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TASTE • GOURMET
GROUP LIMITED
嗜 • 高美集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 8371)

**FIRST QUARTERLY RESULTS ANNOUNCEMENT
FOR THE THREE MONTHS ENDED 30 JUNE 2023**

Financial Highlights:

- Number of customers increased by 38.6% to 884,500.
- Average spending per customer increased from HK\$235.2 to HK\$249.4.
- Revenue increased by approximately 47.0% to HK\$220.6 million.
- Profit attributable to Owners of the Company increased by approximately HK\$1.1 million or 6.8%.

The board of directors (the “**Board**” or “**Directors**”) of the Taste • Gourmet Group Limited (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the three months ended 30 June 2023 (the “**First Quarterly Results**”). This announcement contains full text of the first quarterly report of the Group for the three months ended 30 June 2023 and the contents were prepared in accordance with the relevant disclosure requirements of the Rules Governing the Listing of Securities on the GEM (the “**GEM Listing Rules**”) of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The First Quarterly Results have been reviewed by the Board and the audit committee of the Company.

This results announcement is published on the website of the Company at www.tastegourmet.com.hk and the Stock Exchange at www.hkexnews.hk. The first quarterly report of the Group for the three months ended 30 June 2023 will be delivered to the shareholders of the Company and will be available at the abovementioned websites in due course.

By Order of the Board
WONG Ngai Shan
Chairman and Executive Director

Hong Kong, 10 August 2023

As at the date of this announcement, the Board comprises:

Executive Directors:

WONG Ngai Shan (*Chairman*)
CHAN Wai Chun (*Chief Executive Officer*)

Independent Non-executive Directors:

CHAN Yuen Ting
TSANG Siu Chun
WANG Chin Mong

Non-executive Director:

YU Man To Gerald Maximillian
(*Company Secretary*)

This Announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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.

This announcement will remain on the “Latest Listed Company Information” page of the Stock Exchange’s website at www.hkexnews.hk for at least 7 days from the date of its posting. This announcement will also be published on the Company’s website at www.tastegourmet.com.hk.



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REPORT OF THE FIRST QUARTERLY RESULTS FOR THE THREE MONTHS ENDED 30 JUNE 2023

CHARACTERISTICS OF “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 and no assurance is given that there will be a liquid market in the securities traded on GEM.

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*This Report, for which the directors (the “**Directors**”) of Taste • Gourmet Group Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this Report 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 Report misleading.*

The board of Directors (the “**Board**”) of the Company is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the three months ended 30 June 2023.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED 30 JUNE 2023

	NOTES	Three months ended	
		30.06.2023 HK\$'000 (unaudited)	30.06.2022 HK\$'000 (unaudited)
Revenue	2	220,636	150,135
Other Income		1,699	12,250
Other gains or losses, net		15	14
Raw materials and consumables used		(60,387)	(45,487)
Staff costs		(64,697)	(49,001)
Depreciation of property, plant and equipment		(8,761)	(6,638)
Depreciation of right-of-use assets (“ ROU Assets ”)		(32,656)	(20,732)
Property rental and related expenses		(12,203)	(9,294)
Utilities and cleaning expenses		(7,474)	(5,352)
Other expenses		(11,068)	(7,750)
Finance costs		(3,466)	(2,461)
Profit before taxation		21,638	15,684
Income tax expense	3	(3,788)	(141)
Profit for the period		17,850	15,543
Other comprehensive income:			
Item that may be reclassified subsequently to profit and loss:			
Exchange difference on translation of foreign operation		(356)	(919)
Total comprehensive income for the period		17,494	14,624

	NOTES	Three months ended	
		30.06.2023 HK\$'000 (unaudited)	30.06.2022 HK\$'000 (unaudited)
Profit for the period attributable to:			
– Owners of the Company		17,497	16,381
– Non-controlling interest		353	(838)
		17,850	15,543
Total comprehensive income for the period attributable to:			
– Owners of the Company		17,968	14,990
– Non-controlling interest		(474)	(366)
		17,494	14,624
Earnings per share			
– Basic (HK cents)	5	4.6	4.2
– Diluted (HK cents)	5	4.6	4.2

