

# 2014 *Interim Report* 中期報告



**翠華餐廳®**  
Tsui Wah Restaurant

## Tsui Wah Holdings Limited 翠華控股有限公司

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

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號: 1314



# CONTENTS

Corporate Information	<b>2</b>
Financial Highlights	<b>3</b>
Chairman's Statement	<b>4</b>
Management Discussion and Analysis	<b>6</b>
Report on Review of Interim Financial Information	<b>12</b>
Condensed Consolidated Statement of Profit or Loss	<b>13</b>
Condensed Consolidated Statement of Comprehensive Income	<b>14</b>
Condensed Consolidated Statement of Financial Position	<b>15</b>
Condensed Consolidated Statement of Changes in Equity	<b>17</b>
Condensed Consolidated Statement of Cash Flows	<b>18</b>
Notes to Interim Financial Information	<b>19</b>
Other Information	<b>30</b>



# CORPORATE INFORMATION

## EXECUTIVE DIRECTORS

Mr. Lee Yuen Hong (*Chairman*)  
Mr. Ho Ting Chi  
Mr. Cheung Yu To  
Mr. Cheung Yue Pui

## NON-EXECUTIVE DIRECTOR

Mr. Cheung Wai Keung

## INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Goh Choo Hwee  
Mr. Wong Chi Kin  
Mr. Yim Kwok Man

## AUTHORISED REPRESENTATIVES

Mr. Lee Yuen Hong  
Mr. Yang Dong John

## AUDIT COMMITTEE

Mr. Yim Kwok Man (*Chairman*)  
Mr. Goh Choo Hwee  
Mr. Wong Chi Kin

## REMUNERATION COMMITTEE

Mr. Goh Choo Hwee (*Chairman*)  
Mr. Wong Chi Kin  
Mr. Lee Yuen Hong

## NOMINATION COMMITTEE

Mr. Wong Chi Kin (*Chairman*)  
Mr. Goh Choo Hwee  
Mr. Lee Yuen Hong

## COMPANY SECRETARY

Mr. Yang Dong John (HKICPA)

## LEGAL ADVISER

Pang & Co. in association with Loeb & Loeb LLP

## AUDITOR

Ernst & Young

## COMPLIANCE ADVISER

Fortune Financial Capital Limited  
35/F, Office Tower Convention Plaza  
No. 1 Harbour Road  
Wanchai  
Hong Kong

## REGISTERED OFFICE

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

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

3/F, Tsui Wah Group Centre  
50 Lai Yip St., Ngau Tau Kok, Kowloon  
Hong Kong

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

## HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited  
Level 22, Hopewell Centre  
183 Queen's Road East  
Hong Kong

## PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited  
Hang Seng Bank Limited  
Standard Chartered Bank (Hong Kong) Limited

## COMPANY WEBSITE ADDRESS

[www.tsuiwah.com](http://www.tsuiwah.com)

## STOCK CODE

1314

## FINANCIAL HIGHLIGHTS

	Six-month period ended		% Change
	30 September		
	2014	2013	
	(Unaudited)	(Unaudited)	
	HK\$'000	HK\$'000	
<b>Revenue</b>	<b>893,451</b>	694,910	28.6
Hong Kong <sup>#</sup>	<b>623,420</b>	529,244	17.8
Mainland China	<b>263,018</b>	158,972	65.4
Macau <sup>##</sup>	<b>7,013</b>	6,694	4.8
<b>EBITDA</b>	<b>148,286</b>	132,224	12.1
<b>Profit attributable to owners of the Company</b>	<b>88,862</b>	85,492	3.9
<b>Basic earnings per share</b>	<b>HK6.33 cents</b>	HK6.18 cents	2.4
<b>Number of restaurants including joint ventures</b>			
(As at 30 September)			
Hong Kong	<b>29</b>	25	
Mainland China	<b>17</b>	9	
Macau	<b>1</b>	1	

<sup>#</sup> Revenue from external customers located in Hong Kong includes revenue derived from the sale of food to a joint venture of the Group amounting to approximately HK\$4,830,000 (six-month period ended 30 September 2013: approximately HK\$4,413,000).

<sup>##</sup> Revenue from external customers located in Macau represents revenue derived from the sale of food to a joint venture of the Group.

# CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the “**Board**”) of directors (the “**Directors**”) of Tsui Wah Holdings Limited (the “**Company**”, together with subsidiaries of the Company, the “**Group**”), I am pleased to announce the unaudited consolidated interim results of the Group for the six-month period ended 30 September 2014.

Although the growth in Hong Kong's retail market has slowed down throughout the period under review, in light of the steady development of the overall economy and low unemployment rate, the local retail consumption level has remained stable. In recent months, despite political and social issues ostensibly exerting an economic impact in Hong Kong, the Group believes it will continue to be benefited from a healthy retail environment in Hong Kong and supported by its target customers with stable spending power. In the People's Republic of China (the “**PRC**” or “**Mainland China**”), the slower-than-expected recovery in domestic economic growth affecting the consumption market to varying degrees, and the continuous food safety scandals in the PRC had led to a rising concern over food safety among domestic consumers in the PRC. Nevertheless, Tsui Wah has continued its steady development in the PRC during the period under review by leveraging its brand advantage on providing safe food and quality services.

During the period under review ended 30 September 2014, the Group has continued its expansion efforts in its core operation areas in order to achieve economies of scale and increase market penetration through the stable growth of its restaurant network in Hong Kong and the PRC. During the period under review, the Group has opened six new restaurants and aimed to continue its current pace of expansion in the next couple of years with a goal to operate more than 80 restaurants by 2017. In addition to extending its restaurant network, the Group strives to strengthen its centralised procurement and logistics management capabilities, achieve economies of scale and increase synergies by establishing central kitchens. For Hong Kong, the 10,000 sq. ft. “Supreme Catering” (至尊到會) facility located in Yau Tong, Kowloon, Hong Kong has been operating as a central kitchen as well as providing comprehensive on-site catering services to its valued customers since July 2014 and the Group's new central kitchen in Hong Kong is expected to commence its operation in or around early 2015. For the Mainland China market, the Eastern China headquarter of the Group was relocated to a newly acquired property located in Huangpu District, Shanghai in early November 2014. This commitment is expected to boost customers' confidence in the “Tsui Wah” brand. Furthermore, the Group established offices and will continue to open new restaurants in Southern China region, for future expansion of its footprint in such region.

In terms of the Group's management, the Board currently consists of four executive Directors, one non-executive Director and three independent non-executive Directors. All of the Directors are highly motivated and committed to their duties and responsibilities within the Group. In terms of resource management, the Group continues to upgrade its existing system, so as to support the rapid growth of the operation. It is expected to strengthen the control over its management in respect of supply chain, operation of restaurants, human resources, financial management and cost control. The upgrade of system provides an effective control over related operating costs and it also facilitates a better understanding of cuisine preferences of the customers. Through analysing the customers' cuisine preferences, the Group is able to offer the most suitable choices of foods to cater for consumers' demand, thereby enhancing the Group's operational efficiency which in turn should result in better returns to the shareholders of the Company.

Furthermore, the new menu introduced by Tsui Wah in April 2014 has been warmly welcomed by its customers. The Group continues to develop new dishes from time to time so as to bring new tastes to its customers. For the six-month period ended 30 September 2014, the Group has garnered a number of prestigious awards including “Most Popular Brand for Tourists 2014 — Gold Award”, “2014 Most Popular QTS Merchant Award Online Voting — Restaurant” and “U Favorite Food Awards 2014 — My Most Favorite Cha Chaan Teng”, in recognition of the Group's persistent focus on excellence in food and service quality and employee training.

# CHAIRMAN'S STATEMENT

Tsui Wah is dedicated to perform its corporate social responsibilities during the course of its business development. It has always been focusing on environmental protection and actively implementing environmental measures while leading the eating trend. Accordingly, the Group introduced an environmental consultant to monitor and provide training to frontline staff regularly, aiming to strengthen the staff's awareness of environmental protection effectively. Meanwhile, the Group launched various environmental protection programs and projects, including the "Bread Donation Program" (麵包捐贈計劃), to promote the good practices on food waste reduction. On the other hand, the Group's central kitchens has adopted electrified model to reduce carbon emission and promote energy efficiency. During the period under review, the Group was granted the Gold Award (Hong Kong Style Food & Beverage) of the GREEN PLUS Recognition Award 2014 by the CLP Power Hong Kong Limited.

