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## **LONGHUI INTERNATIONAL HOLDINGS LIMITED**

### **龍輝國際控股有限公司**

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

**(Stock Code: 1007)**

### **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2018**

#### **RESULTS**

The board (the “Board”) of directors (the “Director(s)”) of Longhui International Holdings Limited (the “Company”) hereby announces the unaudited interim results of the Company for the six months ended 30 June 2018, as follows:

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
*For the six months ended 30 June 2018*

		<b>Six months ended 30 June</b>	
		<b>2018</b>	2017
		<b>(Unaudited)</b>	(Unaudited)
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
Revenue	3	—	—
Cost of sales		—	—
<b>Gross profit</b>		—	—
Administration expenses		<u>(5,837)</u>	<u>(2,726)</u>
<b>Loss before taxation</b>	4	<b>(5,837)</b>	<b>(2,726)</b>
Income tax expense	5	—	—
<b>LOSS FOR THE PERIOD</b>		<u><b>(5,837)</b></u>	<u><b>(2,726)</b></u>
<b>Total comprehensive expense for the period</b>		<u><b>(5,837)</b></u>	<u><b>(2,726)</b></u>
<b>Loss for the period attributable to owners of the Company</b>		<u><b>(5,837)</b></u>	<u><b>(2,726)</b></u>
<b>Total comprehensive expense for the period attributable to owners of the Company</b>		<u><b>(5,837)</b></u>	<u><b>(2,726)</b></u>
			(RESTATED)
<b>LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>			
Basic and diluted	7	<u><b>HK\$(0.010)</b></u>	<u><b>HK\$(0.004)</b></u>

## STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

		As at 30 June 2018 (Unaudited) HK\$'000	As at 31 December 2017 (Audited) HK\$'000
<b>Current assets</b>			
Prepayments		123	186
Bank balances and cash	8	<u>10,340</u>	<u>80</u>
		<u>10,463</u>	<u>266</u>
<b>Current liabilities</b>			
Accrued expenses and other payables	9	<u>59,607</u>	<u>43,573</u>
		<u>59,607</u>	<u>43,573</u>
<b>Net current liabilities</b>		<u>(49,144)</u>	<u>(43,307)</u>
<b>Total assets less current liabilities</b>		<u>(49,144)</u>	<u>(43,307)</u>
<b>Capital and reserves</b>			
Share capital	10	10	10
Reserves		<u>(49,154)</u>	<u>(43,317)</u>
		<u>(49,144)</u>	<u>(43,307)</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 1. GENERAL

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

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

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

The Company acts as an investment holding company.

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

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

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

### 2.1 BASIS OF PREPARATION

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

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

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

As disclosed in the Company’s announcement dated 29 March 2012, during the audit process in respect of the financial year ended 31 December 2011, irregularities were identified by Deloitte Touche Tohmatsu, the predecessor auditors of the Company (the “Predecessor Auditors”) that (i) certain milk procurement transactions brought to the attention of management and acknowledged by them to be fraudulent; (ii) unexplained differences between sales receipt notes sighted during the Predecessor Auditors’ works in February 2012 and documents purporting to be the same sales receipt notes returned to the Company in March 2012 ostensibly following a Tax Bureau investigation; (iii) the explanation provided by management - The Tax Bureau investigation - for removing accounting records which were then not available to the Predecessor Auditors

continuously during the audit; (iv) the validity and commercial substance of acquisitions of milk stations, farm houses and Holstein cattle; and (v) difficulties the Predecessor Auditors encountered during their visits to the local branch of one of the banks of the Company and its subsidiaries (the “Group”) (collectively referred as to the “Potential Irregularities”). The Predecessor Auditors tendered its resignation as auditors of the Company with effect from 21 March 2012 and the Company applied for suspension of trading in the shares on the Main Board of the Stock Exchange on 22 March 2012.

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

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

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

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

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

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

As disclosed in the Company’s announcement dated 6 November 2013, the Company engaged RSM Corporate Advisory (Hong Kong) Limited (formerly known as “RSM Nelson Wheeler Corporate Advisory Limited”) (the “Forensic Accountants”) to carry out forensic investigation in respect of the Potential Irregularities (the “Forensic Investigation”). It was further disclosed in the Company’s announcements dated 29 January 2014, 4 April 2014, 13 June 2014, 5 September 2014, 28 November 2014 and 30 April 2015 that (1) the Forensic Accountants were yet to commence their field work as the Company and the Forensic Accountants have encountered difficulties in procuring relevant parties including the previous management of the Group to cooperate in the field work of the Forensic Investigation; (2) two PRC law firms were engaged with the objectives to (i) effect the

change of legal representatives and board of directors of Da Qing Dairy, Heilongjiang Chang Qing Dairy Products Co., Ltd. (黑龍江常慶乳業有限責任公司) (“Chang Qing Dairy”) and Wuchang Benniu Muye Co., Ltd (五常犇牛牧業有限責任公司) (“Benniu Muye”) (collectively referred as to the “PRC Subsidiaries”) through legal means; and (ii) obtain information requested by the Forensic Accountants; and (3) the contemplate change of respective legal representatives of the PRC Subsidiaries could not be effected and due to insufficient financial resources of the Company, the Forensic Investigation has been temporarily halted.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### (a) Impact on the financial statements

##### *New standards, amendments, improvement and interpretation*

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

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

## 3. REVENUE AND SEGMENT INFORMATION

The Company did not conduct business during the period.

## 4. LOSS BEFORE TAXATION

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

	Six months ended 30 June	
	2018	2017
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Loss before taxation has been arrived at after charging:		
Staff costs (including directors’ emoluments):		
— Salaries and wages	300	300
— Retirement benefit scheme contributions	6	6
	<u>306</u>	<u>306</u>

## 5. INCOME TAX EXPENSES

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

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

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

	Six months ended 30 June	
	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Loss before taxation	(5,837)	(2,726)
Tax at the statutory tax rates	(963)	(450)
Effect of unrecognised deductible losses and deductible temporary differences	963	450
	<u>—</u>	<u>—</u>

## 6. DIVIDENDS

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

## 7. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

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

	Six months ended 30 June	
	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
<b>Loss</b>		
Loss for the period attributable to owners of the Company for the purpose of basic loss per share	(5,837)	(2,726)



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

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

## 9. ACCRUED EXPENSES AND OTHER PAYABLES

	As at 30 June 2018 <i>HK\$'000</i> (Unaudited)	As at 31 December 2017 <i>HK\$'000</i> (Audited)
Accrued expenses	4,478	3,004
Receipt in advance (note)	10,263	—
Amount due to a de-consolidated subsidiary	1,028	1,028
Amount due to related parties	26,144	21,847
Other payables	17,694	17,694
	<u>59,607</u>	<u>43,573</u>

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

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

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

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

## 10. SHARE CAPITAL

	Number of shares	Share capital <i>HK\$'000</i>
Ordinary shares		
<b>Authorised:</b>		
As at 31 December 2017 and 30 June 2018 (HK\$0.00001 each)	38,000,000,000	380
<b>Issued:</b>		
As at 31 December 2017 and 1 January 2018	1,010,500,000	10
Share consolidation (note a)	<u>(505,250,000)</u>	<u>—</u>
As at 30 June 2018	<u>505,250,000</u>	<u>10</u>

Note:

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

## **11. SHARE-BASED PAYMENTS**

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

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

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

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

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

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

## **12. RELATED PARTY TRANSACTIONS**

### **(a) Balances with related parties**

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

### **(b) Key management personnel emoluments**

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

### **13. COMMITMENTS**

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

### **14. CONTINGENT LIABILITIES**

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

### **15. EVENTS AFTER THE REPORTING PERIOD**

#### **UNDERWRITING AGREEMENT**

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

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

#### **COMPLETION OF THE OPEN OFFER**

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

#### **COMPLETION OF THE ACQUISITION**

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

## **COMPLETION OF THE DISPOSAL**

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

## **COMPLETION OF THE SHARE PLACING**

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

## **RESUMPTION OF TRADING**

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

## **CHANGE OF DIRECTORS**

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

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

## **CHANGE OF COMPANY NAME**

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

## **CHANGE OF STOCK SHORT NAME**

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

## **APPOINTMENT OF EXECUTIVE DIRECTOR**

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

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

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

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

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

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

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

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

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

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

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

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

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

## **FINANCIAL REVIEW**

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

## **INTERIM DIVIDEND**

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

## **LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO**

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

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

The net liabilities value per share of the Company was approximately HK\$0.097 as at 30 June 2018 (31 December 2017: approximately HK\$0.043). The net liabilities value per share was computed based on 505,250,000 and 1,010,500,000 ordinary shares in issue as at 30 June 2018 and 31 December 2017 respectively.

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

## **PLEDGE OF ASSETS**

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

## **CAPITAL STRUCTURE**

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

## **INVESTMENT POSITION AND PLANNING**

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

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

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

## **CONNECTED TRANSACTIONS**

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

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

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

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

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

## **FOREIGN CURRENCY RISK**

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

## **EMPLOYEES AND REMUNERATION POLICIES**

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

## EVENTS AFTER REPORTING PERIOD

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

## PROSPECTS

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

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

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

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

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

## **AUDIT COMMITTEE**

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

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

## **CORPORATE GOVERNANCE PRACTICES**

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

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

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

### **Code Provision A.1.8**

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

### **Code Provision A.2.1**

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

### **Code Provision A.4.1**

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

### **Code Provision C.1.2**

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

### **Code Provision C.2.1**

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

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

## **MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS**

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

## **PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT**

This results announcement is published on the Stock Exchange's website ([www.hkex.com.hk](http://www.hkex.com.hk)) and the Company's website (<http://www.cre8ir.com/longhui/>). The interim report of the Company will be despatched to the shareholders and will be available on websites of the Stock Exchange and the Company in due course.

By order of the Board  
**Longhui International Holdings Limited**  
**Hung Shui Chak**  
*Chairman and executive Director*

Hong Kong, 22 August 2018

*As at the date of this announcement, the Board comprises five executive Directors, namely Mr. Hung Shui Chak, Mr. So Kam Chuen, Mr. Yuan Mingjie, Mr. Chen Jun and Mr. Su Guicai; and three independent non-executive Directors, namely Mr. Ha Kee Choy Eugene, Mr. Chan Chun Yiu Thomas and Mr. Mai Guangfan.*