

**CLASSIFIED GROUP (HOLDINGS) LTD:
THE INTERIM REPORT –
THE COMPANY SUFFERS A LOSS, NATURALLY**

Exactly, 25 business days after Classified Group (Holdings) Ltd was listed on The Growth Enterprise Market (the **GEM**) of The Stock Exchange of Hongkong Ltd, this restaurant-owning company brought out its 2016 Interim Report in respect of the six months, ended June 30, 2016.

As **TARGET** () had anticipated at the time of the Company's listing, Management reported a Loss Attributable to Shareholders for the period: The Net Loss Attributable to Shareholders was \$HK4,257,000 (2015: Net Profit Attributable to Shareholders of \$HK2,035,000).

Aside from the fact that business, generally, is hurting for Classified Group – and for many other restaurant-owning companies, operating in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) – Listing Expenses helped drag down the Bottom Line by \$HK8,085,000 with regard to the first half of the Current Financial Year (2015: Listing Expenses were, exactly, \$HK2 million).

In the Placing Prospectus of the Company, dated June 30, 2016, it was stated at Page 256 that, in respect of the Current Financial Year, Listing Expenses, amounting to about \$HK8.70 million, would be charged the Profit and Loss Account.

That estimate of \$HK8.70 million was based on the Placing Price Per Share, being 50 cents. As it turned out, however, as stated in the Allotment Results, published on July 8, 2016, the Placing Price Per Share was struck at 55 cents and, as a direct result, of course, Listing Expenses would have been slightly higher than the original estimate in the Placing Prospectus.

Highlights of the Interim Report included:

	Three Months, Ended June 30		Six Months, Ended June 30	
	2016	2015	2016	2015
	All Figures Are Denominated In \$HK'000 (except where otherwise specified)			
Revenue	44,613	45,544	90,731	88,728
Finance Costs	(158)	(112)	(316)	(220)
Net Profit/(Loss) Attributable To Shareholders	(1,016)	1,546	(4,257)	2,035
Earnings/(Loss) Per Share	(0.0032 cents)	0.0048 cents	(0.0133 cents)	0.0064 cents

Under the heading of Current Assets in the Condensed Consolidated Statement of Financial Position, found at Page Six of the Interim Report, it is stated that, as at June 30, 2016, the Company had bank balances and cash of \$HK25,493,000 (2015: \$HK17,062,000).

Bank borrowings stood at \$HK26,944,000, as at June 30, 2016, compared with \$HK26,259,000 for the like period in 2015.

On Pages 24 through to 26, one was told:

‘... People are more budget conscious and sensitive to the amounts they spend on food and the revenue of our restaurants for the first few months were weaker than expected. Management believes the difficult situation may continue for the second half of 2016 and this will be a tough year for the food and beverage industry...

““Classified” restaurant is a casual European café specializing in artisan breads and cheeses, boutique wines and is renowned for its breakfast & all-day dining menu. Offering casual seating areas in most locations, Classified encourages neighbourhood street-level interaction. It is our flagship brand of the Group and occupies around 50% of our total revenue. During the six months ended 30 June 2016, Classified had recorded revenue of approximately HK\$45,366,000, as a slight increase of 1.7% as compared to the last corresponding period...

‘The Pawn had recorded revenue of approximately HK\$25,510,000, as a slight decrease of 5.4% as compared to the last corresponding period...

““The Fat Pig” ... was upgraded from previous restaurant, namely SML after three-month renovation and was re-opened in November 2015... During the six months ended 30 June 2016, The Fat Pig had recorded revenue of approximately HK\$14,731,000, as an increase of 22.6% as compared to the last corresponding period.

‘Future Prospects

‘F&B (Food and Beverage) industry is always a challenging industry with intense competitions and heavily dependent on the economic conditions of Hong Kong. Given the recent slowdown in the Hong Kong economy, we will adopt a prudent expansion strategy in opening one “Classified” restaurant and a central kitchen as well as carrying out renovation work on several restaurants at the end of this year.’

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