Moreover, Tsui Wah regards its staff as the Company's important asset as each of them plays a pivotal role in the Group's sustainable growth. Tsui Wah is one of the first organisations which was successfully recognised by the government of Hong Kong to instruct the courses under the "Qualifications Framework" in the catering industry and it strongly emphasises on staff development. The Group also endeavors to invest in human resources trainings, for instance, employees from Hong Kong may have the opportunity to second to Shanghai or other cities in the PRC to maximise their potential by broadening their horizon and enriching their knowledge. Tsui Wah has actively recruited and retained employees and encouraged more people to join the big family of Tsui Wah through the "Summer Internship Scheme". In order to encourage staff's loyalty to the "Tsui Wah Family" (翠華人家), the Group places high importance on the members of the "Tsui Wah Family" and cares for their needs, such as provision of textbook fee subsidies to low-income staff's children.

The Group has set out the four growth strategies which the Group will focus on enhancing its internal control system, enhancing its procurement system, raising its food quality and uplifting its staff quality. Looking ahead, the Group will be committed to streamline internal structure to execute the four growth strategies of the Group effectively and tackle the issue of increasing costs through centralised procurement thereby bolstering its bargaining power. Moreover, given that the growing awareness in food safety of consumers in the PRC and Hong Kong in recent years, the Group is dedicated to improve the quality research and development with strong emphasis on food safety and quality. The Group will continue to source high quality food products from reputable suppliers and closely monitor the procurement and preparation procedures to ensure high standards. The Group also strives to build up recruitment database by recruiting and developing workforce and offer sound remuneration packages, promotion opportunities and training courses to its staff. Besides, the Group has established seven committees led by various senior management personnel to position the Group for sustainable development in the future.

The Board is confident that the Group's constant pursuit of better food quality, a highly motivated work force and solid business strategies will deliver a continued growth in the foreseeable future.

**Lee Yuen Hong**

*Chairman*

Hong Kong, 28 November 2014

# MANAGEMENT DISCUSSION AND ANALYSIS

## OPERATION REVIEW

### Hong Kong operations

During the six-month period ended 30 September 2014, the Group opened two new restaurants in Hong Kong at Causeway Bay and Tuen Mun.

The Group's delivery service, "Tsui Wah Delivery" (快翠送), which covers most areas in Kowloon, has expanded to cover some areas on the Hong Kong Island and the New Territories. It represents a potential source of long term profit and business growth for the Group.

In addition, the Group's first central kitchen in Hong Kong under the brand name "Supreme Catering" (至尊到會) has commenced operation in July 2014. The central kitchen is located in a 10,000 square feet premises in Yau Tong, Kowloon, Hong Kong and it has been providing comprehensive on-site catering services to valued customers since July 2014. The resulting centralised procurement and logistics management capabilities will help the Group to achieve economies of scale and increase synergies. The Group is currently in the process of setting up its new central kitchen in Hong Kong and expects it to commence operations in or around early 2015. The new central kitchen will allow the Group to achieve greater economies of scale and consistency of food quality through centralised food preparation.

### Mainland China operations

During the six-month period ended 30 September 2014, the Group has opened two new restaurants in prime locations in Shanghai (Hongkou district and Pudong New Area) and one new restaurant in Wuhan and Shenzhen, respectively. Through the opening of new restaurants in the PRC, the Group has expanded its footprint in Mainland China, further enhancing the "Tsui Wah" brand.

### Macau operations

"Tsui Wah" restaurant in Macau has been operating under a joint venture arrangement with the Group's joint venture partner. As a direct result of the increase in the sales of the "Tsui Wah" restaurant in Macau, the Group's sale of food to the joint venture had increased accordingly during the six-month period ended 30 September 2014.

# MANAGEMENT DISCUSSION AND ANALYSIS

## AWARDS

During the six-month period ended 30 September 2014, the Group has been granted the following awards:

Date	Issuer of Award	Award
17 September	China Media Network (中華傳媒聯合體)	Most Popular Brand for Tourists 2014 — Gold Award (2014 深受遊客歡迎 — 金爵獎)
4 September	CLP Power Hong Kong Limited (中華電力有限公司)	GREEN PLUS Recognition Award 2014 — Gold Award (Hong Kong Style Food & Beverage) (中電「環保節能機構」嘉許計劃 2014 — 港式餐廳組別金獎)
28 July	HK 5-S Association (香港五常法協會)	The 5th 5-S Innovation Award — Merit (第五屆創意五常大獎優異獎)  5-S Excellence Award 2013–2014 (To Kwa Wan Branch) (2013–2014年度零NC卓越成就大獎(土瓜灣分店))
16 July	Young Entrepreneurs Development Council (青年企業家發展局)	Best Performance of School — Company Partnership (最佳商校伙伴 2013–2014)
16 July	Yahoo! Hong Kong (雅虎香港)	Yahoo! Emotive Brand Awards 2013–2014 — Top 3 Legendary Brand (Yahoo!感情品牌大獎2013–2014 — 三大傳奇品牌)
3 July	Airport Authority Hong Kong (機場管理局)	2014/15 HKIA Retail Shops and Catering Outlets Safety Campaign “Good Housekeeping Competition Gold Award” (2014/15香港國際機場店舖及食肆安全運動「良好工作場所整理比賽金獎」)
19 June	Family Council (家庭議會)	Family-Friendly Employer 2013/14 (2013/14年度家庭友善僱主)
15 May	Hong Kong Tourism Board (香港旅遊發展局)	Accredited Restaurant — Quality Tourism Service Scheme (優質旅遊服務計劃之認可餐館)
8 May	Quality Tourism Services Association (優質旅遊服務協會)	2014 Most Popular QTS Merchant Award Online Voting — Restaurant (2014網選十大最受歡迎香港優質商戶 — 餐館)



# MANAGEMENT DISCUSSION AND ANALYSIS

Date	Issuer of Award	Award
7 May	OpenRice	OpenRice Best Restaurant Awards 2014 Online Voting in China — The Best Open Rice Hong Kong Restaurant Tsui Wah Restaurant (Mong Kok Branch) (優秀開飯熱店大賞2014中國網民投選 — 最優秀香港開飯熱店翠華餐廳 (旺角店))
23 April	Employees Retraining Board (僱員再培訓局)	ERB Manpower Developer Award Scheme — Manpower Developer (ERB人才企業嘉許計劃 — 人才企業)
11 April	Mystery Shopper Service Association (神祕顧客服務協會)	Certificate of Smiling Enterprise 2013–14 (微笑企業大獎2013–14)
4 April	U Magazine	U Favorite Food Awards 2014 — My Most Favorite Cha Chaan Teng (我最喜愛食肆2014 — 我最喜愛的茶餐廳)

These awards are recognitions of the Group's quality operations and the efforts of the Group's dedicated work force. The Board would like to express its gratitude and appreciation to the staff for their continuous efforts in bringing high quality food and services to customers in Hong Kong and the PRC.

## PROSPECTS AND OUTLOOK

The Group has effectively implemented its restaurant-opening strategy in both Hong Kong and the PRC. During the six-month period ended 30 September 2014, the Group opened six new restaurants in Hong Kong, Southern China and Eastern China. The Group plans to further penetrate the PRC market by expanding its restaurant network in Hong Kong and across different regions of the PRC. It will continue to execute its well-planned restaurant-opening strategy according to market condition with an aim to operate more than 80 restaurants in 2017. To further strengthen its business operations in Hong Kong, the Group has continued to expand the coverage of its delivery service "Tsui Wah Delivery" and is dedicated to increase and optimise the speed and ordering efficiency of its delivery service "Tsui Wah Delivery" in order to provide superior service to its customers. In addition, the Group will continue to promote its catering service under the brand name of "Supreme Catering" (至尊到會), enabling its customers to enjoy a five-star catering experience. The Board is confident that the Group will continue to explore business opportunities and expand its restaurant network in both Hong Kong and the PRC.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

### Revenue

The Group's revenue for each of the six-month periods ended 30 September 2013 and 2014 was approximately HK\$694.9 million and HK\$893.5 million, respectively, representing an increase of approximately 28.6% as compared with the corresponding period in 2013. The higher revenue was mainly due to the opening of new restaurants and the increase in revenue from existing restaurants as a result of the regular updates of the restaurant menu.

As at 30 September 2014, the Group operated 29 restaurants in Hong Kong, 17 restaurants in the PRC, and one restaurant in Macau.

### Cost of inventories sold

For each of the six-month periods ended 30 September 2013 and 2014, the cost of inventories sold amounted to approximately HK\$210.0 million and HK\$277.9 million, respectively, representing approximately 30.2% and 31.1% of the Group's revenue for the respective periods. The cost of inventories sold in relation to the Group's revenue has slightly increased as a result of the increase in the cost of food ingredients.

### Gross profit

The Group's gross profit, which equals the revenue minus cost of inventories sold, for the six-month period ended 30 September 2014 was approximately HK\$615.6 million, representing an increase of approximately 27.0% from approximately HK\$484.9 million of the corresponding period of 2013. The increase was mainly due to the promising sales growth in the existing restaurants, opening of new restaurants and the introduction of new items to the Group's menu periodically. The gross profit margin of the Group for each of the six-month periods ended 30 September 2013 and 2014 was approximately 69.8% and 68.9%, respectively.

### Staff costs

The staff costs for each of the six-month periods ended 30 September 2013 and 2014 were approximately HK\$192.4 million and HK\$244.0 million, respectively, representing approximately 27.7% and 27.3% of the Group's revenues in the corresponding periods. The increase in overall staff costs was mainly due to the hiring of new staff for the opening of new restaurants and the increase of staff salary for staff retention.

### Depreciation and amortisation

For each of the six-month periods ended 30 September 2013 and 2014, the depreciation and amortisation was equivalent to approximately 4.1% and 5.2% of the Group's revenues for the respective periods. The increase was mainly due to the depreciation and amortisation of the Shanghai office and the new central kitchens in Shanghai and Hong Kong, coupled with the increase in the cost of renovation.

### Property rentals and related expenses

The property rentals and related expenses amounted to approximately HK\$91.0 million and HK\$135.2 million, respectively for each of the six-month periods ended 30 September 2013 and 2014, representing approximately 13.1% and 15.1% of the respective periods' revenues. The increase in property rentals and related expenses for the six-month period ended 30 September 2014 was due to amortisation of pre-renovation rental upon the opening of new restaurants and the renewal of old lease agreements with rental adjustment.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Fuel and utility expenses

For each of the six-month periods ended 30 September 2013 and 2014, the fuel and utility expenses accounted for approximately 5.0% and 4.8%, respectively, of the Group's revenues for the respective periods.

## Other operating expenses

Other operating expenses amounted to approximately HK\$49.9 million and HK\$67.4 million for each of the six-month periods ended 30 September 2013 and 2014, respectively, representing approximately 7.2% and 7.5% of the Group's revenues for the respective periods. The increase in other operating expenses in the six-month period ended 30 September 2014 was due to the increase of initial cost and logistics cost of new restaurants.

## Share of profits of joint ventures

Share of the profits of joint ventures amounted to approximately HK\$17.5 million for the six-month period ended 30 September 2013 and approximately HK\$19.6 million for the six-month period ended 30 September 2014. The increase was primarily due to the increase in sales of the Group's joint ventures in Hong Kong and Macau.

## Profit before tax

As a result of the opening of new restaurants, the increase in revenue from existing restaurants and the updated restaurant menu, the profit before tax increased by approximately HK\$1.5 million, or approximately 1.4%, from approximately HK\$103.5 million for the six-month period ended 30 September 2013 to approximately HK\$105.0 million for the six-month period ended 30 September 2014.

## Liquidity and financial resources

The Group finances its business with internally generated cash flows and proceeds received from the listing (the "Listing") of shares of the Company (the "Share(s)") on the Main Board of The Stock Exchange of Hong Kong Limited ("Stock Exchange"). As at 30 September 2014, due to the increasing cash flow generated from the Group's daily operation, the Group had bank deposits and cash amounting to approximately HK\$638.2 million (as at 31 March 2014: approximately HK\$634.6 million), representing an increase of approximately 0.6% from 31 March 2014. Most bank deposits and cash were denominated in Hong Kong dollars and Renminbi.

As at 30 September 2014, the Group's total current assets and current liabilities were approximately HK\$723.6 million (as at 31 March 2014: approximately HK\$713.6 million) and approximately HK\$340.8 million (as at 31 March 2014: approximately HK\$299.3 million), respectively, while the current ratio was about 2.1 times (as at 31 March 2014: about 2.4 times).

The Group had finance lease payables of approximately HK\$0.8 million as at 30 September 2014 (as at 31 March 2014: approximately HK\$1.0 million) and interest-bearing bank borrowings of approximately HK\$84.3 million as at 30 September 2014 (as at 31 March 2014: HK\$86.8 million). The interest-bearing bank borrowings are secured, repayable on demand, denominated in Hong Kong dollars and bear interest at a rate of 1 month Hong Kong Interbank Offered Rate +1.75%. During the six-month period ended 30 September 2014, no financial instruments were used for hedging purposes.

As at 30 September 2014, the gearing ratio of the Group, which was calculated based on the sum of interest-bearing bank borrowings and finance lease payables over equity attributable to owners of the Company, was approximately 7.2% (as at 31 March 2014: approximately 7.6%).

# MANAGEMENT DISCUSSION AND ANALYSIS

## **Material acquisition or disposal**

For the six-month period ended 30 September 2014, the Group had not engaged in any material acquisition or disposal.

## **Foreign currency risk**

The Group's sales and purchases for the six-month period ended 30 September 2014 were mostly denominated in Hong Kong dollars and Renminbi. The Renminbi is not a freely convertible currency. Future exchange rates of the Renminbi could vary significantly from the current or historical exchange rates as a result of the controls that could be imposed by the PRC government. The exchange rates may also be affected by economic developments and political changes domestically and internationally, and the demand and supply of the Renminbi. The appreciation or devaluation of the Renminbi against Hong Kong dollars may have impact on the Group's results. Although foreign currency exposure did not pose significant risk for the Group during the six-month period ended 30 September 2014, the Group will continue to take proactive measures and monitor closely its exposure to such currency movement.

## **Contingent liabilities**

As at 31 March 2014 and 30 September 2014, the contingent liabilities of the Group in respect of bank guarantees given in favour of landlords in lieu of rental deposits were at approximately HK\$2.2 million.

## **Charges on assets**

Save as disclosed in note 17 to interim financial information, there was no other charges on the Group's assets.

## **Human resources**

As at 30 September 2014, the Group (excluding its joint ventures) employed approximately 3,995 employees. Remuneration packages are generally structured by reference to market terms and individual qualifications and experience. The Group has also implemented various share option schemes, details of such schemes are set forth in note 12 to the interim financial information.

During the six-month period ended 30 September 2014, various training activities, such as training on operational safety, management skills as well as mentorship program, had been conducted to improve the front-end quality of services as well as to ensure the smooth and effective installation of the Group's business systems. The Group has continued to implement the management trainee program to enhance the depth and breadth of the management of the Group for their future career development.

# REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION



**To the board of directors of Tsui Wah Holdings Limited**

## **INTRODUCTION**

We have reviewed the interim financial information set out on pages 13 to 29 which comprises the condensed consolidated statement of financial position of Tsui Wah Holdings Limited (the “Company”) and its subsidiaries as of 30 September 2014 and the related condensed consolidated statement of profit or loss, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The directors of the Company are responsible for the preparation and presentation of interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## **SCOPE OF REVIEW**

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## **CONCLUSION**

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

### **Ernst & Young**

*Certified Public Accountants*

22/F CITIC Tower

1 Tim Mei Avenue

Central

Hong Kong

28 November 2014

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six-month period ended 30 September 2014

	Notes	Six-month period ended 30 September	
		2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
REVENUE	4	<b>893,451</b>	694,910
Other income and gains		<b>13,753</b>	8,817
Cost of inventories sold		<b>(277,870)</b>	(210,024)
Staff costs		<b>(243,969)</b>	(192,357)
Depreciation and amortisation		<b>(46,161)</b>	(28,683)
Property rentals and related expenses		<b>(135,197)</b>	(91,008)
Fuel and utility expenses		<b>(43,328)</b>	(34,401)
Advertising and marketing expenses		<b>(3,756)</b>	(2,413)
Other operating expenses		<b>(67,430)</b>	(49,921)
Finance costs		<b>(882)</b>	(32)
Equity-settled share option expense		<b>(3,146)</b>	(8,873)
Share of profits of joint ventures		<b>19,584</b>	17,494
PROFIT BEFORE TAX		<b>105,049</b>	103,509
Income tax expense	5	<b>(16,478)</b>	(18,013)
PROFIT FOR THE PERIOD		<b>88,571</b>	85,496
Attributable to:			
Owners of the Company		<b>88,862</b>	85,492
Non-controlling interests		<b>(291)</b>	4
		<b>88,571</b>	85,496
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic	7	<b>HK6.33 cents</b>	HK6.18 cents
Diluted	7	<b>HK6.22 cents</b>	HK5.97 cents

Details of the dividend payable and proposed for the six-month period ended 30 September 2014 are disclosed in note 6 to the interim financial information.

# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six-month period ended 30 September 2014

	Six-month period ended 30 September	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
PROFIT FOR THE PERIOD	<b>88,571</b>	85,496
OTHER COMPREHENSIVE INCOME		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<b>3,984</b>	1,088
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	<b>92,555</b>	86,584
Attributable to:		
Owners of the Company	<b>92,846</b>	86,580
Non-controlling interests	<b>(291)</b>	4
	<b>92,555</b>	86,584

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2014

	<i>Notes</i>	<b>30 September 2014 (Unaudited) HK\$'000</b>	31 March 2014 (Audited) HK\$'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	<b>593,139</b>	515,024
Prepaid land lease payments		<b>80,565</b>	16,118
Investments in joint ventures		<b>37,790</b>	41,898
Prepayments for purchases of property, plant and equipment		<b>16,903</b>	106,802
Non-current rental deposits		<b>51,022</b>	43,828
Deferred tax assets		<b>14,127</b>	11,995
<b>Total non-current assets</b>		<b>793,546</b>	735,665
<b>CURRENT ASSETS</b>			
Inventories		<b>21,672</b>	19,967
Trade receivables	9	<b>7,852</b>	7,125
Prepayments, deposits and other receivables		<b>53,595</b>	49,707
Pledged time deposit with original maturity of more than three months		<b>443</b>	441
Other pledged time deposits		<b>1,802</b>	1,802
Cash and cash equivalents		<b>638,227</b>	634,551
<b>Total current assets</b>		<b>723,591</b>	713,593
<b>CURRENT LIABILITIES</b>			
Trade payables	10	<b>94,260</b>	69,811
Other payables and accruals		<b>142,004</b>	128,070
Interest-bearing bank loans, secured		<b>84,325</b>	86,809
Finance lease payables		<b>363</b>	411
Tax payable		<b>19,818</b>	14,192
<b>Total current liabilities</b>		<b>340,770</b>	299,293
<b>NET CURRENT ASSETS</b>		<b>382,821</b>	414,300
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,176,367</b>	1,149,965



# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 September 2014

	<i>Note</i>	<b>30 September 2014 (Unaudited) HK\$'000</b>	31 March 2014 (Audited) HK\$'000
<b>NON-CURRENT LIABILITIES</b>			
Finance lease payables		<b>412</b>	552
Deferred tax liabilities		<b>632</b>	399
<b>Total non-current liabilities</b>		<b>1,044</b>	951
<b>Net assets</b>		<b>1,175,323</b>	1,149,014
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Issued capital	11	<b>14,048</b>	14,044
Reserves		<b>1,161,466</b>	1,134,873
<b>Non-controlling interests</b>		<b>1,175,514 (191)</b>	1,148,917 97
<b>Total equity</b>		<b>1,175,323</b>	1,149,014

**Lee Yuen Hong**  
*Director*

**Ho Ting Chi**  
*Director*

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six-month period ended 30 September 2014

	Attributable to owners of the Company										
		Issued capital	Share premium account	Share option reserve	Statutory reserve	Merger reserve	Exchange fluctuation reserve	Retained profits	Total	Non-controlling interests	Total equity
	Notes	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000
At 1 April 2014		14,044	835,716	12,873	8,289	(8,434)	(6,017)	292,446	1,148,917	97	1,149,014
Profit for the period		-	-	-	-	-	-	88,862	88,862	(291)	88,571
Other comprehensive income for the period:											
Exchange differences on translation of foreign operations		-	-	-	-	-	3,984	-	3,984	-	3,984
Total comprehensive income for the period		-	-	-	-	-	3,984	88,862	92,846	(291)	92,555
Capital injection by non-controlling interests		-	-	-	-	-	-	-	-	3	3
2014 final dividend		-	-	-	-	-	-	(70,240)	(70,240)	-	(70,240)
Issuance of new shares		4	933	(92)	-	-	-	-	845	-	845
Equity-settled share option arrangements	12	-	-	3,146	-	-	-	-	3,146	-	3,146
Transfer to statutory reserve		-	-	-	38	-	-	(38)	-	-	-
At 30 September 2014		14,048	836,649*	15,927*	8,327*	(8,434)*	(2,033)*	311,030*	1,175,514	(191)	1,175,323
At 1 April 2013		13,833	782,518	5,422	5,758	(8,434)	2,024	236,011	1,037,132	85	1,037,217
Profit for the period		-	-	-	-	-	-	85,492	85,492	4	85,496
Other comprehensive income for the period:											
Exchange differences on translation of foreign operations		-	-	-	-	-	1,088	-	1,088	-	1,088
Total comprehensive income for the period		-	-	-	-	-	1,088	85,492	86,580	4	86,584
2013 final dividend		-	-	-	-	-	-	(69,167)	(69,167)	-	(69,167)
Equity-settled share option arrangements	12	-	-	8,873	-	-	-	-	8,873	-	8,873
At 30 September 2013		13,833	782,518	14,295	5,758	(8,434)	3,112	252,336	1,063,418	89	1,063,507

\* These reserve accounts comprise the consolidated reserves of HK\$1,161,466,000 (31 March 2014: HK\$1,134,873,000) in the condensed consolidated statement of financial position as at 30 September 2014.

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six-month period ended 30 September 2014

	Six-month period ended 30 September	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash generated from operations	148,279	133,407
Interest received	3,806	3,919
Interest paid	(882)	(33)
Income tax paid	(12,751)	(11,281)
Net cash flows from operating activities	138,452	126,012
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of items of property, plant and equipment	(93,789)	(47,304)
Increase in prepayments for purchase of items of property, plant and equipment	(3,385)	(15,511)
Repayment of loans to a joint venture	–	152
Dividend received from joint ventures	30,588	20,070
Increase in pledged time deposit with original maturity of more than three months	(2)	(3)
Net cash flows used in investing activities	(66,588)	(42,596)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of bank loans	(2,484)	–
Capital element of finance lease rental payments	(188)	(178)
Dividends paid	(70,240)	(69,167)
Proceeds from issue of shares	845	–
Capital contributions by non-controlling interests	3	–
Net cash flows used in financing activities	(72,064)	(69,345)
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		
	(200)	14,071
Cash and cash equivalents at beginning of period	634,551	916,908
Effect of foreign exchange rate changes, net	3,876	567
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>638,227</b>	<b>931,546</b>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	385,332	682,203
Non-pledged time deposits with original maturity of less than three months when acquired	252,895	249,343
Cash and cash equivalents as stated in the condensed consolidated statement of financial position	638,227	931,546

# NOTES TO INTERIM FINANCIAL INFORMATION

30 September 2014

## 1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands on 29 May 2012 as an exempted company with limited liability under the Companies Law, Cap. 22 of the Cayman Islands. The Company's registered office address is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company's shares are listed (the "**Listing**") on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The Company is an investment holding company. The Group is principally engaged in the provision of food catering services through a chain of Hong Kong-style restaurants in Hong Kong and the People's Republic of China (the "**PRC**" or "**Mainland China**").

## 2. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial information has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange and with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants.

- (i) The accounting policies and basis of preparation adopted in the preparation of the interim condensed consolidated financial information are the same as those used in the Group's annual financial statements for the year ended 31 March 2014, except in relation to the following new and revised Hong Kong Financial Reporting Standards ("**HKFRSs**", which also include HKASs and Interpretations) that are adopted for the first time in the current period:

HKFRS 10, HKFRS 12 and HKAS 27 (2011) Amendments	Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) — <i>Investment Entities</i>
HKAS 32 Amendments	Amendments to HKAS 32 <i>Financial Instruments: Presentation</i> — <i>Offsetting Financial Assets and Financial Liabilities</i>
HKAS 36 Amendments	Amendments to HKAS 36 <i>Impairment of Assets</i> — <i>Recoverable Amount Disclosures for Non-Financial Assets</i>
HKAS 39 Amendments	Amendments to HKAS 39 <i>Financial Instruments: Recognition and Measurement</i> — <i>Novation of Derivatives and Continuation of Hedge Accounting</i>
HK(IFRIC)-Int 21	<i>Levies</i>

The adoption of these new and revised HKFRSs has had no significant financial effect on the unaudited condensed consolidated interim financial information.

The Group has not early applied any new and revised HKFRSs, that have been issued but are not yet effective, in this unaudited condensed consolidated interim financial information. However, the Group is in the process of making an assessment of the impact of the new and revised HKFRSs upon initial application, certain of which may be relevant to the Group's operation and may result in changes in the Group's accounting policies, and changes in presentation and measurement of certain items of the Group's financial information.

# NOTES TO INTERIM FINANCIAL INFORMATION

30 September 2014

## 2. BASIS OF PREPARATION *(Continued)*

### (II) Change in accounting estimates of the useful lives of property, plant and equipment

Starting from 1 April 2014, certain subsidiaries of the Group extended the estimated useful lives of certain items of property, plant and equipment, so as to reflect the physical conditions of these assets and the recent experience of the Group. The directors of the Company are of the opinion that the change in accounting estimates enables these subsidiaries to provide more reliable and relevant information to the Group. The change has been applied prospectively from 1 April 2014. Accordingly, the adoption of the change in the estimated useful lives of the property, plant and equipment has no effect on prior years. The effects of the above change are summarised below:

*Condensed consolidated statement of profit or loss  
for the six-month period ended 30 September 2014 (unaudited)*

	HK\$'000
Decrease in depreciation	2,275
Increase in income tax expense	117
Increase in profit for the period and profit attributable to owners of the Company	2,158

*Condensed consolidated statement of financial position  
as at 30 September 2014 (unaudited)*

	HK\$'000
Increase in property, plant and equipment	2,275
Increase in deferred tax liabilities	117
Increase in retained profits	2,158

# NOTES TO INTERIM FINANCIAL INFORMATION

30 September 2014

## 3. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the provision of food catering services through a chain of Hong Kong-style restaurants. Information reported to the Group's management for the purpose of resources allocation and performance assessment focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.

### Geographical information

The following tables present revenue from external customers for the six-month period ended 30 September 2014 and certain non-current asset information as at 30 September 2014, by geographical area.

#### (a) Revenue from external customers

	Six-month period ended 30 September	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
Hong Kong	623,420	529,244
Mainland China	263,018	158,972
Macau*	7,013	6,694
	<b>893,451</b>	694,910

The revenue information above is based on the location of customers.

As no single customer of the Group has individually accounted for over 10% of the Group's total revenue during the period, no information about major customers is presented.

\* Revenue from external customers located in Macau represents revenue derived from the sale of food to a joint venture of the Group.

#### (b) Non-current assets

	As at 30 September 2014 (Unaudited) HK\$'000	As at 31 March 2014 (Audited) HK\$'000
	Hong Kong	364,016
Mainland China	334,625	305,236
Macau	29,756	35,996
	<b>728,397</b>	679,842

The non-current asset information above is based on the location of assets and excludes financial instruments and deferred tax assets.

# NOTES TO INTERIM FINANCIAL INFORMATION

30 September 2014

## 4. REVENUE

Revenue, which is also the Group's turnover, represents amounts received and receivable from the operation of restaurants and the sale of food, net of sales related taxes. An analysis of revenue is as follows:

	Six-month period ended 30 September	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
<b>Revenue</b>		
Restaurant operations	<b>881,608</b>	682,752
Sale of food	<b>11,843</b>	12,158
	<b>893,451</b>	694,910

## 5. INCOME TAX EXPENSE

	Six-month period ended 30 September	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
Current — Hong Kong Charge for the period	<b>12,278</b>	13,638
Current — Elsewhere Charge for the period	<b>6,099</b>	5,666
Deferred tax	<b>(1,899)</b>	(1,291)
Total tax charge for the period	<b>16,478</b>	18,013

Hong Kong profits tax has been provided on the estimated assessable profits arising in Hong Kong at a rate of 16.5% during the six-month periods ended 30 September 2014 and 2013. Taxes on profits assessable elsewhere have been calculated at the rate of tax prevailing in the locations in which the Group operates.

Pursuant to the Corporate Income Tax Law of the PRC being effective on 1 January 2008, the PRC corporate income tax rate of the Group's subsidiaries operating in Mainland China during the six-month periods ended 30 September 2014 and 2013 was 25% on their taxable profits.

## 6. INTERIM DIVIDEND

On 28 November 2014, the Board declared an interim dividend of HK2.0 cents per share (six-month period ended 30 September 2013: HK2.0 cents per share), totalling HK\$28,096,140 (six-month period ended 30 September 2013: HK\$27,666,680).

# NOTES TO INTERIM FINANCIAL INFORMATION

30 September 2014

## 7. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amount for the six-month period ended 30 September 2014 is based on the profit for the period attributable to ordinary equity holders of the Company of HK\$88,862,000 (six-month period ended 30 September 2013: HK\$85,492,000) and the weighted average number of ordinary shares in issue of 1,404,727,805 (six-month period ended 30 September 2013: 1,383,334,000).

The calculation of diluted earnings per share amount for the six-month period ended 30 September 2014 is based on the profit for the period attributable to ordinary equity holders of the Company of HK\$88,862,000 (six-month period ended 30 September 2013: HK\$85,492,000). The weighted average number of ordinary shares used in the calculation is 1,428,120,646 (six-month period ended 30 September 2013: 1,432,671,521), which is the sum of 1,404,727,805 (six-month period ended 30 September 2013: 1,383,334,000) ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of 23,392,841 (six-month period ended 30 September 2013: 49,337,521) ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares.

## 8. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group acquired property, plant and equipment of HK\$97,595,000 (six-month period ended 30 September 2013: HK\$47,304,000).

## 9. TRADE RECEIVABLES

An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

	30 September 2014 (Unaudited) HK\$'000	31 March 2014 (Audited) HK\$'000
Within one month	3,518	4,486
One to two months	4,334	2,639
	7,852	7,125

The Group's trading terms with its customers are mainly on cash and smart card settlement, except for well established, corporate customers for which the credit term is generally 60 days. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancement over its trade receivable balances. Trade receivables are non-interest-bearing.

Included in the Group's trade receivables are amounts due from the Group's joint ventures of HK\$3,188,000 (31 March 2014: HK\$2,727,000) as at 30 September 2014, which are repayable on similar credit terms to those offered to the major customers of the Group.



# NOTES TO INTERIM FINANCIAL INFORMATION

30 September 2014

## 10. TRADE PAYABLES

An aged analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	<b>30 September 2014 (Unaudited) HK\$'000</b>	31 March 2014 (Audited) HK\$'000
Within one month	<b>54,540</b>	39,658
One to two months	<b>39,720</b>	30,153
	<b>94,260</b>	69,811

The trade payables are non-interest-bearing and generally have payment terms of 45 days.

## 11. ISSUED CAPITAL

	<b>30 September 2014 (Unaudited) HK\$'000</b>	31 March 2014 (Audited) HK\$'000
<i>Authorised:</i> 10,000,000,000 ordinary shares of HK\$0.01 each	<b>100,000</b>	100,000
<i>Issued and fully paid:</i> 1,404,807,032 (31 March 2014: 1,404,435,068) ordinary shares of HK\$0.01 each	<b>14,048</b>	14,044

During the current period, the subscription rights attaching to 371,964 share options were exercised at the subscription price of HK\$2.27 per share, resulting in the issue of 371,964 shares of HK\$0.01 each for a total consideration, before expenses, of HK\$845,000. An amount of HK\$92,000 was transferred from the share option reserve to the share premium account upon the exercise of the share options.

# NOTES TO INTERIM FINANCIAL INFORMATION

30 September 2014

## 12. SHARE OPTION SCHEMES

### (A) Share option scheme

The Company operates a share option scheme (“**Share Option Scheme**”) for the purpose of motivating eligible persons to optimise their performance and efficiency for the benefit of the Group and to attract and retain or otherwise maintain ongoing relationships with such eligible persons whose contributions are/will or expected to be beneficial to the Group. The Share Option Scheme became effective on 5 November 2012 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

No share options have been granted under the Share Option Scheme during the current and prior periods and no share options were outstanding under the Share Option Scheme as at 30 September 2014 and 31 March 2014.

### (B) Pre-IPO share option scheme

The Company operates a share option scheme (the “**Pre-IPO Share Option Scheme**”) for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations. Eligible participants of the Pre-IPO Share Option Scheme include the Company’s directors, including independent non-executive directors, other employees of the Group, suppliers of goods or services to the Group, customers of the Group, the Company’s shareholders, and any non-controlling shareholder in the Company’s subsidiaries. The Pre-IPO Share Option Scheme became effective on 5 November 2012 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The following share options were outstanding under the Pre-IPO Share Option Scheme during the period/year:

	30 September 2014		31 March 2014	
	Weighted average exercise price HK\$ per share	Number of options '000	Weighted average exercise price HK\$ per share	Number of options '000
At beginning of period/year	2.27	64,452	2.27	99,373
Exercised during the period/year	2.27	(372)	2.27	(21,101)
Forfeited during the period/year	2.27	(561)	2.27	(13,820)
At end of period/year	2.27	63,519	2.27	64,452

The weighted average share price at the date of exercise for share options exercised during the period was HK\$3.84 (year ended 31 March 2014: HK\$5.16).

During the period ended 30 September 2014, the Group recognised a share option expense of HK\$3,146,000 (six-month period ended 30 September 2013: HK\$8,873,000).

# NOTES TO INTERIM FINANCIAL INFORMATION

30 September 2014

## 12. SHARE OPTION SCHEMES *(Continued)*

### (B) Pre-IPO share option scheme *(Continued)*

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

#### 30 September 2014

Number of options '000	Exercise price* HK\$ per share	Exercise period
823	2.27	26-11-13 to 25-11-15
9,096	2.27	26-11-14 to 25-11-15
13,600	2.27	26-11-14 to 25-11-16
13,200	2.27	26-11-15 to 25-11-16
13,200	2.27	26-11-13 to 25-11-17
13,600	2.27	26-11-15 to 25-11-17
<b>63,519</b>		

#### 31 March 2014

Number of options '000	Exercise price* HK\$ per share	Exercise period
1,476	2.27	26-11-13 to 25-11-15
9,376	2.27	26-11-14 to 25-11-15
13,600	2.27	26-11-14 to 25-11-16
13,200	2.27	26-11-15 to 25-11-16
13,200	2.27	26-11-13 to 25-11-17
13,600	2.27	26-11-15 to 25-11-17
<b>64,452</b>		

\* The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

# NOTES TO INTERIM FINANCIAL INFORMATION

30 September 2014

## 13. OPERATING LEASE COMMITMENTS

The Group leases certain of its restaurants, office premises and warehouses under operating lease arrangements. Leases for these properties are negotiated for terms ranging from one to ten years.

As at the end of the reporting period, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	<b>30 September 2014 (Unaudited) HK\$'000</b>	31 March 2014 (Audited) HK\$'000
Within one year	<b>178,131</b>	175,620
In the second to fifth years, inclusive	<b>358,205</b>	342,191
After five years	<b>182,245</b>	200,859
	<b>718,581</b>	718,670

In addition, the operating lease rentals for certain restaurants are based on the higher of a fixed rental and a contingent rent depending on the sales of these restaurants pursuant to the terms and conditions as set out in the respective rental agreements. As the future sales of these restaurants could not be reliably determined, the relevant contingent rent has not been included above and only the minimum lease commitments have been included in the above table.

## 14. COMMITMENTS

In addition to the operating lease commitments detailed in note 13 above, the Group had the following capital commitments at the end of the reporting period.

	<b>30 September 2014 (Unaudited) HK\$'000</b>	31 March 2014 (Audited) HK\$'000
Contracted, but not provided for leasehold improvements	<b>66,466</b>	27,265
Authorised, but not contracted for leasehold improvements	<b>57,170</b>	83,586
	<b>123,636</b>	110,851

# NOTES TO INTERIM FINANCIAL INFORMATION

30 September 2014

## 15. RELATED PARTY TRANSACTIONS

- (i) In addition to the transactions detailed elsewhere in the interim financial information, the Group had the following material transactions with related parties during the period:

	Note	Six-month period ended 30 September	
		2014	2013
		(Unaudited) HK\$'000	(Unaudited) HK\$'000
Sale of food to joint ventures		11,843	11,107
Purchase of food from a joint venture		96	92
Rental fee paid and payable to:			
Fame City International Limited	(a)	400	382
Success Path Limited	(a)	2,222	2,191
Champion Stage Limited	(a)	950	909
Joy Express Limited	(a)	5,800	5,553

The transactions were conducted at terms and conditions mutually agreed between the relevant parties. The directors of the Company are of the opinion that these related party transactions were conducted in the ordinary course of business of the Group.

- (a) These related parties are controlled by the directors of the Company, namely Mr. Lee Yuen Hong, Mr. Ho Ting Chi, Mr. Cheung Yu To, Mr. Cheung Wai Keung and Mr. Cheung Yue Pui.
- (ii) Compensation of key management personnel of the Group, including directors' and the chief executive's remuneration, is as follows:

	Six-month period ended 30 September	
	2014	2013
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Short term employee benefits	6,294	8,217
Equity-settled share option expenses	2,639	7,424
Post-employment benefits	77	68
	9,010	15,709

## 16. CONTINGENT LIABILITY

As at 30 September 2014, the Group had contingent liabilities of HK\$2,240,000 (31 March 2014: HK\$2,240,000) in respect of bank guarantees given in favour of landlords in lieu of rental deposits.

# NOTES TO INTERIM FINANCIAL INFORMATION

30 September 2014

## 17. PLEDGE OF ASSETS

The Group's land and buildings with an aggregate carrying value of approximately HK\$232,347,000 (31 March 2014: HK\$235,294,000) were pledged to secure the Group's bank loans. The Group's bank guarantee facilities are secured by the pledged time deposits of the Group amounting to HK\$2,245,000 (31 March 2014: HK\$2,243,000).

## 18. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

### Fair value hierarchy

#### Assets for which fair values are disclosed:

Group

HK\$'000	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
As at 30 September 2014				
Non-current rental deposits	–	49,014	–	49,014
As at 31 March 2014				
Non-current rental deposits	–	41,683	–	41,683

#### Liabilities for which fair values are disclosed:

Group

HK\$'000	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
As at 30 September 2014				
Finance lease payables	–	775	–	775
As at 31 March 2014				
Finance lease payables	–	963	–	963

## 19. APPROVAL OF THE INTERIM FINANCIAL INFORMATION

This interim financial information was approved and authorised for issue by the board of directors on 28 November 2014.

## OTHER INFORMATION

### DIVIDEND

The Board has resolved to declare an interim dividend of HK2.0 cents per Share for the six-month period ended 30 September 2014 payable on Wednesday, 24 December 2014 to all shareholders of the Company whose names appear on the register of members of the Company on Tuesday, 16 December 2014.

### CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 15 December 2014 to Tuesday, 16 December 2014, both dates inclusive, during which period no transfer of Shares will be effected. In order to qualify for the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 22 Level, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on Friday, 12 December 2014.

### USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Shares were listed on the Main Board of the Stock Exchange on 26 November 2012 with net proceeds from the global offering of the Company of approximately HK\$794.4 million (after deducting underwriting fees and related expenses).

The following table sets forth a breakdown of the use of net proceeds from the global offering as at 30 September 2014 shown:

Use of net proceeds	Percentage of net proceeds	Amount of net proceeds (in HK\$ million)	Amount utilised (in HK\$ million)	Amount remaining (in HK\$ million)
Opening new restaurants and delivery centers and launch of catering service in Hong Kong	20%	158.9	(103.3)	55.6
Opening new restaurants in China	35%	278.0	(240.0)	38.0
Construction of new central kitchen in Hong Kong	10%	79.4	(79.4)	–
Construction of new central kitchens in Shanghai and Southern China	20%	158.9	(79.4)	79.5
Upgrading information technology systems	5%	39.8	(8.4)	31.4
Additional working capital and other general corporate purposes	10%	79.4	(79.4)	–
Total	100%	794.4	(589.9)	204.5

## OTHER INFORMATION

### SHARE OPTION SCHEMES

#### Pre-IPO Share Option Scheme

The Company adopted a pre-IPO share option scheme (the “**Pre-IPO Share Option Scheme**”) on 5 November 2012 for the purpose of recognising the contribution of certain executives, employees and Directors (who are in full-time employment of the Group) to the growth of the Group and/or to the Listing by granting options to them as incentive or reward.

Other than the options under the Pre-IPO Share Option Scheme granted to grantees (the “**Grantees**”) on or before 7 November 2012, no further options has been or will be granted under the Pre-IPO Share Option Scheme since then. The exercise price per Share is HK\$2.27, which is equivalent to the global offering price per Share. All options granted under the Pre-IPO Share Option scheme on or before 7 November 2012 may be exercised in the following manner:

Grantee(s)	Exercise Period	Maximum percentage of options exercisable
Mr. Lee Yuen Hong (“ <b>Mr. Lee</b> ”)	Commencing on the first anniversary date of the Listing Date upon fulfillment of certain conditions and ending on 25 November 2017	33% of the total number of options granted to Mr. Lee
	Commencing on the second anniversary date of the Listing Date upon fulfillment of certain conditions and ending on 25 November 2017	33% of the total number of options granted to Mr. Lee
	Commencing on the third anniversary date of the Listing Date upon fulfillment of certain conditions and ending on 25 November 2017	34% of the total number of options granted to Mr. Lee
Mr. Lock Kwok On Anthony (“ <b>Mr. Lock</b> ”) and Mr. Chan Hoi Tung (“ <b>Mr. Chan</b> ”)	Commencing on the first anniversary date of the Listing Date and ending on 25 November 2016	33% of the total number of options granted to Mr. Lock and Mr. Chan
	Commencing on the second anniversary date of the Listing Date and ending on 25 November 2016	34% of the total number of options granted to Mr. Lock and Mr. Chan
	Commencing on the third anniversary date of the Listing Date and ending on 25 November 2016	33% of the total number of options granted to Mr. Lock and Mr. Chan
Other grantees other than Mr. Lee, Mr. Lock and Mr. Chan	Commencing on the first anniversary date of the Listing Date and ending on 25 November 2015	50% of the total number of options granted to the grantees other than Mr. Lee, Mr. Lock and Mr. Chan
	Commencing on the second anniversary date of the Listing Date and ending on 25 November 2015	50% of the total number of options granted to the grantees other than Mr. Lee, Mr. Lock and Mr. Chan



## OTHER INFORMATION

### SHARE OPTION SCHEMES (Continued)

#### Pre-IPO Share Option Scheme (Continued)

Each of the Grantees is required to pay HK\$1.00 on acceptance of the options granted under the Pre-IPO Share Option Scheme.

As at the date of this interim report, the Company had 63,350,601 share options outstanding under the Pre-IPO Share Option Scheme, representing approximately 4.51% of the issued share capital of the Company as at that date.

Details of the share options granted, exercised, forfeited and cancelled under the Pre-IPO Share Option Scheme during the period ended 30 September 2014 are as follows:

Grantee(s)	Date of grant	Exercisable period <sup>(1)</sup>	Exercise price	Balance as at 1 April 2014	Number of share options			Balance as at 30 September 2014
					Granted during the period	Exercised during the period	Cancelled or forfeited during the period	
Mr. Lee	7 November 2012	26 November 2013 to 25 November 2017	HK\$2.27 per Share	26,800,054	-	-	-	26,800,054
Mr. Lock	7 November 2012	26 November 2013 to 25 November 2016	HK\$2.27 per Share	17,866,720	-	-	-	17,866,720
Ms. Li Tsau Ha	7 November 2012	26 November 2013 to 25 November 2015	HK\$2.27 per Share	137,308	-	-	-	137,308
Mr. Yang Dong John	7 November 2012	26 November 2013 to 25 November 2015	HK\$2.27 per Share	137,308	-	-	-	137,308
Mr. Chan	7 November 2012	26 November 2013 to 25 November 2016	HK\$2.27 per Share	8,933,360	-	-	-	8,933,360
Employees in aggregate	7 November 2012	26 November 2013 to 25 November 2015	HK\$2.27 per Share	10,577,071 <sup>(2)</sup>	-	(371,964)	(560,799) <sup>(3)</sup>	9,644,308 <sup>(4)</sup>
				64,451,821	-	(371,964)	(560,799)	63,519,058

#### Notes:

- (1) Respective details of the share options exercisable by the respective Grantees are set out on page 31 of this interim report.
- (2) As at 1 April 2014, 178 employees were Grantees under the Pre-IPO Share Option Scheme.
- (3) During the period ended 30 September 2014, seven Grantees ceased to be employed by the Group and accordingly the share options granted to these employees, which amounted to a total of 560,799 share options, were forfeited.
- (4) As at 30 September 2014, there were 171 employees who were Grantees under the Pre-IPO Share Option Scheme.

## OTHER INFORMATION

### SHARE OPTION SCHEMES *(Continued)*

#### Share Option Scheme

The Company adopted a share option scheme (the “**Share Option Scheme**”) on 5 November 2012 for the purpose of giving certain Eligible Persons (as defined below) an opportunity to have a personal stake in the Company and motivating them to optimise their future performance and efficiency to the Group and/or rewarding them for their past contributions, and attracting and retaining, or otherwise maintaining on-going relationships with, such eligible persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group. “**Eligible Persons**” refer to (i) any director, employee, consultant, professional, customer, supplier, agent, partner or adviser of or contractor to the Group or a company in which the Group holds an interest or a subsidiary of such company (“**Affiliate**”); or (ii) the trustee of any trust the beneficiary of which or any discretionary trust the discretionary objects of which include any director, employee, consultant, professional, customer, supplier, agent, partner or adviser of or contractor to the Group or an Affiliate; or (iii) a company beneficially owned by any director, employee, consultant, professional, customer, supplier, agent, partner, adviser of or contractor to the Group or an Affiliate.

The maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme is 133,333,400 Shares, representing approximately 9.49% of the Company’s issued share capital as at the date of this interim report. The maximum number of Shares issued and to be issued upon exercise of the options granted under the Share Option Scheme to any one person (including exercised and outstanding options) in any 12-month period shall not exceed 1% of the Shares in issue from time to time.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as determined by the Board and not exceeding 10 years from the date of the grant. There is no minimum period for which an option must be held before it can be exercised in general. However, at the time of granting any option, the Board may, on a case by case basis, make such grant subject to such conditions, restrictions or limitations including (without limitation) those in relation to the minimum period of the options to be held and/or the performance targets to be achieved as the Board may determine in its absolute discretion. Participants of the Share Option Scheme are required to pay HK\$1 and submit to the Company a duly signed offer letter as the consideration for the grant. The exercise price of the options is determined by the Board in its absolute discretion and shall not be less than whichever is the highest of:

- (a) the nominal value of the Share on the date of grant of the relevant option;
- (b) the closing price of a Share as stated in the Stock Exchange’s daily quotation sheet on the date of grant of the relevant option; and
- (c) the average closing price of a Share as stated in the Stock Exchange’s daily quotation sheet for the five business days immediately preceding the date grant of the relevant option.

The Share Option Scheme shall be valid and effective for a period of 10 years from the Listing Date, after which no further options will be granted or offered but the provisions of the Share Option Scheme shall remain in force and effect in all other respects. All options granted prior to the termination of the Share Option Scheme and not then exercised shall continue to valid and exercisable subject to and in accordance with the Share Option Scheme.

During the period ended 30 September 2014, no options were granted by the Board under the Share Option Scheme.

Further details of the Pre-IPO Share Option Scheme and the Share Option Scheme are set out in note 12 to the interim financial information.

## OTHER INFORMATION

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 September 2014, the interests and short positions of each Director and chief executive of the Company in the Shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of the SFO); or were required pursuant to Section 352 of the SFO to be entered in the register referred to therein; or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

#### Interest In the Shares of the Company

Name of Director	Nature of interest	Number of Shares	Number of Shares subject to options granted under Pre-IPO Share Option Scheme	Total	Approximate percentage of shareholding <sup>(3)</sup>
Mr. Lee Yuen Hong <sup>(1)</sup>	Beneficial interest, interests held jointly with another person; interest in a controlled corporation	878,956,000 (L)	26,800,054 <sup>(2)</sup>	905,756,054	64.48%
Mr. Ho Ting Chi <sup>(1)</sup>	Interests held jointly with another person; interest in a controlled corporation	878,956,000 (L)	–	905,756,054 <sup>(2)</sup>	64.48%
Mr. Cheung Yue Pui <sup>(1)</sup>	Interests held jointly with another person; interest in a controlled corporation	878,956,000 (L)	–	905,756,054 <sup>(2)</sup>	64.48%
Mr. Cheung Yu To <sup>(1)</sup>	Interests held jointly with another person; interest in a controlled corporation	878,956,000 (L)	–	905,756,054 <sup>(2)</sup>	64.48%
Mr. Cheung Wai Keung <sup>(1)</sup>	Interests held jointly with another person; interest in a controlled corporation	878,956,000 (L)	–	905,756,054 <sup>(2)</sup>	64.48%

## OTHER INFORMATION

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (Continued)

#### Interest In the Shares of the Company (Continued)

Name of chief executives	Nature of interest	Number of Shares	Number of Shares subject to options granted under Pre-IPO Share Option Scheme	Approximate percentage of shareholding <sup>(3)</sup>	
				Total	
Mr. Lock Kwok On Anthony	Beneficial interests and interest in controlled corporation	18,800,000 (L)	17,866,720	36,666,720	2.61%

(L) denotes long position

#### Notes:

- (1) Pursuant to a deed of confirmation dated 5 November 2012 (the "**Deed of Confirmation**"), Mr. Lee Yuen Hong, Mr. Ho Ting Chi, Mr. Cheung Yue Pui, Mr. Cheung Yu To and Mr. Cheung Wai Keung have agreed to jointly control their respective interests in the Company and decisions as to the business and operations of the Group shall be in accordance with the unanimous consent of all of them. Each of Mr. Lee Yuen Hong, Mr. Ho Ting Chi, Mr. Cheung Yue Pui, Mr. Cheung Yu To and Mr. Cheung Wai Keung shall exercise their respective voting rights in the Company in the same way. Hence, each of Mr. Lee Yuen Hong, Mr. Ho Ting Chi, Mr. Cheung Yue Pui, Mr. Cheung Yu To and Mr. Cheung Wai Keung is deemed to be interested in all the Shares held by them in aggregate by virtue of the SFO.
- (2) 905,756,054 Shares consist of 878,956,000 Shares and 26,800,054 share options. The 26,800,054 share options were granted under the Pre-IPO Share Option Scheme to Mr. Lee Yuen Hong personally, but pursuant to the Deed of Confirmation, Mr. Ho Ting Chi, Mr. Cheung Yue Pui, Mr. Cheung Yu To and Mr. Cheung Wai Keung are deemed to be interested in such share options by virtue of the SFO.
- (3) These percentages are calculated on the basis of 1,404,807,032 Shares in issue as at 30 September 2014.

On 22 April 2014 and 23 April 2014, our controlling shareholders (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rule**")), namely Cui Fa Limited, a company that is jointly owned by Mr. Lee Yuen Hong, Mr. Ho Ting Chi and Mr. Cheung Yu To, has acquired an aggregate of 7,000,000 shares from secondary market.

Save as disclosed above, as at 30 September 2014, none of the Directors and chief executives of the Company had any interests and short positions in the Shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of the SFO); or were required pursuant to Section 352 of the SFO to be entered in the register referred to therein; or were required pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange.

## OTHER INFORMATION

### DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

At no time during the period ended 30 September 2014 was the Company or any of its subsidiaries, a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of Shares or debentures of the Company or any other body corporate; and none of the Directors, or their spouses or children under the age of 18, had any rights to subscribe for the securities of the Company, or had exercised any such right during the period.

### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 September 2014, so far as is known to the Directors or chief executives of the Company, the following persons other than a Director or chief executive of the Company had an interest or a short position in the Shares and underlying Shares which were required to be disclosed pursuant to the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (the "SFO"), or which were required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein, were as follows:

Name of Shareholder	Capacity	Number of Shares	Approximate percentage of shareholding <sup>(7)</sup>
Ms. Chan Choi Fung <sup>(1)</sup>	Interest of a spouse	905,756,054 (L)	64.48%
Ms. Tai Ngan Har Talia <sup>(2)</sup>	Interest of a spouse	905,756,054 (L)	64.48%
Ms. Lam Hiu Man <sup>(3)</sup>	Interest of a spouse	905,756,054 (L)	64.48%
Ms. Woo Chun Li <sup>(4)</sup>	Interest of a spouse	905,756,054 (L)	64.48%
Ms. Lui Ning <sup>(5)</sup>	Interest of a spouse	905,756,054 (L)	64.48%
Cui Fa Limited <sup>(6)</sup>	Beneficial owner	770,092,000 (L)	54.82%

(L) denotes long position

#### Notes:

- (1) Ms. Chan Choi Fung is the spouse of Mr. Lee Yuen Hong. Under the SFO, Ms. Chan Choi Fung is taken to be interested in the same number of Shares in which Mr. Lee Yuen Hong is interested.
- (2) Ms. Tai Ngan Har Talia is the spouse of Mr. Ho Ting Chi. Under the SFO, Ms. Tai Ngan Har Talia is taken to be interested in the same number of Shares in which Mr. Ho Ting Chi is interested.
- (3) Ms. Lam Hiu Man is the spouse of Mr. Cheung Yue Pui. Under the SFO, Ms. Lam Hiu Man is taken to be interested in the same number of Shares in which Mr. Cheung Yue Pui is interested.
- (4) Ms. Woo Chun Li is the spouse of Mr. Cheung Wai Keung. Under the SFO, Ms. Woo Chun Li is taken to be interested in the same number of Shares in which Mr. Cheung Wai Keung is interested.
- (5) Ms. Lui Ning is the spouse of Mr. Cheung Yu To. Under the SFO, Ms. Lui Ning is taken to be interested in the same number of Shares in which Mr. Cheung Yu To is interested.
- (6) As at 30 September 2014, Cui Fa Limited was held as to approximately 48.19%, 37.35% and 14.46% by Mr. Lee Yuen Hong, Mr. Ho Ting Chi and Mr. Cheung Yu To, respectively.
- (7) These percentages are calculated on the basis of 1,404,807,032 Shares in issue as at 30 September 2014.

Save as disclosed herein, as at 30 September 2014, there was no other person so far known to the Directors or chief executives of the Company, other than a Director or chief executive of the Company as having an interest or a short position in the Shares and underlying Shares which would be required to be disclosed to the Company pursuant to Part XV of the SFO or which were required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

## OTHER INFORMATION

### **DIRECTORS'/CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS**

Save as disclosed in note 15 to the interim financial information, there were no contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries or associates was a party and in which any Director or controlling shareholder had a material interest, whether directly or indirectly, subsisted at the end of the period or at any time during the period.

### **CHANGE IN DIRECTOR'S INFORMATION**

As disclosed in the announcement of the Company dated 16 July 2014, Mr. Cheung Wai Keung was re-designated from an executive Director to a non-executive Director with effect from 16 August 2014.

### **CORPORATE GOVERNANCE**

The Company has adopted and complied with the code provisions (the "**Code Provisions**") in the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 to the Listing Rules for the six-month period ended 30 September 2014. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code from time to time.

### **MODEL CODE OF SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules as a code of conduct of the Company regarding the Directors' transactions of the listed securities of the Company.

In response to the specific enquiry made by the Company, all the Directors confirmed that they had fully complied with the required standard set out in the Model Code throughout the six-month period ended 30 September 2014.

### **AUDIT COMMITTEE**

The audit committee of the Company (the "**Audit Committee**") was established on 5 November 2012 with specific written terms of reference in compliance with Rule 3.22 of the Listing Rules and Code Provision C.3 of the CG Code. The primary duties of the Audit Committee are to make recommendations to the Board on the appointment and removal of the external auditor, review the financial statements and material advice in respect of financial reporting and oversee the internal control procedures of the Company. The existing members of the Audit Committee comprise Mr. Yim Kwok Man, Mr. Goh Choo Hwee and Mr. Wong Chi Kin, all of whom are independent non-executive Directors. Mr. Yim Kwok Man is the chairman of the Audit Committee.

The unaudited interim financial information for the six-month period ended 30 September 2014 has been reviewed by the Audit Committee and the external auditors, Ernst & Young.

### **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

During the six-month period ended 30 September 2014, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

### **PUBLIC FLOAT**

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this interim report, the Company has maintained sufficient prescribed public float of the issued Shares as required under the Listing Rules.

## OTHER INFORMATION

### **EVENTS AFTER THE REPORTING PERIOD**

There is no material subsequent event undertaken by the Company or by the Group after 30 September 2014 and up to the date of this interim report.

### **APPRECIATION**

The Board would like to express sincere gratitude to the management of the Group and all the staff for their continuous support and contributions. The Board also takes this opportunity to thank its loyal shareholders, investors, customers, auditors, business partners and associates for their continued faith in the prospects of the Group.

By Order of the Board  
**Tsui Wah Holdings Limited**  
**LEE Yuen Hong**  
*Chairman*

Hong Kong, 28 November 2014

*As at the date of this report, the executive Directors are Mr. Lee Yuen Hong, Mr. Ho Ting Chi, Mr. Cheung Yu To and Mr. Cheung Yue Pui, the non-executive Director is Mr. Cheung Wai Keung and the independent non-executive Directors are Mr. Goh Choo Hwee, Mr. Wong Chi Kin and Mr. Yim Kwok Man.*



This Interim Report is printed on environmentally friendly paper  
本中期報告以環保紙張印刷