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE THREE MONTHS ENDED 30 JUNE 2023

	Attributable to Owners of the Company											
	Share capital HK\$'000	Share premium HK\$'000	Special reserve HK\$'000	Other reserve HK\$'000	Share option reserve HK\$'000	Capital redemption reserve HK\$'000	Treasury share reserve HK\$'000	Translation reserve HK\$'000	Retained profits HK\$'000	Sub-total HK\$'000	Non-controlling interest HK\$'000	Total HK\$'000
At 31 March 2023 (audited)	37,848	5,588	(300)	313	918	2,872	-	246	134,667	182,152	7,805	189,957
Profit for the period	-	-	-	-	-	-	-	-	17,497	17,497	353	17,850
Other comprehensive income for the period	-	-	-	-	-	-	-	118	-	118	(474)	(356)
Profit and total comprehensive income for the period	-	-	-	-	-	-	-	118	17,497	17,615	(121)	17,494
Lapsed of share options	-	-	-	-	(218)	-	-	-	218	-	-	-
Issuance of shares upon exercise of Share options	22	211	-	-	(36)	-	-	-	-	197	-	197
Recognition of equity settled share-based payment	-	-	-	-	25	-	-	-	-	25	-	25
At 30 June 2023 (unaudited)	37,870	5,799	(300)	313	689	2,872	-	364	152,382	199,989	7,684	207,673

	Attributable to Owners of the Company											
	Share capital HK\$'000	Share premium HK\$'000	Special reserve HK\$'000	Other reserve HK\$'000	Share option reserve HK\$'000	Capital redemption reserve HK\$'000	Treasury share reserve HK\$'000	Translation reserve HK\$'000	Retained profits HK\$'000	Sub-total HK\$'000	Non-controlling interest HK\$'000	Total HK\$'000
At 31 March 2022 (audited)	38,693	13,946	(300)	313	741	2,027	-	927	91,287	147,634	7,306	154,940
Profit for the period	-	-	-	-	-	-	-	-	16,381	16,381	(838)	15,543
Other comprehensive income for the period	-	-	-	-	-	-	-	(553)	-	(553)	(366)	(919)
Profit and total comprehensive income for the period	-	-	-	-	-	-	-	(553)	16,381	15,828	(1,204)	14,624
Lapsed of share options	-	-	-	-	-	-	-	-	-	-	-	-
Recognition of equity settled share-based payment	-	-	-	-	-	-	-	-	-	61	-	61
At 30 June 2022 (unaudited)	38,693	13,946	(300)	313	802	2,027	-	374	107,668	163,523	6,102	169,625

Notes:

- i. The special reserve represents the differences between the nominal amount of the share capital issued by the Company pursuant to the group reorganisation and the issued share capital of BWHK Limited when the Company became the holding company of the Group upon completion of the group reorganisation on 23 June 2017.
- ii. Other reserve represents the aggregate amount of:
 - (1) the differences between the considerations received and the proportionate share of the carrying amount of the net assets attributable to the relevant interest upon the deemed disposal of partial interest in subsidiaries during the year ended 31 March 2016; and
 - (2) the difference between the consideration paid and the proportionate share of the carrying amount of the net assets attributable to the relevant interests upon the deemed acquisition of additional interest in a subsidiary during the year ended 31 March 2017.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED 30 JUNE 2022

1. GENERAL INFORMATION, BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Company was incorporated as an exempted company and registered in the Cayman Islands with limited liability under the Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and the shares of the Company ("**Shares**") have been listed on GEM since 17 January 2018. Its parent is IKEAB Limited ("**IKEAB**"), a private company incorporated in the British Virgin Islands ("**BVI**"). The address of its registered office of the Company is located at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the principal place of business is located at Unit B, 24/F Crawford Tower, 99-101 Jervois Street, Sheung Wan, Hong Kong. Its ultimate controlling parties are Mr. Wong Ngai Shan ("**Mr. Wong**") and Ms. Chan Wai Chun ("**Ms. Chan**") who are also the executive Directors.

The Company is an investment holding company and the principal activities of its subsidiaries are operating restaurants in Hong Kong.

The historical financial information is presented in Hong Kong dollars ("**HK\$**"), which is the same as the functional currency of the Company and its subsidiaries and all values are rounded to the nearest thousands (HK\$'000) except when otherwise indicated.

The unaudited condensed consolidated financial statements for the three months ended 30 June 2023 have been prepared in accordance with the accounting principles generally accepted in Hong Kong and comply with Hong Kong Financial Reporting Standards ("**HKFRS**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the applicable disclosure provisions of Chapter 18 of the GEM Listing Rules.

Other than changes in accounting policies resulting from application of new HKFRSs, the accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements for the three months ended 30 June 2023 are consistent with those followed in the preparation of the Group's audited consolidated financial statements for the year ended 31 March 2023.

The unaudited condensed consolidated financial statements for the three months ended 30 June 2023 have been prepared on the historical cost basis.

The condensed consolidated financial statements have not been audited by the Company's auditors, but have been reviewed by the audit committee of the Company.

Application of new and amendments to HKFRSs

In the current period, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 April 2023 for the preparation of the Group's condensed consolidated financial statements:

HKFRS 17	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The new and amendments to HKFRSs have been applied in accordance with the relevant transition provisions in the respective standards and amendments which results in changes in accounting policies, amount reported and/or disclosures.

The application of the new and amendments to HKFRSs in the current period has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. REVENUE

Revenue represents amounts received and receivable from restaurant operations, net of discounts, during the period.

3. TAXATION

Taxation represents Hong Kong Profits Tax calculated at 16.5% of the estimated assessable profit for the relevant periods.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25%.

4. DIVIDENDS

The Board has resolved not to recommend the payment of an interim dividend for the three months ended 30 June 2023.

5. EARNINGS PER SHARE

The basic earnings per share is calculated based on the profit attributable to the owners of the Company and the weighted average number of ordinary shares for the relevant periods.

	Three months ended	
	30.06.2023 (unaudited)	30.06.2022 (unaudited)
Earnings		
Earnings for the period attributable to owners of the Company for the purpose of basic earnings and diluted earnings per Share (HK\$'000)	17,497	16,381
Number of ordinary shares		
Weighted average number of ordinary shares for the purpose of basic earnings per Share ('000)	378,662	386,932
Effect of potential dilutive ordinary shares:		
Share options	2,390	712
Weighted average number of ordinary shares for the purpose of diluted earnings per share ('000)	381,052	387,644

BUSINESS REVIEW

During the three months ended 30 June 2023 ("FY2024 Q1"), the Group opened four new restaurants: (1) Match 2 at the Artmall in Tsim Sha Tsui in April 2023; (2) Moments Together at the Time Square in Causeway Bay in April 2023; (3) Tsukanto at the Elements in Tsim Sha Tsui in June 2023; and (4) QUE at the MOKO in Mongkok in June 2023. We no longer participate in the management of Xiang Hui, our 40% owned restaurant, which was equity accounted for in the financial statements of the Group.

The number of restaurants as at 31 March 2023, 30 June 2023 and as at the date of this report are as follows:

By Brands	31.03.2023	30.06.2023	Date of Report
Hong Kong			
Nabe Urawa	9	9	10
Dab-Pa	6	6	6
Moments Together	1	2	3
QUE	3	4	4
Rakuraku Ramen	3	3	3
Sankinn	3	3	3
Yakiniku Guu	3	3	3
Takano Ramen	2	2	3
La'taste	2	2	2
Khao San	1	1	2
Match 2	–	1	1
Parkview	1	1	1
Siu Siu Cuen	1	1	1
Tirpse	1	1	1
Tsukanto	–	1	1
Urawa	1	1	1
Wasyokuya Yamaichi	1	1	1
Xianghui*	1	–	–
Hong Kong Total	39	42	46
Shanghai			
Moments Together (Shi Li Xianghui)	2	2	2
Same Same	1	1	1
Shanghai Total	3	3	3
Total	42	45	49

By Cuisine / Type	31.03.2023	30.06.2023	Date of Report
Japanese	22	24	26
Chinese	14	15	16
Southeast Asian	4	4	5
Western	2	2	2
Total	42	45	49

Movement during each period	Full Year 31.03.2023	Three Months 30.06.2023	FY2023 Cumulative
At the Beginning of the Period	38	42	42
New Restaurants	7	4	4
Closed Restaurants	(3)	(1)	(1)
At the End of the Period	42	45	45

* Xiang Hui is 40% owned by the Group and is equity accounted for in the financial statements of the Group.

Confirmed leases for the opening of new restaurants are as follows:

Restaurant	Location	Mall Operator	Lease Expiry Date	Option to Renew (Yrs)	Expected Commencement Date
Azure 80*	Harbour City, Tsim Sha Tsui	Wharf Group	16.04.2028	None	Q3 2023
Nabe Urawa	The Wai, Tai Wai	MTR Corp	28.02.2026	3	Q3 2023
Khao San	The Wai, Tai Wai	MTR Corp	28.02.2026	3	Q3 2023
Sankinn/Yakiniku Guu	APM, Kwun Tong	SHK Properties	21.05.2026	2	Q3 2023
Takano Ramen	Yoho Mall, Yuen Long	SHK Properties	05.06.2027	None	Q3 2023
Same Same	Taikoo Li Qian Tan, Shanghai	Swire Group	30.06.2028	None	Q3 2023

* Azure 80 (八十里) is a Chinese restaurant.

For details of these leases, please refer to the announcements issued by the Company dated 4 May 2022, 12 December 2022, 5 March 2023, 13 March 2023, 15 March 2023 and 8 June 2023.

Since 30 June 2023 and up to the date of this report, we opened four new restaurants: (1) Nabe Urawa restaurant and (2) Khao San restaurant at The Wai commenced operations in July 2023; (3) Azure 80 restaurant at the Harbour City commenced operations in July 2023; and (4) Takano Ramen at the Yoho Mall commenced operations in August 2023.

Significant Investments, Material Acquisitions or Disposals

There were no other significant investments held, material acquisitions or disposals of subsidiaries and affiliated companies during FY2024 Q1.

Restaurant Operations

During FY2024 Q1, a total of 884,500 customers patronized our restaurants (excluding Xiang Hui as it is equity accounted for in the consolidated financial statements of the Group), an increase of 246,103 customers or 38.6% when compared to the three months ended 30 June 2022 (“FY2023 Q1”). The increase in the number of customers is attributable to: (1) those restaurants opened during the year ended 31 March 2023 (“FY2023”) having a full three months of operations; (2) new restaurants opened during FY2024 Q1; and (3) no dine-in after 6 p.m. policy enforced by the Hong Kong Government until 20 April 2022. The average spending per customer increased from HK\$235.2 to HK\$249.4 for FY2024 Q1 compared to the same period in 2022. The key operating information by cuisine are summarized as follows:

	Three Months Ended											
	30.06.2023			30.06.2022								
	Revenue HK\$'000	Number of Seats	Average Daily Sales HK\$	Number of Customers	Average Spending per Customer HK\$	Daily Seating Turnover Rate	Revenue HK\$'000	Number of Seats	Average Daily Sales HK\$	Number of Customers	Average Spending per Customer HK\$	Daily Seating Turnover Rate
Vietnamese/ Southeast Asian	11,577	391	136,463	82,571	140.2	2.5	7,212	381	85,802	61,697	116.9	1.9
Japanese	110,119	2,448	1,259,149	437,929	251.5	2.0	80,021	1,998	884,908	325,168	246.1	1.8
- Nabe Urawa/ Yakiniku Gyu	61,880	1,498	679,996	202,913	305.0	1.5	56,708	1,498	628,726	200,329	283.1	1.5
- Ramen	17,678	265	194,261	115,755	152.7	4.8	14,896	265	163,683	95,527	155.9	4.0
- Others	30,561	685	384,892	119,261	256.3	2.2	8,417	235	92,499	29,312	287.2	1.4
Chinese	85,205	1,497	957,221	314,398	271.0	2.4	45,135	1,033	518,380	168,602	267.7	1.9
Western	13,506	209	221,036	49,602	272.3	3.9	17,541	333	192,757	82,930	211.5	2.7
	220,407	4,545	2,573,869	884,500	249.2	2.3	149,909	3,745	1,681,847	638,397	234.8	1.9
Others	229	-	-	-	-	-	226	-	-	-	-	-
	220,636	4,545	2,573,869	884,500	249.4	2.3	150,135	3,745	1,681,847	638,397	235.2	1.9

FINANCIAL REVIEW

Revenue

For FY2024 Q1, the Group recorded revenue of HK\$220,636,000, representing an increase of 47.0% when compared to FY2023 Q1.

We derive our revenue from the sales of food and beverages at our restaurants in Hong Kong. The following tables sets forth the breakdown of our revenue by cuisine and the number of restaurants in operations by cuisine during the relevant periods.

	Three months ended				Changes
	30.06.2023		30.06.2022		
	HK\$'000 (unaudited)	% of Revenue	HK\$'000 (unaudited)	% of Revenue	
Vietnamese	11,577	5.2%	7,212	4.8%	60.5%
Japanese	88,678	40.2%	80,021	53.3%	10.8%
Chinese	85,205	38.6%	45,135	30.1%	88.8%
Western	34,947	15.8%	17,541	11.7%	99.2%
Others	229	0.1%	226	0.2%	1.3%
Total revenue	220,636	100.0%	150,135	100.0%	47.0%

When compared to the same period in 2022, the increase in revenue is attributable to: (1) those restaurants opened during FY2023 having a full three months of operations; (2) new restaurants opened during FY2024 Q1; (3) no dine-in after 6 p.m. policy enforced by the Hong Kong Government until 20 April 2022; and (4) increase in the average spending per customer.

Subsidies from the Hong Kong Government

No subsidies from the Hong Kong Government was received during FY2024 Q1. Approximately HK\$1.7 million relating to the Anti-epidemic Fund and approximately HK\$9.9 million relating to the 2022 Employment Support Scheme for the month of May and June 2022 was recorded during FY2023 Q1.

Rental Concessions

No rental concessions were received by the Group during FY 2024 Q1. During FY2023 Q1, we received approximately HK\$2.1 million in rental concessions from our landlords which has been set-off against depreciation of ROU Assets.

Major Cost Components

	Three months ended				Changes
	30.06.2023		30.06.2022		
	HK\$'000 (unaudited)	% of Revenue	HK\$'000 (unaudited)	% of Revenue	
Raw materials and consumables used	60,387	27.4%	45,487	30.3%	32.8%
Staff costs	64,697	29.3%	49,001	32.6%	32.0%
Depreciation of property, plant and equipment	8,761	4.0%	6,638	4.4%	32.0%
Depreciation of ROU Assets	32,656	14.8%	20,732	13.8%	57.5%
Property rental and related expenses	12,203	5.5%	9,294	6.2%	31.3%
Utilities and cleaning expenses	7,474	3.4%	5,352	3.6%	39.6%
Other expenses	11,068	5.0%	7,750	5.2%	42.8%
Finance Costs	3,466	1.6%	2,461	1.6%	40.8%

Raw materials and consumables used increased by approximately 32.8% during FY2024 Q1 when compared to FY2023 Q1 which is in line with the increase in revenue. As a percentage of revenue, raw materials and consumables decreased slightly from 30.3% when compared to the 27.4% recorded in FY2024 Q1.

Staff costs increased by approximately 32.0% during FY2024 Q1 when compared to FY2023 Q1 is mainly due to the increase in the number of restaurants during FY2023. As a percentage of revenue staff costs decreased from 32.6% to 29.3% when compared to FY2023 Q1. Although no pay leaves were taken by our staff during the month of April 2022, headcount was not reduced due to the subsidy from the 2022 Employment Support Scheme which has been accounted for under other income during FY2023 Q1. If the subsidy is set-off against staff costs, staff costs as a percentage of revenue would be reduced to 26.1% in FY2023 Q1.

Property rental and related expenses increased by approximately 31.3% when compared to FY2023 Q1. The increase is primarily due to more restaurants were in operation during FY2024 Q1. As a percentage of revenue, property rental and related expenses decreased from 6.2% to 5.5% is primarily due to the lower revenue in April 2022 from the no dine-in after 6 p.m. policy enforced by the Hong Kong Government. As property rental and related expenses only include expenses such as turnover rents, building management fees and rates, which are mostly fixed expenses in nature.

Depreciation of property, plant and equipment and Depreciation of ROU Assets increased by approximately 32.0% and 57.5%, respectively when compared to FY2023 Q1, which is primarily due to more restaurants were in operation during FY2024 Q1.

In addition, the increase in depreciation of ROU Assets is due to the signing of the new leases. As a percentage of revenue, depreciation of property, plant and equipment and depreciation of ROU Assets decreased slightly from 4.4% to 4.0% and increased from 13.8% to 14.8%. The increase in depreciation of ROU Assets as a percentage of revenue is primarily due to the rent free periods of new leases where no revenue was generated during those periods.

Other expenses include items such as advertising expenses, credit card charges, delivery fees, entertainment expenses, insurance, printing and stationery, medical expenses and repairs and maintenance. Other expenses amounted to approximately HK\$11,068,000 representing an increase of 42.8% when compared to FY2023 Q1. The increase is inline with the increase of revenue. As a percentage of revenue, other expenses accounted for approximately 5.0% of revenue, a slight decrease compared to the 5.2% recorded during FY2023 Q1 primarily due to the increase in the average revenue per restaurant per day when compared to the COVID-19 impacted revenue during FY2023 Q1 as some expenses are fixed expenses in nature.

Net Profit and Profit Attributable to Owners of the Company

For the three months ended 30 June 2023, net profit and profit attributable to owners of the Company amounted to approximately HK\$17,850,000 and HK\$17,497,000, respectively. Net profit increased by approximately HK\$2,307,000 or 14.8% and net profit attributable to owners of the Company increased by approximately HK\$1,116,000 or 6.8%. However, adjusted for the impact the Anti-epidemic subsidies and 2022 Employment Support Scheme from the Hong Kong Government recorded during FY2023 Q1, net profit increased by approximately HK\$13,871,000 or 348.6% and net profit attributable to owners of the Company increased by approximately HK\$12,680,000 or 263.3%. However, as mentioned above, we did not reduce our headcount because of the subsidy from the 2022 Employment Subsidy Scheme. The increases are the result of the cumulative effect of the above factors.

Financial Resources and Position

As at 30 June 2023, the Group did not have any bank borrowings.

Cash and cash equivalents amounted to HK\$126.5 million as at 30 June 2023 which are mostly denominated in Hong Kong Dollars. Although the Group has entered into the JV Agreement which will be subject to the exchange rate exposure of the Renminbi, the Group's main businesses are still conducted in Hong Kong, therefore the Group does not expect to be exposed to any material foreign exchange risks in the next twelve months.

As at 30 June 2023, the Group was in a net cash position (net debt divided by equity attributable to owners of the Company plus net debt).

Contingent Liabilities

As at 30 June 2023, the Group did not have any significant contingent liabilities.

Capital Commitments

As at 30 June 2023, the Group's outstanding capital commitments was approximately HK\$6.9 million.

Re-designation of Director

On 1 July 2023, Mr. Yu Man To Gerald Maximillian was re-designated from executive Director, chief financial officer, company secretary and compliance officer to non-executive Director, company secretary and compliance officer. For details, please refer to the announcement issued by the Company dated 23 June 2023.

Future Prospects

With Hong Kong and the rest of the world gradually returning to normal and with number of visitors increasing each month, we believe our business will continue to improve for this financial year. We will continue to improve of the quality of our food together with the highest standard of services. