	–	3,769
Gain on fair value of financial assets at FVTPL	–	–	(93,351)	–	(93,351)
Gain on disposal of financial asset at FVTPL	–	–	(1,193)	–	(1,193)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

Amounts regularly provided to the CODM  
but not included in the measure of  
segment profit or loss or segment assets:

Interest income	(4)	(2)	–	(160)	(166)
Finance costs	271	355	–	–	626
Income tax expenses	4,433	72	15,600	55	20,160
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

*Note:* Non-current assets excluded interest in an associate, interest in a joint venture, financial instruments and deferred tax assets. It included approximately HK\$4,648,000 (2014: HK\$907,000) from acquisition of subsidiaries for the year ended 31 December 2015.

### ***Revenue from major products and services***

The following is an analysis of the Group's revenue from sales of its major products and provision of services to external customers:

	<b>2015</b> <b><i>HK\$'000</i></b>	2014 <i>HK\$'000</i>
Catering services	<b>371,588</b>	405,215
Sale of food products	<b>88,818</b>	59,709
Interest and dividend income from securities investment	<b>1,833</b>	–
Interest income from money lending	<b>3,413</b>	–
	<u><b>465,652</b></u>	<u>464,924</u>

#### 4. OTHER INCOME

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Sub-letting income	38	38
Bank interest income	41	166
Interest income from loan to an associate	59	–
Sundry income	858	437
	<u>996</u>	<u>641</u>

#### 5. PROFIT BEFORE TAX

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Profit before tax has been arrived at after charging (crediting):		
Other losses, net:		
Impairment loss of property, plant and equipment	8,457	3,769
(Gain) loss on disposals/written-off of property, plant and equipment	(538)	1,972
Loss on disposal of a subsidiary	–	237
	<u>7,919</u>	<u>5,978</u>
Employee benefits expenses (including Directors' and chief executive's emoluments)		
Salaries, wages and other benefits	156,692	145,204
Contributions to retirement benefits schemes – defined contribution plan	6,980	6,448
	<u>163,672</u>	<u>151,652</u>
Auditor's remuneration	1,200	980
Kitchen consumables (included in other operating expenses)	2,508	3,043
Cleaning expenses (included in other operating expenses)	4,577	4,422
Operating lease rentals in respect of rented premises	41,352	37,637

## 6. FINANCE COSTS

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Interests on borrowings	619	430
Unwinding of discount on provision for reinstatement costs	<u>204</u>	<u>196</u>
	<u><b>823</b></u>	<u><b>626</b></u>

## 7. INCOME TAX EXPENSES

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Current income tax – Hong Kong:		
Current year provision	3,635	6,344
Overprovision in prior years	<u>(112)</u>	<u>(785)</u>
	<b>3,523</b>	5,559
Deferred income tax	<u><b>24,569</b></u>	<u>14,601</u>
	<u><b>28,092</b></u>	<u><b>20,160</b></u>

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

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25% from 1 January 2008 onwards. No provision for the PRC EIT has been made for both years since the subsidiaries in the PRC did not derive any assessable profits for both years.

## 8. DIVIDENDS

During the year ended 31 December 2015, interim dividends amounting to HK\$900,000 (2014: HK\$900,000) was paid by a non-wholly owned subsidiary of the Company to its non-controlling shareholders.

No dividend was paid or proposed during the year ended 31 December 2015 nor has any dividend been proposed since the end of the reporting period (2014: Nil).



## 9. EARNINGS PER SHARE

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

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
<b>Earnings</b>		
Earnings for the purpose of basic and diluted earnings per share, being profit for the year attributable to the owners of the Company	<u>90,249</u>	<u>81,626</u>
	2015	2014 (Restated)
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>4,332,766,397</u>	<u>3,347,550,432</u>

The weighted average number of ordinary shares for the purpose of basic earnings per share has been adjusted for the rights issue on 9 September 2015.

Diluted earnings per share for the years ended 31 December 2015 and 2014 is the same as the basic earnings per share as there were no dilutive potential ordinary shares outstanding during both years.

## 10. TRADE RECEIVABLES, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
<b>Non-current</b>		
Rental deposits	<u>7,703</u>	<u>11,271</u>
<b>Current</b>		
Trade receivables	9,112	8,461
Prepayments, deposits and other receivables ( <i>Note</i> )	<u>17,163</u>	<u>18,937</u>
	<u>26,275</u>	<u>27,398</u>

*Note:* Included in the balance as at 31 December 2015 was approximately HK\$498,000 (2014: HK\$2,567,000) due from a non-controlling interest. The amount was interest-free, unsecured and repayable on demand.

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

	<b>2015</b> <b>HK\$'000</b>	2014 <i>HK\$'000</i>
Within 30 days and neither past due nor impaired	<b>9,110</b>	8,398
1 – 30 days	<b>2</b>	28
31 – 60 days	<u>–</u>	<u>35</u>
	<b><u>9,112</u></b>	<b><u>8,461</u></b>

The Group does not hold any collateral over its trade receivables, deposits and other receivables.

The Group's sales are mainly conducted in cash or by credit cards. Certain customers are granted a credit period of 30 days.

Included in the Group's trade receivables balance were receivables of approximately HK\$2,000 (2014: HK\$63,000) that were past due as at 31 December 2015 for which the Group has not provided for impairment loss because there is no recent history of default.

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

	<b>2015</b> <b>HK\$'000</b>	2014 <i>HK\$'000</i>
1 – 30 days	<b>2</b>	28
31 – 60 days	<u>–</u>	<u>35</u>
	<b><u>2</u></b>	<b><u>63</u></b>

## 11. LOAN AND INTEREST RECEIVABLES

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Fixed-rate loan receivables	128,178	–
Interest receivables	<u>1,509</u>	<u>–</u>
	<u><b>129,687</b></u>	<u><b>–</b></u>
Loan receivables analysed for reporting purpose as:		
Non-current assets	56,500	–
Current assets	<u>73,187</u>	<u>–</u>
	<u><b>129,687</b></u>	<u><b>–</b></u>

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

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

The loans provided to debtors bore fixed interest rate ranging from 3% to 24% per annum and will be repayable on maturity with a maturity period ranged from 1 month to 3 years.

Included in the balance as at 31 December 2015 was approximately HK\$1,400,000 (2014: Nil) due from a non-controlling interest. The amount bore an interest of 6 % per annum, secured by a property located in Hong Kong and will be repayable in 2016.

As at 31 December 2015, the Group held collaterals of real estates and corporate bond with fair values of approximately HK\$192,933,000 in total which are over the financing advances to those debtors.

Certain individual loan receivable is significant and the terms and conditions of the loan receivable are disclosed in the Company's announcements dated 19 June 2015 and 16 October 2015.

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

	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Within one year	<b>73,187</b>	–
After one year but within two years	<b>56,500</b>	–
	<b>129,687</b>	–

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

	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
0 – 30 days	<b>3,180</b>	–
31 – 60 days	<b>29,189</b>	–
61 – 90 days	<b>53,627</b>	–
Over 90 days	<b>43,691</b>	–
	<b>129,687</b>	–

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

	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Neither past due nor impaired	<b>117,366</b>	–
Past due:		
1 – 90 days	<b>629</b>	–
91 – 180 days	<b>358</b>	–
Over 181 days	<b>11,334</b>	–
	<b>129,687</b>	–

*Note:*

Included in the Group's loan and interest receivables are debtors with aggregate amount of approximately HK\$12,321,000 which are past due at the end of the reporting period for which the Group has not provided for impairment loss. The Directors believed that the amount was recoverable, after taking into account of the recent market price of properties similar to the collateral being sufficient to cover the entire outstanding balance as at 31 December 2015.

## 12. PLEDGED BANK DEPOSITS AND BANK BALANCES AND CASH

Cash at banks and pledged bank deposits carry interest at prevailing market rates for both years.

Pledged bank deposit as at 31 December 2015 of approximately HK\$1,523,000 (2014: HK\$1,500,000) was pledged to a bank for the issuance of a letter of guarantee in favour of the Group (Note 14) that will be expiring within (2014: after) twelve months from the end of the reporting period and is classified as current asset (2014: non-current asset).

Pledged bank deposits as at 31 December 2015 of approximately HK\$2,008,000 (2014: HK\$3,505,000) were pledged to banks for short-term banking facilities, accordingly, the pledged bank deposits are classified as current asset.

## 13. TRADE PAYABLES, OTHER PAYABLES, ACCRUALS AND DEPOSITS RECEIVED

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Trade payables	<u>15,481</u>	<u>13,823</u>
Payables for acquisition of property, plant and equipment	1,166	2,698
Other payables	2,864	3,708
Consideration payable	2,200	–
Accruals	25,940	19,521
Deposits received	<u>5,912</u>	<u>7,510</u>
	<u>38,082</u>	<u>33,437</u>
	<u><u>53,563</u></u>	<u><u>47,260</u></u>

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

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

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Within 30 days	12,171	10,228
31 – 60 days	3,259	3,555
61 – 90 days	20	4
Over 90 days	<u>31</u>	<u>36</u>
	<u><u>15,481</u></u>	<u><u>13,823</u></u>

Included in trade payables as at 31 December 2015 was amounts due to companies controlled by executive Directors of the Company of approximately HK\$1,319,000 (2014: HK\$1,593,000) which are interest-free, unsecured and repayable within 30 days after the end of the month in which the relevant purchases are made.

Included in accruals as at 31 December 2015 were disbursements payable to an executive Director amounting to HK\$575,000 (2014: Nil) and accrued Director's emoluments amounting to HK\$86,000 (2014: Nil).

#### 14. BORROWINGS

	<b>2015</b>	2014
	<b>HK\$'000</b>	HK\$'000
Mortgage loan, repayable on demand	<b>1,858</b>	2,132
Instalment loans, repayable on demand	<b>1,166</b>	3,327
Bank loans ( <i>Note</i> )	<b>30,848</b>	2,418
Bank overdrafts	<b>497</b>	5,245
	<hr/>	<hr/>
Secured bank borrowings	<b>34,369</b>	13,122
Unsecured other borrowing	<b>1,400</b>	–
	<hr/>	<hr/>
	<b>35,769</b>	13,122
	<hr/> <hr/>	<hr/> <hr/>

*Note:* During the year, the Group obtained new loans in the amount of approximately HK\$29,898,000. The loans bear interest at 1.25% per annum above base rate (“Base Rate”) set up by the bank and will be repayable in 2016. The proceeds were used to finance the acquisition of financial assets at FVTPL.

The facility agreements of mortgage loan and instalment loans contain repayment on demand clauses pursuant to which the banks can at their discretion demand repayment of the entire outstanding balances from the Group in the absence of any defaults.

The following table presents the contractual maturity of the banks borrowings that are repayable on demand:

	<b>Mortgage loan</b>	<b>Instalment loans</b>	
Carrying amount ( <i>HK\$'000</i> )			
– 31 December 2015	1,858	–	1,166
– 31 December 2014	2,132	1,161	2,166
Contractual instalments	120	60	36
Outstanding instalments			
– 31 December 2015	72	–	14
– 31 December 2014	84	33	26

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

	<b>2015</b>	2014
	<b>HK\$'000</b>	<b>HK\$'000</b>
Within one year	<b>34,029</b>	9,341
After one year but within two years	<b>461</b>	1,709
After two years but within five years	<b>944</b>	1,413
More than five years	<b>335</b>	659
	<u><b>35,769</b></u>	<u>13,122</u>

Mortgage loan carries interest at Hong Kong Prime Rate ("Prime Rate") less 1.75% (2014: Prime Rate less 1.75%) per annum.

Instalment loans carries interest at Prime Rate to Prime Rate plus 0.5% (2014: Prime Rate to Prime Rate plus 0.5%) per annum.

Bank loans carries interest at Prime Rate/Base Rate plus 0.25% to 1.25% (2014: Prime Rate plus 0.25%) per annum.

Bank overdrafts carries interest at Prime Rate plus a margin, ranging from 0.5% to 2% (2014: 0.5% to 2%) per annum.

As at 31 December 2015, unsecured other borrowing was due to a non-controlling interest, carries interest at a fixed rate of 6 % per annum and repayable on 16 November 2016.

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

	<b>2015</b>	2014
	<b>HK\$'000</b>	<b>HK\$'000</b>
Mortgage loan	<b>3.5%</b>	3.5%
Instalment loans	<b>5.75%</b>	5% to 5.75%
Bank loans	<b>1.686% to 6%</b>	5.75%
Bank overdrafts	<b>7.25%</b>	5.5% to 7.25%
Unsecured other borrowing	<b>6%</b>	-

As at 31 December 2015, the Group had aggregate banking facilities of approximately HK\$48,510,000 (2014: HK\$14,798,000) for loans and other facilities (including letter of guarantee). Unused facilities as at the same date amounted to approximately HK\$11,299,000 (2014: HK\$980,000). These facilities were secured by:

- (a) The Group's pledged bank deposits amounting to approximately HK\$3,531,000 (2014: HK\$5,005,000) as at 31 December 2015;
- (b) The Group's financial assets at FVTPL amounting to approximately HK\$55,357,000 (2014: Nil) as at 31 December 2015;
- (c) Leasehold land and building with a carrying amount of approximately HK\$5,564,000 (2014: HK\$5,717,000) as at 31 December 2015;
- (d) Guarantee from Hong Kong Mortgage Corporation Limited and the government of Hong Kong Special Administrative Region; and
- (e) Unlimited guarantees from a non-controlling shareholder and a director of a subsidiary.

In addition, certain business credit cards were guaranteed by Mr. Wong Kwan Mo and Ms. Lau Lan Ying, the executive Directors and a non-controlling interest, to the extent of HK\$136,000 (2014: HK\$138,000) in aggregate.

## 15. SHARE CAPITAL

	Nominal value	Number of shares	Share capital <i>HK\$'000</i>
<b>Authorised</b>			
Ordinary shares			
At 1 January 2014, 31 December 2014, 1 January 2015 and 31 December 2015	0.001	<u>100,000,000,000</u>	<u>100,000</u>
<b>Issued and fully paid</b>			
Ordinary shares			
At 1 January 2014, 31 December 2014 and 1 January 2015	0.001	3,200,000,000	3,200
Placing of new shares ( <i>Note (i)</i> )	0.001	160,000,000	160
Placing and subscription of new shares ( <i>Note (ii)</i> )	0.001	480,000,000	480
Issue of shares under rights issue ( <i>Note (iii)</i> )	0.001	1,920,000,000	1,920
Placing and subscription of new shares ( <i>Note (iv)</i> )	0.001	<u>768,000,000</u>	<u>768</u>
At 31 December 2015		<u>6,528,000,000</u>	<u>6,528</u>



*Notes:*

- (i) On 9 March 2015, the Company entered into a private placing agreement with a placing agent for the placing of an aggregate 160,000,000 new ordinary shares of the Company at a placing price of HK\$0.125 per share. The gross proceeds raised amounted to HK\$20,000,000 (before transaction costs of approximately HK\$541,000) and resulted in the net increase in share capital and share premium of HK\$160,000 and HK\$19,299,000 respectively. The placing was completed on 26 March 2015. Details of the placing are set out in the Company's announcements dated 9 March 2015 and 26 March 2015 respectively.
- (ii) On 6 May 2015, the Company entered into a private placing and subscription agreement with a placing agent and KMW Investments Limited ("KMW"), a substantial shareholder of the Company, for the placing and subscription of an aggregate 480,000,000 new ordinary shares of the Company at a placing price of HK\$0.193 per share. The gross proceeds raised amounted to HK\$92,640,000 (before transaction costs of HK\$1,126,000) and resulted in the net increase in share capital and share premium of HK\$480,000 and HK\$91,034,000 respectively. The placing and subscription was completed on 19 May 2015. Details of the placing and subscription are set out in the Company's announcements dated 6 May 2015 and 19 May 2015 respectively.
- (iii) On 9 September 2015, 1,920,000,000 ordinary shares were issued and allotted to the shareholders of the Company on the basis of one right share for every two ordinary shares for consideration of HK\$0.105 per share. The gross proceeds raised amounted to HK\$201,600,000 (before transaction costs of approximately HK\$3,889,000) and resulted in the net increase in share capital and share premium of approximately HK\$1,920,000 and HK\$195,791,000 respectively. The rights issue was completed on 9 September 2015. Details of the rights issue are set out in the Company's announcement dated 8 September 2015.
- (iv) On 18 December 2015, the Company entered into a private placing and subscription agreement with the placing agent and KMW for placing and subscription of an aggregate 768,000,000 placing shares of the Company at a placing price of HK\$0.036 per share. The gross proceeds raised amounted to HK\$27,648,000 (before transaction costs of approximately HK\$724,000) and resulted in the net increase in share capital and share premium of approximately HK\$768,000 and HK\$26,156,000 respectively. The placing and subscription was completed on 28 December 2015. Details of the placing and subscription are set out in the Company's announcements dated 28 December 2015.

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

# MANAGEMENT DISCUSSION AND ANALYSIS

## Business Review

In addition to the original catering services, food products operation and investment business, the Group has commenced its money lending business and dessert catering business during the year ended 31 December 2015.

## Catering services

The Group follows a business philosophy of offering high quality cuisine at highly affordable prices. It is committed to providing memorable dining experiences to its customers by delivering deliciously prepared food, outstanding menu choices and a tastefully designed dining environment. Since the Chinese restaurant business was adversely affected by the unfavorable market conditions in Hong Kong, its performance deteriorated. As at 31 December 2015, we are operating nine restaurants under three brands and their performances are outlined below.

### *Red Seasons Aroma Restaurant (“Red Seasons”)*

Red Seasons targets customers desiring quality food and special Chinese cuisine at competitive prices. Many customers have found the allure of Red Seasons irresistible, thanks in large measure to the signature dish, roast suckling pig stuffed with glutinous rice and dried prawns. During the year under review, the revenue of Red Seasons decreased by around 6% to approximately HK\$221,870,000 (2014: HK\$236,898,000).

### *Plentiful Delight Banquet Restaurant (“Plentiful Delight Banquet”)*

The second brand established by the Group, Plentiful Delight Banquet, serves Cantonese dim sum and fresh seafood delicacies that are not commonly found in other restaurants. Offering banquet facilities with a seating capacity of 100 banquet tables, Plentiful Delight Banquet is ideal for large-scale events up to 1,200 guests on a single occasion. During the year under review, Plentiful Delight Banquet recorded a drop in revenue of approximately 11% to HK\$79,741,000 (2014: HK\$89,856,000), which was in line with the drop in Red Seasons.

### ***Red Royalty Banquet Restaurant (“Red Royalty”)***

Red Royalty provides premium and deluxe Chinese banquet and dining services in a formal, grand environment decorated with contemporary, stylish and elegant items. Red Royalty’s scale of operations is the largest within the Group’s existing restaurants with a seating capacity of 120 banquet tables and can serve up to 1,400 guests on a single occasion. During the year under view, Red Royalty generated revenue of approximately HK\$69,883,000 (2014: HK\$66,691,000). Revenue from banquet and dining services generated by Plentiful Delight Banquet and Red Royalty decreased slightly by approximately 4% as compared to last year.

### ***Food products operation***

During the year under review, the food products operation recorded revenue of approximately HK\$88,818,000 (2014: approximately HK\$59,709,000) with a segment profit of approximately HK\$1,288,000 (2014: HK\$317,000).

As the food products operation was fully accounted for in 2015 (which was only accounted for eight months in 2014 after acquisition), there were substantial increase in both the revenue and segment profit during the year under review.

### ***Securities Investment Business***

As at 31 December 2015, the Group had a portfolio of securities investment of approximately HK\$422,569,000 (2014: HK\$99,712,000) and approximately HK\$359,787,000 (2014: HK\$99,712,000) of which were equity securities listed in Hong Kong. During the year under review, the Group recorded a realised loss of approximately HK\$13,077,000 (2014: realised gain HK\$1,193,000) and a net unrealised gain of approximately HK\$151,324,000 (2014: HK\$93,351,000) in its securities investment.

Details of the investments and unrealised fair value change of equity securities listed in Hong Kong are as follows:

Company name/Stock code	At 31 Mar 2015				At 30 Jun 2015				At 30 Sep 2015				At 31 Dec 2015			
	% of shareholding of the respective shares	Change on fair value for 3 months	Fair value as at 31 Mar 2015	% to the total assets of the Group	% of shareholding of the respective shares	Change on fair value for 6 months	Fair value as at 30 Jun 2015	% to the total assets of the Group	% of shareholding of the respective shares	Change on fair value for 9 months	Fair value as at 30 Sep 2015	% to the total assets of the Group	% of shareholding of the respective shares	Change on fair value	Fair value as at 31 Dec 2015	% to the total assets of the Group
		HK\$'000	HK\$'000			HK\$'000	HK\$'000			HK\$'000	HK\$'000			HK\$'000	HK\$'000	
L & A International Holdings Limited (8195) ("L&A")	2.62%	(14,065)	85,647	29.41%	2.62%	143,795	243,507	38.58%	2.62%	230,912	330,624	36.03%	2.62%	174,234	273,946	32.03%
GreaterChina Professional Services Limited (8193)	-	-	-	-	-	-	-	-	-	-	-	-	0.68%	(2,536)	25,080	2.93%
Major Holdings Limited (1389)	-	-	-	-	-	-	-	-	-	-	-	-	0.39%	2,346	14,245	1.67%
China Properties Investment Holdings Limited (736)	-	-	-	-	-	-	-	-	2.52%	(4,011)	12,954	1.41%	2.10%	(5,847)	11,118	1.30%
China Construction Bank Corporation (939)	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	171	10,732	1.25%
China Environmental Energy Investment Limited (986)	-	-	-	-	-	-	-	-	-	-	-	-	1.82%	(5,280)	9,180	1.07%
China 33 Media Group Limited (8087)	-	-	-	-	-	-	-	-	-	-	-	-	0.83%	(5,056)	4,992	0.58%
China Life Insurance Company Limited (2628)	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	(734)	4,208	0.49%
Hong Kong Exchanges and Clearing Limited (388)	-	-	-	-	0.00%	(66)	2,435	0.39%	0.00%	(1,259)	2,268	0.25%	0.00%	(1,032)	3,539	0.41%
China Jicheng Holdings Limited (1027)	-	-	-	-	-	-	-	-	-	-	-	-	0.01%	(311)	2,740	0.32%
Huatai Securities Co., Ltd. (6886)	-	-	-	-	0.00%	(1)	9	0.00%	0.00%	(4)	6	0.00%	0.00%	(3)	7	0.00%
Creative Energy Solutions Holdings Limited (8109)	-	-	-	-	-	-	-	-	4.38%	(2,363)	16,350	1.78%	-	-	-	-
Suncorp Technologies Limited (1063)	-	-	-	-	-	-	-	-	0.09%	(494)	2,570	0.28%	-	-	-	-
Total		(14,065)	85,647			143,728	245,951			222,781	364,772			155,952	359,787	

Up to 31 March 2015, the investment in equity securities listed in Hong Kong included only L&A shares. As the share price of L&A dropped, there was an unrealised loss on fair value change of financial assets at FVTPL of HK\$14,065,000 during the three months ended 31 March 2015.

As at 30 June 2015, 30 September 2015 and 31 December 2015, the equity investment portfolio was enlarged and diversified, with L&A shares being the main investment. The share price of L&A was peaked near the end of September in 2015.

As a result, an unrealised gain on fair value change of L&A shares amounted to approximately HK\$157,860,000, HK\$87,117,000 and an unrealised loss of HK\$56,678,000 were recorded during the three months ended 30 June 2015, 30 September 2015 and 31 December 2015, respectively.

Details of the gain (loss) on disposal of equity securities listed in Hong Kong are as follows:

<b>Company Name/Stock Code</b>	<b>31 December 2015</b>	
	<b>Gain (loss) on disposal for the 12 months HK\$'000</b>	<b>% to the profit before tax of the Group</b>
CNOOC Limited (883)	53	0.04%
Suncorp Technologies Limited (1063)	30	0.03%
Creative Energy Solutions Holdings Limited (8109)	<u>(12,731)</u>	N/A
Total	<u><u>(12,648)</u></u>	

The Group's investment portfolio had suffered from the dramatic volatility of the market. The management had cut losses on certain investments which were in vulnerable position and kept those which were better performed in this financial environment. We will continue to monitor the existing portfolio closely to maximise the return prospect for our investments.

### ***Money Lending Business***

Since the commencement of the money lending business in June 2015, the Group's money lending business has grown in a rapid pace. During the year under review, it had generated interest income of approximately HK\$3,413,000 and recorded a segment profit of approximately HK\$2,855,000.

On 19 June 2015, the Group entered into a loan agreement with a group of three borrowers, pursuant to which the Group agreed to grant to them, the independent third parties, a loan facility up to HK\$32,000,000, bearing interest at a rate of 8% per annum, for a period of 12 months from 19 June 2015. The loan is secured by a first legal mortgage in respect of a commercial property located in Shatin, New Territories jointly owned by the two borrowers of the group. Details of the loan and the provision of financial assistance are set out in the Company's announcement on 19 June 2015.

An aggregate loan of approximately HK\$234,340,000 with effective interest rate ranging from 3% to 24% per annum had been built up by Group during the year under review, of which approximately HK\$106,162,000 was repaid by its customers. As at 31 December 2015, the outstanding loan receivables of the Group amounted to HK\$128,178,000. All loans advanced by the Group are either secured by mortgages, legal charges over listed securities or debentures issued by company listed in Hong Kong or secured by personal guarantee.

## ***Dessert Catering Business***

During the year under review, the Group started its expansion into the dessert catering business in the PRC. The operation of the first dessert catering restaurant in Tianjin, PRC, commenced in May 2015 and the brand of Lucky Dessert has established market presence through the opening of its third dessert catering restaurant in December 2015. Since commencement till 31 December 2015, Lucky Dessert in the PRC has generated revenue of over RMB2 million.

The brand of Lucky Dessert also has high market recognition in Singapore. On 9 December 2015, the Group purchased the exclusive rights of Lucky Dessert in Singapore for a term of 25 years.

## **Financial Review**

During the year ended 31 December 2015, the Group's revenue amounted to approximately HK\$465,652,000 which was similar to the amount in last year. Although the revenue from the catering services recorded a drop from approximately HK\$405,215,000 in 2014 to HK\$371,588,000 in 2015, the negative impact was diminished by (i) the food products operation, with its revenue fully accounted in this financial year ended 31 December 2015 while it was accounted for only eight months in last corresponding period after its acquisition on 1 May 2014; and (ii) the interest income of approximately HK\$3,413,000 generated from the money lending business segment.

Profit attributable to the owners of the Company rose to HK\$90,249,000, a slightly increase of approximately 11% compared to last year. Such increase was mainly attributable to the unrealised gain from financial assets at FVTPL and the share of profit of an associate, amounting to approximately HK\$122,160,000 (net of profits tax of approximately HK\$29,164,000) and HK\$11,653,000 respectively.

After eliminating the abovementioned effect, there was a loss attributable to owners of the Company amounted to approximately HK\$43,564,000. Such loss was mainly due to (i) the lackluster performance from Chinese restaurant operations in Hong Kong, leading to a loss after tax of approximately HK\$17,361,000; (ii) the impairment losses on property, plant and equipment from the loss making restaurants of approximately HK\$8,457,000; (iii) the realised loss of disposal of financial assets at FVTPL amounting to approximately HK\$13,077,000; (iv) a change in fair value of contingent consideration payable of approximately HK\$7,582,000 and (v) the increment of other operating expenses.

The cost of inventories consumed for the year ended 31 December 2015 amounted to approximately HK\$150,267,000 (2014: HK\$151,504,000). The cost of inventories consumed was approximately 33% (2014: 33%) of the Group's revenue on catering services and food products operation businesses during the year under review. The Group will keep the strategy on bulk purchases of food raw materials from suppliers in order to enjoy a larger discount and achieved optimum food mixing.

Employee benefits expenses were approximately HK\$163,672,000 (2014: HK\$151,652,000). The increase was mainly due to the full year ownership effect of the food products operation and the wage adjustments to retain experienced staff under the inflationary environment during this year. The Group regularly reviews the work allocation of the staff to improve and maintain a high standard of service.

The operating lease rental and related expenses for the year ended 31 December 2015 amounted to approximately HK\$50,928,000 (2014: HK\$46,105,000), representing an increase of approximately 10% as compared to last year. The increase was mainly due to (i) the increase in rental charge in Shatin Red Seasons after the renewal of tenancy; and (ii) the increase in building management fee of certain restaurant properties of the Group. To have a better control the operating lease rentals and related expenses, the Group has entered into long-term lease agreements to maintain the rentals at a reasonable level.

## **Outlook and prospects**

Looking ahead, the Board takes a cautious view for 2016. The management anticipates the retail environment will be very challenging. The Group is proactively monitoring the rising food costs, labour costs and rental expenses in order to raise the operational efficiencies of the Group's catering services and food products operation.

The management strives to diversify the Group's existing business and broaden its source of income. The Group will actively seek for opportunities to expand its money lending business.

The Group has been approached by potential franchisees of the trademark "Lucky Dessert" for running the dessert catering business in the PRC such as Beijing, Shanghai and Xi An and Singapore. The Group will explore opportunities to further develop its dessert catering business.

The Group maintains a conservative approach on its investment portfolio. The management will monitor the risk exposure regularly and adjust the portfolio when necessary, while selectively choose those stocks with the most balanced risk and return potential.

## **Liquidity, Financial and Capital Resources**

### ***Capital structure***

As at 31 December 2015, the share capital and equity attributable to owners of the Company amounted to approximately HK\$6,528,000 and HK\$623,962,000 respectively (2014: HK\$3,200,000 and HK\$204,611,000 respectively). Details of the capital risk management are set out in the Note 5 to the 2015 Annual Report.

## Cash position

As at 31 December 2015, the carrying amount of the Group's unpledged bank balances and cash was approximately HK\$96,654,000 (2014: HK\$69,300,000), representing an increase of approximately 39% as compared to that as at 31 December 2014. The pledged bank deposits of approximately HK\$5,005,000 as at 31 December 2014 and HK\$3,531,000 as at 31 December 2015 were pledged to banks for the banking facilities of the Group.

## Use of Proceed of the Fund Raising Activities of the Group

The details of the use of proceed of the fund raising activities of the Group during the year ended 31 December 2015 are as below:

Date	Event	Net proceeds	Intended use of proceeds (Note)	Actual use of proceeds up to 31 December 2015
28 December 2015	Issue of 768,000,000 new shares at HK\$0.036 per share under general mandate	Approximately HK\$27 million	For provision of money lending business	<ul style="list-style-type: none"> <li>Approximately HK\$27 million will be utilised for money lending business of the Group</li> </ul>
9 September 2015	Rights issue of 1,920,000,000 shares at HK\$0.105 per right share	Approximately HK\$198 million	<p>Approximately HK\$187.8 million for the provision of money lending business of the Group;</p> <p>Approximately HK\$2.2 million for funding the consideration of the proposed acquisition of the dessert catering business in Singapore, should the non-legally binding memorandum of understanding dated 9 June 2015 materialise; and</p> <p>The balance of approximately HK\$8 million for general working capital of the Company</p>	<ul style="list-style-type: none"> <li>Approximately HK\$148.34 million was used for money lending business of the Group;</li> <li>HK\$100,000 was used to pay for the initial consideration for the acquisition of the dessert catering business in Singapore;</li> <li>Approximately HK\$8 million was utilised for general working capital of the Group;</li> <li>For the remaining balance of approximately HK\$41.56 million</li> <li>Approximately HK\$2.1 million will be utilised for settling the remaining consideration for the acquisition of the dessert catering business in Singapore; and</li> <li>Approximately HK\$39.46 million will be utilised for money lending business of the Group.</li> </ul>
19 May 2015	Issue of 480,000,000 new shares at HK\$0.193 per share under general mandate	Approximately HK\$91 million	For provision of money lending business and general working capital of the Group	<ul style="list-style-type: none"> <li>Approximately HK\$86 million was utilised for the provision of the Group's money lending business; and</li> <li>The balance of approximately HK\$5 million was utilised for general working capital of the Group.</li> </ul>
26 March 2015	Placing of 160,000,000 new shares at HK\$0.125 per share under general mandate	Approximately HK\$19.5 million	Approximately HK\$15 million for providing a shareholder's loan contemplated under a loan agreement; and the remaining net proceeds will be used for general working capital of the Group	<ul style="list-style-type: none"> <li>Approximately HK\$15 million was utilised for providing a shareholder's loan contemplated under a loan agreement; and</li> <li>The balance of approximately HK\$4.5 million was utilised for general working capital of the Group.</li> </ul>

*Note:* The intended use of proceeds for the rights issue on 9 September 2015 and issue of new shares on 19 May 2015 were amended. Details were disclosed in the Company's announcement dated 9 December 2015.



### ***Borrowings and charges on the Group's assets***

Details of borrowings and charges on the Group's assets as at 31 December 2015 are set out in Note 14.

### ***Gearing ratio***

The gearing ratio is calculated as net debt (borrowings less pledged bank deposits and bank balances and cash) divided by the total of net debt and total equity. Gearing ratios are not applicable to the Group as at 31 December 2014 and 2015 as the Group's bank balances and cash are more than its borrowings.

### **Segmental Information**

Details of segment information of the Group for the year ended 31 December 2015 are set out in Note 3.

### **Dividends**

During the year ended 31 December 2015, interim dividends amounting to HK\$900,000 (2014: HK\$900,000) was paid by a non-wholly owned subsidiary of the Company to its non-controlling shareholders.

No dividend was paid or proposed during the year ended 31 December 2015 nor has any dividend been proposed since the end of the reporting period (2014: Nil).

### **Purchase, Sale or Redemption of the Shares**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares during the year ended 31 December 2015.

### **Event after the end of the Reporting Period**

On 10 March 2016, the Company, as vendor, entered into a sale and purchase agreement, pursuant to which the Company has conditionally agreed to dispose of the Chinese restaurant operation through the disposal of the entire issued share capital of GR Holdings, a direct wholly owned subsidiary of the Company, and all the liabilities, obligations and indebtedness due by GR Holdings to the Group at the preliminary consideration of HK\$49 million (subject to adjustment) payable in cash (the "Disposal") to Mr. Wong Kwan Mo and Ms Lau Lan Ying, the Directors which constituted as a very substantial transaction of the Company.

The completion of the Disposal is conditional upon satisfaction of the certain conditions precedent, including the passing by the independent shareholders of the Company at an extraordinary general meeting to be convened and held of an ordinary resolution to approve the sale and purchase agreement and the transactions. Upon completion, the Company will not hold any interest in the existing Chinese restaurant operation. Details of the Disposal and the financial effect are set out in the Company's announcement dated 10 March 2016.

## **Corporate Governance**

The Board has adopted various policies to ensure compliance with the code provisions of the Corporate Governance Code (the "CG Code") under Appendix 15 of the GEM Listing Rules. For the year ended 31 December 2015, the Company has fully complied with all applicable provisions of the CG Code. Details of the Company's corporate governance practices are set out in the "Corporate Governance Report" section of the Annual Report.

## **Audit Committee**

The Company established the audit committee ("Audit Committee") pursuant to a resolution of the Directors passed on 25 June 2011 with written terms of reference in compliance with Rule 5.28 and Rule 5.29 of the GEM Listing Rules. The written terms of reference of the Audit Committee was adopted in compliance with paragraph C3.3 of the Corporate Governance Code as set out in Appendix 15 to the GEM Listing Rules. On 30 December 2015, the Board adopted a set of the revised terms of reference of the Audit Committee in line with the GEM Listing Rules requirement in relation to the internal control by introducing the concept of the risk management. The primary duties of the Audit Committee, among other things, are to make recommendation to the Board on the appointment, re-appointment and removal of external auditor; review the financial statements and material advice in respect of financial reporting; and oversee internal control procedures of the Company. As at 31 December 2015, the Audit Committee consists of three members, namely Mr. Li Fu Yeung, Ms. Chiu Man Yee and Mr. Kwan Wai Yin, William. Mr. Li Fu Yeung is the chairman of the Audit Committee. Subsequent to the reporting period, on 7 January 2016, Ms. Chiu Man Yee ceased to act as a member of Audit Committee and Mr. Tam Lok Hang was appointed as a member of Audit Committee.

During the year, the Audit Committee performed duties including reviewing the Group's financial statements, audit findings, external auditor's independence and the Group's accounting principles and practices.

The Group's annual results for the year ended 31 December 2015 have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the financial statements of the Company and the Group for the year ended 31 December 2015 comply with applicable accounting standards, GEM Listing Rules and that adequate disclosures have been made.

## **Auditor**

The financial statements for the year ended 31 December 2015 have been audited by SHINEWING (HK) CPA Limited who will retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of SHINEWING (HK) CPA Limited as auditor of the Company will be proposed at the coming annual general meeting of the Company.

By order of the Board  
**Food Idea Holdings Limited**  
**Wong Kwan Mo**  
*Chairman and executive Director*

Hong Kong, 24 March 2016

*As at the date of this announcement, the Board comprises Mr. Wong Kwan Mo, Ms. Lau Lan Ying and Mr. Yu Ka Ho as executive Directors, and Mr. Li Fu Yeung, Mr. Kwan Wai Yin, William and Mr. Tam Lok Hang as independent non-executive Directors.*

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