1957 & Co. (Hospitality) Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8495)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

CHARACTERISTICS OF THE GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors (the "**Directors**") of 1957 & Co. (Hospitality) Limited (the "**Company**" or "**1957 & Co.**", together with its subsidiaries, the "**Group**" or "**We**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "**GEM Listing Rules**") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

FINANCIAL HIGHLIGHTS

During the year ended 31 December 2017:

- the Company successfully listed its shares on the GEM of the Stock Exchange by way of share offer in December 2017 (the "**Listing**") and gross proceeds of HK$50.4 million was raised;
- the Group opened three restaurants namely Hokkaidon Restaurant, Mango Tree Café (YOHO) Restaurant and Paper Moon Restaurant;
- the Group recorded revenue of approximately HK$270.0 million, representing an increase of approximately 24.0% as compared to the year ended 31 December 2016;
- the Group recorded adjusted operating profit of approximately HK$11.7 million (2016: HK$10.4 million) before the effects of Listing expenses; and
- the Group recorded a net loss of approximately HK$10.8 million (2016: net profit of approximately HK$0.6 million) after the effects of Listing expenses of HK$16.0 million (2016: HK$4.7 million).

The Board did not recommend the payment of final dividend for the year ended 31 December 2017.

RESULTS

The Directors are pleased to announce the consolidated results of the Group for the year ended 31 December 2017, together with the comparative figures for the year ended 31 December 2016, as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2017

	Note	2017 HK$'000	2016 HK$'000
Revenue	4	**269,992**	217,793
Other (losses)/gains and income, net	5	**(48)**	1,018
Cost of inventories sold		**(71,665)**	(58,845)
Employee benefit expenses		**(87,056)**	(73,804)
Depreciation, amortisation and impairment		**(56,826)**	(43,737)
Royalty fees		**(3,797)**	(2,519)
Rental expenses		**(5,274)**	(4,216)
Utilities		**(7,328)**	(6,253)
Other operating expenses	7	**(26,256)**	(19,033)
Listing expenses		**(15,994)**	(4,696)
Operating (loss)/profit		**(4,252)**	5,708
Finance income		**26**	4
Finance costs		**(4,815)**	(3,443)
Finance costs, net	6	**(4,789)**	(3,439)
Share of losses of associates		**(8)**	(509)
(Loss)/profit before income tax		**(9,049)**	1,760
Income tax expense	8	**(1,724)**	(1,210)
(Loss)/profit for the year		**(10,773)**	550
(Loss)/profit for the year attributable to:			
— Owners of the Company		**(11,094)**	359
— Non-controlling interests		**321**	191
		(10,773)	550

	Note	**2017** *HK$'000*	2016 *HK$'000*
(Loss)/profit for the year		**(10,773)**	550
Other comprehensive (loss)/income			
Items that may be reclassified to profit or loss			
— Currency translation differences		**(2)**	31
Total comprehensive (loss)/income for the year		**(10,775)**	581
Total comprehensive (loss)/income for the year attributable to:			
— Owners of the Company		**(11,096)**	390
— Non-controlling interests		**321**	191
		(10,775)	581
(Losses)/earnings per share attributable to owners of the Company for the year (HK cents)			
— Basic and diluted	*10*	**(4.51)**	0.15

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2017

	Note	2017 HK$'000	2016 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**243,412**	152,353
Intangible assets		**1,848**	1,230
Interest in an associate		**28**	36
Prepayments and deposits		**16,325**	551
Deferred tax assets		**9,113**	7,675
		270,726	161,845
Current assets			
Inventories		**1,676**	1,096
Trade receivables	*11*	**3,512**	3,788
Prepayments, deposits and other receivables		**6,038**	5,713
Amounts due from related parties		**80**	40
Tax recoverable		**827**	532
Pledged bank deposits		**12,835**	6,078
Cash and cash equivalents		**56,424**	23,906
		81,392	41,153
Total assets		**352,118**	202,998
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital	*12*	**32**	–
Share premium	*12*	**86,773**	46,483
Capital reserve		**(2,983)**	(2,983)
Exchange reserve		**(2)**	–
Accumulated losses		**(12,807)**	(1,713)
		71,013	41,787
Non-controlling interests		**19,980**	6,019
Total equity		**90,993**	47,806

	Note	2017 HK$'000	2016 HK$'000
LIABILITIES			
Non-current liabilities			
Bank borrowings	*14*	**–**	7,958
Lease liabilities		**136,337**	74,126
Deferred income tax liabilities		**16**	25
		136,353	82,109
Current liabilities			
Trade payables	*13*	**13,499**	9,148
Accruals and other payables		**16,983**	13,317
Lease liabilities		**53,650**	37,925
Contract liabilities		**797**	411
Income tax payable		**2,229**	566
Amounts due to related parties		**–**	280
Bank borrowings	*14*	**37,614**	11,436
		124,772	73,083
Total liabilities		**261,125**	155,192
Total equity and liabilities		**352,118**	202,998

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION, REORGANISATION AND BASIS OF PRESENTATION

1.1 General information

1957 & Co. (Hospitality) Limited (the "**Company**") was incorporated in the Cayman Islands on 3 February 2016 as an exempted company with limited liability under Companies Law (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands and its principal place of business is Room 1004, 10/F, Tung Chiu Commercial Centre, 193 Lockhart Road, Wanchai, Hong Kong.

The Company is an investment holding company and its subsidiaries (together, the "**Group**") are principally engaged in operation of restaurants and catering management and consultancy services (the "**Business**").

These financial statements are presented in thousands of units of Hong Kong dollars ("**HK$'000**"), unless otherwise stated.

The Company has listed its shares on the GEM of The Stock Exchange of Hong Kong Limited ("**GEM**") on 5 December 2017 (the "**Listing**"). In connection with the share offering completed on 5 December 2017, the Company issued a total of 80,000,000 shares at an issue price of HK$0.63 per share for a total proceeds (before related fees and expenses) of HK$50,400,000.

1.2 Reorganisation and basis of presentation

During the year ended 31 December 2016, the Group underwent the Reorganisation which principally involved the following steps:

(i) On 3 February 2016, the Company was incorporated in the Cayman Islands and one share was allotted and issued to a first subscriber which was then transferred to Mr. Kwok Chi Po ("Mr Kwok").

(ii) On 4 February 2016, 1957 & Co. (BVI) Hospitality Limited was incorporated in the British Virgin Islands (the "**BVI**") and one share was allotted and issued to a first subscriber which was then transferred to the Company.

(iii) On 3 August 2016, 1957 & Co. (Management) Limited transferred 60% of its equity interest in Modern Shanghai (Hong Kong) Food & Beverage Limited and 40% of its equity interest in Modern Shanghai (International) Food & Beverage Limited to 1957 & Co. (Hospitality) HK Limited, a company incorporated in Hong Kong, at an aggregate consideration of HK$130,000.

(iv) On 28 December 2016, the Company acquired entire equity interest in 1957 & Co. (Hospitality) HK Limited and 1957 & Co. (Management) Limited from their then equity holders and the consideration was settled by the issuance of an aggregate of 62,199 shares of the Company to the then equity holders or their wholly owned private companies. The Company then nominated 1957 & Co. (BVI) Hospitality Limited to take up the shares acquired

(v) On 28 December 2016, the Company acquired 40% equity interest in Sushi Ta-ke Limited, Mango Tree (HK) Limited, Mango Tree (Kowloon) Limited, Gonpachi Restaurant Limited, An Nam Restaurant Limited, Petit An Nam (YOHO Midtown) Restaurant Limited, An Nam (Festival Walk) Restaurant Limited and Bella Vita Limited from their then equity holders and the consideration was settled by the issuance of an aggregate of 37,800 shares of the Company to the then equity holders or their wholly owned private companies. The Company then nominated 1957 & Co. (Hospitality) HK Limited to take up the shares acquired.

(vi) On 28 December 2016, P.S Hospitality Limited, a company incorporated in the BVI and wholly owned by Mr. Kwok, acquired 1 share of the Company from Mr. Kwok at a consideration of HK$0.0001.

After the completion of the Reorganisation steps as described above, the Company became the holding company of the subsidiaries now comprising the Group.

Immediately prior to and after the Reorganisation, the Business is controlled and operated by the controlling shareholders. The Business is conducted through the subsidiaries of the Company. Pursuant to the Reorganisation, the Business are transferred to and held by the Company. The Company has not been involved in any other business prior to the Reorganisation and does not meet the definition of a business. The Reorganisation is merely a reorganisation of the Business with no change in management and the ultimate owners of the Business remain the same. Accordingly, the Group resulting from the Reorganisation is regarded as a continuation of the Business and the consolidated financial statements of the Company and the Business are prepared in accordance with HKFRS 10, "Consolidated Financial Statements", issued by the HKICPA, using the carrying values of assets and liabilities of the Business as if the group structure after the Reorganisation had been in existence throughout the years presented.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

(i) Compliance with HKFRS and HKCO

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRS**") and requirements of the Hong Kong Companies Ordinance Cap. 622.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for financial assets and financial liabilities which are measured at fair value.

(iii) New standards early adopted by the Group

HKFRS 15 "Revenue from Contracts with Customers" ("**HKFRS 15**") and HKFRS 16 "Leases" ("**HKFRS 16**") are mandatorily effective for annual periods beginning on or after 1 January 2018 and 1 January 2019, respectively. The Group decided to early adopt HKFRS 15 and HKFRS 16. The adoption has been applied retrospectively in the financial statements throughout the years ended 31 December 2017 and 2016.

(iv) New and amended standards adopted by the Group

The Group has applied the following standards and amendments to HKFRS issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for the first time for their annual reporting period commencing 1 January 2017:

HKAS12 (Amendments)	Income taxes
HKAS 7 (Amendments)	Statement of cash flows
HKFRS 12 (Amendments)	Disclosure of interest in other entities

(v) New standards and amendments to standards and interpretations not yet adopted by the Group

A number of new standards and amendments to standards and interpretations have been issued but not effective during the year ended 31 December 2017 and have not been early adopted by the Group in preparing the consolidated financial statements:

		Effective for annual periods beginning on or after
HKAS 28 (Amendment)	Investments in associates and joint ventures	1 January 2018
HKAS 40 (Amendments)	Transfer of investment property	1 January 2018
HKFRS 1 (Amendment)	First time adoption of HKFRS	1 January 2018
HKFRS 2 (Amendments)	Classification and Measurement of Share-Based Payment Transactions	1 January 2018
HKFRS 4 (Amendments)	Applying HKFRS 9 Financial instruments with HKFRS 4 Insurance contracts	1 January 2018
HKFRS 9	Financial Instruments	1 January 2018
HK(IFRIC)-Int22	Foreign Currency Transactions and Advance Consideration	1 January 2018
HK(IFRIC)-Int23	Uncertainty over Income Tax Treatments	1 January 2019
HKFRS 17	Insurance contracts	1 January 2021
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate and Joint Venture	To be determined

HKFRS 9, 'Financial Instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in HKAS 39 that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. For financial liabilities, there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss.

HKFRS 9 introduces a new model for the recognition of impairment losses — the expected credit losses (ECL) model, which constitutes a change from the incurred loss model in HKAS 39. HKFRS 9 contains a 'three stage' approach, which is based on the change in credit quality of financial assets since initial recognition. Assets move through the three stages as credit quality changes and the stages dictate how an entity measures impairment losses and applies the effective interest rate method. The new rules mean that on initial recognition of a non-credit impaired financial asset carried at amortised cost a day-1 loss equal to the 12-month ECL is recognised in profit or loss. In the case of accounts receivables this day-1 loss will be equal to their lifetime ECL. Where there is a significant increase in credit risk, impairment is measured using lifetime ECL rather than 12-month ECL. The Group assesses that adopting HKFRS 9 will not have a material impact to the Group's consolidated financial statements.

(vi) Going concern

The Group had current liabilities of HK$124,772,000 as at 31 December 2017 of which HK$53,650,000 were lease liabilities where the corresponding right-of-use assets were included in property, plant and equipment within non-current assets. Setting aside the lease liabilities of HK$53,650,000, the Group's current assets exceeded its current liabilities by HK$10,270,000 as at 31 December 2017. The directors of the Company have considered the Group's consolidated financial position to conclude that the Group has sufficient financial resources to meet its financial obligations as and when they fall due in the coming twelve months. Accordingly, the Group's consolidated financial statements have been prepared on a going concern basis.

3 SEGMENT INFORMATION

The chief operating decision-maker ("**CODM**") has been identified as the executive directors of the Company who review the Group's internal reporting in order to assess performance and allocate resources. The CODM has determined the operating segments based on these reports.

The CODM assesses the performance based on a measure of segment profit, which is a measure of adjusted profit before income tax. The adjusted profit before income tax is measured consistently with the Group's profit before income tax except that other income and gains, net, finance income, finance costs, share of losses of associates as well as head office expenses are excluded from such measurement.

The Group is principally engaged in operation of restaurants and provision of catering management and consultancy services.

The following is an analysis of the Group's revenue, results, assets and liabilities by operating and reportable segments:

Segment revenue and results

Year ended 31 December 2017

	Operation of restaurants *HK$'000*	**Catering management and consultancy services** *HK$'000*	**Total** *HK$'000*
Total segment revenue	**267,534**	**17,398**	**284,932**
Inter-segment revenue	**–**	**(14,940)**	**(14,940)**
Revenue	**267,534**	**2,458**	**269,992**
Timing of revenue recognition			
Over time	**267,534**	**2,458**	**269,992**
Result			
Segment profit	**19,236**	**1,982**	**21,218**
Other losses, net			**(48)**
Unallocated staff costs			**(11,690)**
Unallocated depreciation and amortisation			**(950)**
Unallocated utilities and consumables			**(50)**
Unallocated other expenses			**(1,527)**
Share of losses of associates			**(8)**
Listing expense			**(15,994)**
Loss before income tax			**(9,049)**

Year ended 31 December 2016

	Operation of restaurants *HK$'000*	Catering management and consultancy services *HK$'000*	Total *HK$'000*
Total segment revenue	216,192	9,435	225,627
Inter-segment revenue	–	(7,834)	(7,834)
Revenue	216,192	1,601	217,793
Timing of revenue recognition			
Over time	216,192	1,601	217,793
Result			
Segment profit	16,035	801	16,836
Other income and gains, net			1,011
Unallocated staff costs			(8,603)
Unallocated depreciation and amortisation			(738)
Unallocated utilities and consumables			(61)
Unallocated other expenses			(1,480)
Share of losses of associates			(509)
Listing expenses			(4,696)
Profit before income tax			1,760

Information about major customers

There are no single external customers contributed to more than 10% of revenue of the Group during the year ended 31 December 2017 (2016: Same).

Geographical information

The Group's revenue from operation of restaurants is mainly derived from customers in Hong Kong and revenue from catering management and consultancy services is mainly derived from customers in Hong Kong and the PRC. The principal assets of the Group were also located in Hong Kong as at 31 December 2017 and 2016. Accordingly, no analysis by geographical segment is provided.

4 REVENUE

Revenue represents income from operation of restaurants and catering management and consultancy services.

	2017	2016
	HK$'000	*HK$'000*
Operation of restaurants	**267,534**	216,192
Catering management and consultancy services	**2,458**	1,601
	269,992	217,793

5 OTHER (LOSSES)/GAINS AND INCOME, NET

	2017	2016
	HK$'000	*HK$'000*
(Loss)/gain on disposal of property, plant and equipment	**(99)**	588
Gains on early termination of a lease contract	**–**	147
Loss on disposal of associates	**–**	(14)
Sundry income	**51**	297
	(48)	1,018

6 FINANCE COSTS, NET

	2017	2016
	HK$'000	*HK$'000*
Finance income		
Interest income	**26**	4
Finance cost		
Interest expenses on bank borrowings	**(685)**	(349)
Interest expenses on lease liabilities	**(4,130)**	(3,094)
	(4,815)	(3,443)
Finance costs, net	**(4,789)**	(3,439)

7 OTHER OPERATING EXPENSES

	2017 *HK$'000*	2016 *HK$'000*
Auditor's remuneration		
— Audit services	**1,100**	305
— Non-audit services	**206**	151
Advertising and promotion	**674**	723
Cleaning and laundry expenses	**8,280**	5,763
Credit card charges	**4,348**	3,492
Commission	**691**	218
Decoration	**406**	337
Legal and professional fees	**1,592**	1,286
Paper and related supplies	**757**	588
Printing expenses	**1,046**	835
Restaurant supplies	**1,881**	1,167
Repair and maintenance	**1,454**	1,489
Staff training, recruitment and uniform	**613**	422
Travelling expenses	**666**	713
Others	**2,542**	1,544
	26,256	19,033

8 INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2016: 16.5%) on the estimated assessable profit for the year ended 31 December 2017.

The amount of income tax expense charged/(credited) to the consolidated income statement represents:

	2017 *HK$'000*	2016 *HK$'000*
Current profits tax		
— Current income tax for the year	**3,158**	2,164
— Under-provision in prior year	**13**	–
Deferred tax	**(1,447)**	(954)
Income tax	**1,724**	1,210

9 DIVIDEND

No dividend has been paid or declared by the Company since its incorporation.

10 (LOSSES)/EARNINGS PER SHARE

(a) Basic

Basic (losses)/earnings per share is calculated by dividing the (loss)/profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	2017	2016
(Loss)/profit attributable to owners of the Company *(HK$'000)*	**(11,094)**	359
Weighted average number of ordinary shares in issue *(in thousands)* *(Note)*	**245,778**	240,000
Basic (losses)/earnings per share *(HK cents)*	**(4.51)**	0.15

Note:

The weighted average number of shares in issue for the years ended 31 December 2017 and 2016 for the purpose of (losses)/earnings per share computation has been retrospectively adjusted for the effect of the 1 share issued on 3 February 2016 (the date of incorporation of the Company), 99,999 shares issued on 28 December 2016 under the Reorganisation in preparation for the Listing (Note 1.2) and the 239,900,000 shares issued under the capitalisation issue on 6 November 2017 (Note 12(a)).

(b) Diluted

Diluted (losses)/earnings per share for the years ended 31 December 2017 and 2016 were the same as the basic (losses)/earnings per share as there were no potential dilutive ordinary shares.

11 TRADE RECEIVABLES

The aging analysis of the trade receivables based on invoice date is as follows:

	2017	2016
	HK$'000	*HK$'000*
1 to 30 days	**3,065**	2,606
31 to 60 days	**167**	196
61 to 90 days	**92**	186
Over 90 days	**188**	800
	3,512	3,788

12 SHARE CAPITAL AND SHARE PREMIUM

	Number of shares of the Company	Share capital *HK$'000*	Share premium *HK$'000*
Authorised:			
Ordinary share capital of HK$0.0001 each as at 31 December 2016 and 2017	3,800,000,000	380	–
Issued and fully paid:			
As at 1 January 2016	–	–	–
Issue of shares at date of incorporation of the Company *(Note 1.2)*	1	–	–
Issue of shares pursuant to the Reorganisation *(Note 1.2)*	99,999	–	46,483
As at 31 December 2016	100,000	–	46,483
Capitalisation issue of shares *(Note (a))*	239,900,000	24	(24)
Shares issued pursuant to the Listing *(Note (b))*	80,000,000	8	50,392
Transaction costs directly attributable to the Listing *(Note (b))*	–	–	(10,078)
As at 31 December 2017	320,000,000	32	86,773

(a) Pursuant to the resolution passed by the shareholders of the Company on 6 November 2017 and conditional on the share premium account of the Company being credited as a result of issue of new shares pursuant to the share offering of the Company's shares, the Company issued additional 239,900,000 shares, credited as fully paid, to the existing shareholders of the Company.

(b) On 5 December 2017, the Company issued 80,000,000 ordinary shares at an issue price of HK$0.63 per share for an aggregated consideration of HK$50,400,000 upon the completion of the Listing. These shares rank pari passu in all respects with the shares in issue. The transaction costs directly attributable to issue of shares amounting to HK$10,078,000 was treated as a deduction from share premium.

13 TRADE PAYABLES

An ageing analysis of trade payables based on invoice date as at the date of consolidated statement of financial position is as follows:

	2017 ***HK$'000***	2016 *HK$'000*
1 to 30 days	**7,367**	4,980
31 to 60 days	**6,039**	4,052
61 to 90 days	**6**	46
Over 90 days	**87**	70
	13,499	9,148

14 BANK BORROWINGS

	2017	2016
	HK$'000	*HK$'000*
Non-current		
Bank borrowings due for repayment between 1 and 2 years	**–**	1,944
Bank borrowings due for repayment between 2 and 5 years	**–**	6,014
	–	7,958
Current		
Bank borrowings due for repayment within 1 year	**37,614**	11,436
	37,614	19,394

The Group's bank borrowings as at 31 December 2016 and 2017 were all denominated in HK$.

As at 31 December 2017, the Group's bank borrowings were secured by corporate guarantee given by the Company (2016: personal guarantee given by the shareholders of the Group) and pledged bank deposits of HK$11,021,000 (2016: HK$6,012,000).

The weighted average effective interest rates of the bank borrowings as at 31 December 2017 was 3.3% per annum (2016: 3.0% per annum).

The carrying amounts of the Group's bank borrowings at 31 December 2017 and 2016 are approximate their fair values as the discounting effect is insignificant.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is a Hong Kong-based restaurant operation and management group that offers a variety of specialty cuisines in restaurants designed by award-winning interior and lighting designers.

During the year ended 31 December 2017, the Group had been principally engaged in operating full service restaurants under various brands and was dedicated to serving quality Japanese, Thai, Vietnamese, Shanghainese and Italian cuisines to different customers. In addition to the restaurant operation business, the Group also provides catering management and consultancy services in Hong Kong and the PRC.

INDUSTRY OVERVIEW

According to the data released by the Census and Statistics Department of the Government of Hong Kong on 5 February 2018, the value of total receipts of the restaurants sector was provisionally estimated at HK$112.7 billion for the whole year of 2017, representing an increase of approximately 5.0% in value and 2.3% in volume compared with the whole year of 2016. Over the same period, the provisional estimate of the value of total purchases of restaurants increased by approximately 2.2% to approximately HK$36.3 billion.

Analysed by type of restaurant and comparing the whole year of 2017 with the whole year of 2016, total receipts of non-Chinese restaurants took the lead in growth which increased by 6.3% in value and 3.9% in volume, as compared to the increase of 3.8% in value and 1.0% in volume recorded by Chinese restaurants. Total receipts of fast food shops increased by 5.7% in value and 2.7% in volume. Total receipts of bars increased by 4.1% in value and 5.2% in volume. As for miscellaneous eating and drinking places, total receipts increased by 5.5% in value and 2.0% in volume.

Taking into account of the general growth across all segments of the catering industry and the expected steady economic growth in Hong Kong, the Group believes that there will be a steady growth of the local catering market in the future and is full of confidence towards the prospects of the catering industry in Hong Kong.

BUSINESS REVIEW

During the year ended 31 December 2017, the Group has opened three new restaurants of different cuisines under three different brands, namely Hokkaidon, Mango Tree Café and Paper Moon, among which Paper Moon is a new sub-licensed brand that the Group secured during 2017. Meanwhile, the Group has also renamed the restaurant in YOHO Mall serving Vietnamese cuisine to Petit An Nam Restaurant and reengineered the menu in April 2017 to include more suitably priced food items to cater for the Group's target customers for this restaurant.

As at 31 December 2017, the Group had a total of eleven restaurants under four self-owned brands, namely, Sushi Ta-ke, An Nam (including its junior brand, Petit An Nam), Modern Shanghai and Hokkaidon and three franchised or sub-licensed brands, namely, Mango Tree (including its junior brand, Mango Tree Café), Gonpachi and Paper Moon. During the year ended 31 December 2017, none of our restaurants had undergone significant renovation.

As disclosed in the section headed "Future Plans and Use of Proceeds" in the prospectus of the Company dated 23 November 2017 (the "**Prospectus**"), the Group will continue to open new restaurants in Hong Kong going forward, and will invest in minority stake of up to 25% in certain holding companies of restaurants to be opened in the PRC.

FINANCIAL REVIEW

Revenue

During the year ended 31 December 2017, approximately 99.1% of the Group's revenue was generated from the operation of restaurants in Hong Kong and approximately 0.9% of the Group's revenue was generated from the pre-opening consultancy and restaurant management services. As at 31 December 2017, the Group was operating eleven (2016: eight) restaurants, of which three (2016: one) restaurants were newly opened and no restaurant was closed down during the year ended 31 December 2017 (2016: two). Bella Vita Restaurant and Mango Tree (Cubus) Restaurant were closed in the second half of 2016.

The revenue of the Group increased by approximately 24.0% from approximately HK$217.8 million for the year ended 31 December 2016 to approximately HK$270.0 million for the year ended 31 December 2017. The increase in revenue was principally due to the higher number of operating restaurants during the year under review and the fact that the new restaurants opened in 2017 recorded more revenue than the two restaurants closed in 2016.

The Group's restaurants served mainly five different cuisines during the year. The table below sets forth a breakdown of the Group's revenue generated by operation of restaurants by type of cuisine and as a percentage of total revenue generated by operation of restaurants for the years indicated:

	For the year ended 31 December			
	2017		2016	
	Revenue *HK$'000*	**% of total revenue from operations of restaurant** *(%)*	Revenue *HK$'000*	% of total revenue from operations of restaurant *(%)*
Vietnamese	**80,579**	**30.1**	82,108	38.0
Thai	**76,961**	**28.8**	51,726	23.9
Japanese	**70,015**	**26.2**	53,410	24.7
Shanghainese	**28,848**	**10.8**	23,679	11.0
Italian	**11,131**	**4.1**	5,269	2.4
Total revenue from operation of restaurants	**267,534**	**100**	216,192	100

Vietnamese-style restaurants

The revenue generated from operation of Vietnamese-style restaurants decreased slightly by approximately HK$1.5 million, or approximately 1.9%, from approximately HK$82.1 million for the year ended 31 December 2016 to approximately HK$80.6 million for the year ended 31 December 2017.

Thai-style restaurants

The revenue generated from operation of Thai-style restaurants increased by approximately HK$25.2 million, or approximately 48.8%, from approximately HK$51.7 million for the year ended 31 December 2016 to approximately HK$77.0 million for the year ended 31 December 2017. Such increase was mainly due to a new Thai restaurant opened during the year.

Japanese-style restaurants

The revenue generated from operation of Japanese-style restaurants increased by approximately HK$16.6 million, or approximately 31.1%, from approximately HK$53.4 million for the year ended 31 December 2016 to approximately HK$70.0 million for the year ended 31 December 2017. Such increase was mainly due to contribution of revenue from Hokkaidon which was opened in January 2017.

Shanghainese-style restaurant

The revenue generated from operation of Shanghainese-style restaurant increased by approximately HK$5.2 million, or approximately 21.8%, from approximately HK$23.7 million for the year ended 31 December 2016 to approximately HK$28.8 million for the year ended 31 December 2017. Such increase was mainly due to opening of a new MTR exit nearby our restaurant that increases potential customers.

Italian-style restaurants

The revenue generated from operation of Italian-style restaurants increased by approximately HK$5.9 million, or approximately 111.3%, from approximately HK$5.3 million for the year ended 31 December 2016 to approximately HK$11.1 million for the year ended 31 December 2017. Such increase was in fact attributable to the respective revenues from two different Italian restaurants namely Bella Vita Restaurant, which operated for around 8.5 months during 2016, and Paper Moon Restaurant, which operated for only approximately 3.3 months during 2017 respectively.

Cost of inventories sold

The cost of inventories consumed mainly represents the costs of food ingredients and beverages for the operation of the Group's restaurants. The major food ingredients purchased by the Group include, but are not limited to, meat, seafood, frozen food, vegetables and beverages. Cost of inventories consumed is one of the major components of the Group's operating expenses which amounted to approximately HK$58.8 million and HK$71.7 million for each of years ended 31 December 2016 and 2017, respectively, representing approximately 27.2% and 26.8% of the Group's total revenue generated from operation of restaurants for the corresponding year. The decrease in cost of inventories sold as a percentage of revenue was attributed by the stronger increase in revenue of restaurants with higher gross profit margin.

Other gains/losses and income

During the two years ended 31 December 2016 and 2017, the Group's other gains/losses and income mainly comprised of gain/loss on disposal of property, plant and equipment ("**PP&E**"), gain/loss on early termination of a lease contract and sundry income.

The other gains/losses and income decreased from approximately HK$1.0 million for the year ended 31 December 2016 to other income and losses of approximately HK$48,000 for the year ended 31 December 2017, representing a decrease of approximately 104.7%, which was mainly resulting from the decrease in gain on disposal of PP&E during the year ended 31 December 2017.

Staff costs

Staff costs primarily consist of salaries, wages and allowances, pension costs and other employee benefits, and were one of the largest components of the operating expenses of the Group. The staff costs increased from approximately HK$73.8 million for the year ended 31 December 2016 to approximately HK$87.1 million for the year ended 31 December 2017, representing an increase of approximately 18.0% in comparison. Such increase was mainly due to the expansion of the restaurant portfolio of the Group and the increase in the number of staff in relation thereto.

Due to the general increase in labour costs in Hong Kong, the salary level of employees in the catering industry in Hong Kong has generally increased in recent years. The Directors expect the staff costs to continue to increase as inflationary pressures in Hong Kong continue to drive up.

The Directors recognise the importance of retaining quality staff while believe that the resulting upward pressure on the total staff costs as a percentage of total revenue could be mitigated by (i) prioritising internal transfers and re-allocations of employees from existing restaurants; (ii) increasing productivity of the staff by providing training; and (iii) minimising attrition levels by continuing to implement various employee retention initiatives to promote employee loyalty and motivate the employees.

Depreciation, amortisation and impairment

The Group recorded depreciation , amortisation and impairment of approximately HK$43.7 million and HK$56.8 million for the years ended 31 December 2016 and 2017, respectively for its right-of-use assets, leasehold improvements, furniture and fixtures, catering and other equipment. The increase of depreciation, amortisation and impairment for the year ended 31 December 2017 as compared to that of the year ended 31 December 2016 was mainly due to the numbers of new restaurants increased in 2017 compared to that of 2016 .

The depreciation charged on the right-of-use assets amounted to approximately HK$31.0 million and HK$41.3 million for the years ended 31 December 2016 and 2017, respectively. The depreciation of the right-of-use assets was charged on a straight-line basis over the lease term. The lease terms of the leased premises are generally between one to six years, with some lease agreements provide an option for the Group to renew such lease terms, exercisable at our discretion.

The depreciation charged for the leasehold improvements amounted to approximately HK$9.4 million and HK$11.7 million, for the years ended 31 December 2016 and 2017, respectively. The depreciation of the leasehold improvements was charged on a straight-line basis over the shorter of five years or the remaining lease terms. As a result, if the Group extended or renewed the lease term of the restaurants without incurring a renovation cost exceeding the original renovation costs of the relevant restaurants, the then depreciation of leasehold improvements attributable to the relevant restaurant will be reduced. During the year and up to the date of this announcement, the Group renewed our lease for three of the restaurants without incurring material renovation costs.

As the Group intends to continue to open new restaurants and expand the restaurant network, the Directors expect the property rentals and related expenses to increase generally in the future. Besides, the Director will continue to look for better control in the property, rental and related expenses, such as entering into long-term rental agreements so as to maintain the rentals at a reasonable level.

Rental expenses

The rental expenses, which mainly represent turnover rent, for the year ended 31 December 2017 amounted to approximately HK$5.3 million, representing an increase of approximately 25.1% as compared with that of the year ended 31 December 2016 which amounted to approximately HK$4.2 million. Such increase was mainly due to the increased number of restaurants operated during the year.

Utility expenses

Utility expenses primarily consist of electricity, gas and water supplies of the Group. For the years ended 31 December 2016 and 2017, the total utility amounted to approximately HK$6.3 million and HK$7.3 million, respectively. Such increase was mainly due to the increased number of restaurants operated during the year.

Income tax expenses

The income tax expenses increased from approximately HK$1.2 million for year ended 31 December 2016 to approximately HK$1.7 million for the year ended 31 December 2017.

Finance costs

The Group's finance costs increased from approximately HK$3.4 million for the year ended 31 December 2016 to approximately HK$4.8 million for the year ended 31 December 2017 due to the increased amount of loan borrowings from the banks and lease liabilities arising from new restaurants opened during the year.

Loss/profit for the year

The Group recorded a loss of approximately HK$10.8 million for the year ended 31 December 2017 as compared to a profit of approximately HK$0.6 million for the corresponding year in 2016. The loss was mainly attributable to the increase of listing expenses of approximately HK$11.3 million.

Use of net proceeds from the Listing

The Company was successfully listed on the GEM on 5 December 2017 (the "**Listing Date**") by way of share offer of 80,000,000 new shares in the Company (the "**Share Offer**") at the offer price of HK$0.63 each, and the net proceeds from the Share Offer, after deducting the actual underwriting fees and expenses paid by the Company in connection thereto, were approximately HK$24.3 million.

In line with the business plan as disclosed in the Prospectus, the Company intends to use (i) approximately HK$3.0 million for the settlement of part of the setting up and opening costs of Paper Moon Restaurant under the sub-licensed Italian brand in Hong Kong; (ii) approximately HK$8.2 million for the set up and opening of a restaurant under Modern Shanghai brand in Hong Kong; (iii) approximately HK$11.3 million for the set up and opening of one restaurant under a refined Ta-ke brand in Hong Kong; (iv) approximately HK$21.1 million for the set up and opening of one Hokkaidon restaurant in Hong Kong; and (v) approximately HK$0.7 million for the development of restaurant pre-opening consultancy and management consultancy services in the PRC.

The following sets forth the comparison between the intended uses of net proceeds from the Share Offer based on the Group's plan as set out in the Prospectus and the actual usage during the period under review:

Objectives	Planned use of proceeds from the Listing Date to 31 December 2017:	Actual use of proceeds from the Listing Date to 31 December 2017:
1. Continue to develop our brand portfolio and expand our restaurant network		
(a) Settlement of part of the setting up and opening costs of Paper Moon Restaurant	HK$2.70 million	HK$0.2 million
(b) Open a restaurant under the Modern Shanghai brand in Lee Garden Two, Causeway Bay Hong Kong	HK$6.53 million	HK$3.7 million
(c) Open a restaurant under a refined Ta-ke brand in Lee Garden Two, Causeway Bay Hong Kong	HK$9.09 million	HK$6.2 million
2. Further develop our restaurant pre-opening consultancy and management consultancy services in the PRC	HK$0.35 million	Nil

The Directors will constantly evaluate the Group's business objective and may change or modify the plans against the changing market condition to suit the business growth of the Group. Should there be any change in the use of proceeds from the Share Offer, the Group will make adequate announcement(s) in accordance with the requirements under the GEM Listing Rules as and when appropriate.

All the unutilised balances have been placed in licensed banks in Hong Kong.

LIQUIDITY AND FINANCIAL RESOURCES

Capital structure

The change in the capital structure of the Group from 31 December 2016 to 31 December 2017 are set out in note 12.

Cash position

As at 31 December 2017, the cash and cash equivalents of the Group amounted to approximately HK$56.4 million (2016: approximately HK$23.9 million), which were mainly denominated in Hong Kong dollar, representing an increase of approximately 136.0% as compared to that at 31 December 2016. The increase was mainly due to the net proceeds from the Share Offer.

Borrowings

As at 31 December 2017, the total borrowings of the Group, all of which were denominated in Hong Kong dollar, amounted to approximately HK$37.6 million (2016: approximately HK$19.4 million) that bears floating interest rates from 3.0% to 3.7% per annum as at 31 December 2017. No financial instrument was being used for interest rate hedging purpose. Details of the maturity profile of the borrowings is set out in note 14.

Save as disclosed, the Group did not have other borrowings for the years ended 31 December 2016 and 2017.

Pledge of assets

As at 31 December 2017, a total of HK$12.8 million pledged deposits provided by the Group held at banks as security for a rental deposit of our lease and as securities for the bank borrowings (2016: HK$6.1 million).

Gearing ratio

As at 31 December 2017, the gearing ratio of the Group was approximately 41.3% (2016: approximately 41.3%). The slight increase was mainly attributable to two new bank borrowings drawn down netting off by the net proceeds from the Share Offer which enlarged the capital base of the Group and the contribution of funding from our JV partners during the year ended 31 December 2017. The gearing ratio is calculated based on the total borrowings, which include bank borrowings, amount due to non-controlling interests and an associate, divided by the total equity of the Company at the end of the respective period.

COMPARISON OF BUSINESS PLAN AND ACTUAL BUSINESS PROGRESS

An analysis comparing the business plan as set out in the Prospectus with the Group's actual business progress for the period from the Listing Date to the date of this announcement is set out below:

		Business plan as stated in the Prospectus	Actual business progress up to 31 December 2017
1.	Continue to develop our brand portfolio and expand our restaurant network	Settlement of part of the setting up and opening costs of Paper Moon Restaurant	Settlement of the costs for Paper Moon
		Open a restaurant under the Modern Shanghai brand in Lee Garden Two, Causeway Bay, Hong Kong	10 Shanghai Restaurant has opened in January 2018
		Open a restaurant under a refined Ta-ke brand in Lee Garden Two, Causeway Bay, Hong Kong	Ta-ke Restaurant is scheduled to open in late March/early April 2018
2.	Further develop our restaurant pre-opening consultancy and management consultancy services in the PRC	Identifying new sources of PRC clients	Negotiating for a new pre-opening consultancy contract in PRC
3.	Enhance our brand recognition by continuing to bring high quality ingredients and new dishes to our customers	Marketing activities including media tasting, special menu promotion and joint promotions with different organisations	The Group has certain activities including distribution of souvenirs with Company's logo to frequent customers and business partners; media tasting events at new restaurant opening; and launch of different seasonal menus for different festivals

The Group will continue to adhere to this objective by (i) increasing sales volume; (ii) optimising restaurant-level staffing; and (iii) maximising the utilisation of food ingredients.

COMMITMENTS

The Group was committed to make future minimum lease payments in respect of certain restaurants, staff quarters and warehouses under non-cancellable operating leases. The Group's operating lease commitments not yet commenced at the end of the period were nil as at 31 December 2017 (2016: approximately HK$26.6 million).

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

The Group did not have any material acquisition nor disposal of subsidiaries, associates and joint ventures during the year ended 31 December 2017.

The Group has disposed the entire 20% interest in two PRC joint venture companies holding restaurants in December 2016.

CONTINGENT LIABILITIES

As at 31 December 2017, the Group had no significant contingent liabilities.

CAPITAL COMMITMENTS

As at 31 December 2017, the Group's outstanding capital commitments were approximately HK$6.7 million (31 December 2016: HK$2.4 million).

DIVIDEND

The Board did not recommend the payment of final dividend for the year ended 31 December 2017.

PROSPECT

Our strategic objective is to continue to develop our brand portfolio and expand our restaurant network by developing restaurants under our own brands and restaurants operating under different franchised or sub-licensed brands.

We will continue to develop our brand portfolio through means such as (i) refining our existing brands, (ii) diversifying our existing brands into junior brands and/or senior brands and (iii) launching new brands.

We also plan to open or invest in and manage more restaurants under our existing brands, refined brands and new brands. Specifically, we plan to open or invest in and manage seven new restaurants (three in Hong Kong and four in the PRC) in the year ending 31 December 2018, of which one restaurant has been opened in Hong Kong in the first quarter of 2018 and the second new restaurant is scheduled to open in late March 2018 or early April 2018. For restaurants to be opened in the PRC, we only intend to hold a minority stake of approximately 25% in the operating companies of these restaurants and will manage these restaurants.

Hokkaidon

At the beginning of 2017, we opened Hokkaidon Restaurant in Cityplaza, Taikoo Shing, which focuses on Japanese sashimi rice bowls. Our Hokkaidon brand features imported seasonal ingredients selected by our supplier in Sapporo Central Wholesale Market and was well received by customers. To further enhance the presence of the Hokkaidon brand, we currently intend to open another Hokkaidon restaurant in 2018 in Hong Kong.

Ta-ke

For the year of 2018, we intend to refine the brand image of our Sushi Ta-ke Restaurant as a new restaurant under the "Ta-ke" brand which offers a broader variety of fine-dining Japanese cuisine. We envisage that the new restaurant will offer three major types of Japanese speciality cuisines namely (i) teppanyaki, (ii) tempura, and (iii) sushi and sashimi. Given the wider cuisine offering, we would require additional space to cater for the equipments and cooking facilities. We have relocated our Sushi Ta-ke Restaurant from Cubus to Lee Garden Two, which is expected to have a higher pedestrian flow. The restaurant is scheduled to commence its operation in late March 2018 or early April 2018.

In accordance with the plan as stated in the Prospectus, Sushi Ta-ke Restaurant in Cubus was closed following the end of the relevant lease term.

10 Shanghai

In addition to the Ta-ke for the year of 2018, we intend to develop a senior brand under the Modern Shanghai concept which serves upscale Shanghainese dishes with a more sophisticated layout as compared to our Modern Shanghai Restaurant, namely "10 Shanghai". The restaurant has commenced its operation on 28 January 2018.

Further develop our restaurant pre-opening and management consultancy services in the PRC

Leveraging on our knowledge and experience in the food and beverage industry, we also provide restaurant pre-opening consultancy and restaurant management consultancy services. Our Directors consider that the food and beverage industry in the PRC has significant growth potential and expect that there will be an increasing demand for restaurant consultancy services. Therefore, we intend to establish a local presence in the PRC by setting up a Shenzhen office as a contact point for our customers in the PRC, through which we would be able to enhance our service quality and manage restaurant pre-opening projects and restaurant operation management projects more conveniently and efficiently.

Looking ahead, the Group will endeavor to strengthen the development of its existing businesses and to provide steady return as well as growth prospects for the Company's shareholders (the "**Shareholders**").

CORPORATE GOVERNANCE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code and Corporate Governance Report (the "**CG Code**") as set out in Appendix 15 of the GEM Listing Rules as its own code of corporate governance. The Company has complied with all applicable code provisions under the CG Code throughout the period from the Listing Date to 31 December 2017 (the "**Relevant Period**"). The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

Further information on the Group's corporate governance practices will be set out in the Corporate Governance Report contained in the Group's annual report for the year ended 31 December 2017, which will be sent to Shareholders in due course.

FOREIGN EXCHANGE EXPOSURE

The Group operates in Hong Kong with majority of the transactions being settled in HKD. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities, which are denominated in a currency that is not the functional currency of the Group.

The transactions and monetary assets denominated in RMB are minimal for the two years ended 31 December 2016 and 2017, the Group considers there have no significant foreign exchange risks in respect of RMB for both years.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2017, the total number of full time and part time employees of the Group was 356 (31 December 2016: 280). Total staff costs (including Directors' emoluments) were approximately HK$87.1 million for the year ended 31 December 2017 (31 December 2016: HK$73.8 million).

Employees' remuneration is commensurate with their job nature, qualifications and experience. Salaries and wages are normally reviewed annually based on performance appraisals and other relevant factors.

The Group continues to offer competitive remuneration packages and bonus to eligible staff, based on the performance of the Group and the individual employee.

INTERESTS OF COMPLIANCE ADVISER

As notified by the Company's compliance adviser, Halcyon Capital Limited ("**Halcyon Capital**"), neither Halcyon Capital nor any of its directors or employees or close associates had any interest in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities) or otherwise in relation of the Company which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules and all Directors and controlling Shareholders (including Mr. Kwok Chi Po, Mr. Leung Chi Tien Steve, Mr. Kwan Wing Kuen Tino, All Victory Global Limited, P.S Hospitality Limited, Perfect Emperor Limited, 1957 & Co. Limited and Sino Explorer Limited) and their respective close associates as referred to in Rule 11.04 of the GEM Listing Rules (except for the compliance adviser service provided by Halcyon Capital as at the date of this announcement).

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the Relevant Period, none of the Directors or their respective associates had engaged in or had any interest in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

REQUIRED STANDARD OF DEALINGS FOR SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings set out in Rules 5.46 to 5.67 of the GEM Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries of all the Directors, each of the Directors has confirmed that he has complied with the required standard of dealings during the Relevant Period.

The Company has also adopted its own code of conduct regarding employees' securities transactions with reference to the required standard of dealings for the compliance by its relevant employees who are likely to be in possession of unpublished inside information of the Company in respect of their dealings in the Company's securities.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Relevant Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL INFORMATION

Pursuant to the requirements of the CG Code and the GEM Listing Rules, the Company has established an audit committee (the "**Audit Committee**") that comprises three independent non-executive Directors, namely namely Mr. How Sze Ming (chairman), Mr. Ng Wai Hung and Mr. Chan Kam Kwan Jason.

The Audit Committee has reviewed the Group's consolidated financial statements and annual results for the year ended 31 December 2017. The Audit Committee is of the view that the consolidated financial statements have been prepared in accordance with the applicable accounting standards, the GEM Listing Rules and the statutory provisions, sufficient disclosures have already been made.

The figures in respect of the Group's consolidated income statement, consolidated statement of financial position, and the related notes thereto for the year ended 31 December 2017 as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards in Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers in the preliminary announcement.

SUBSEQUENT EVENT

There is no material subsequent event after 31 December 2017 and up to the date of this announcement.

ANNUAL GENERAL MEETING

The notice of the forthcoming annual general meeting of the Company will be published and dispatched to Shareholders in the manner specified in the GEM Listing Rules in due course.

COMMUNICATION WITH SHAREHOLDERS

The Company considers that effective communication with the Shareholders is essential for enhancing investor relations and understanding of the Group's business, performance and strategies. The Company also recognizes the importance of timely and non-selective disclosure of information, which will enable Shareholders and investors to make the informed investment decisions.

To promote effective communication, the Company adopts a shareholders' communication policy which aims at establishing a two-way relationship and communication between the Company and the Shareholders and maintains a website of the Company at www.1957.com.hk, where up-to-date information on the Company's business operations and developments, financial information, corporate governance practices and other information are available for public access.

APPRECIATION

On behalf of the Board, I would like to express my sincerest gratitude to our valued customers, business partners, and shareholders for their persistent support, while also expressing my appreciation to the management team and employees for their valuable contribution to the development of the Group.

By order of the Board of
1957 & Co. (Hospitality) Limited
Kwok Chi Po
Chief Executive Officer and Executive Director

Hong Kong, 20 March 2018

As at the date of this announcement, the executives Directors are Mr. Kwok Chi Po, Mr. Kwan Wing Kuen Tino, Mr. Lau Ming Fai and Mr. Leung Nicholas Nic-hang; the non-executive director is Mr. Leung Chi Tien Steve; the independent non-executive Directors are Mr. How Sze Ming, Mr. Ng Wai Hung and Mr. Chan Kam Kwan Jason.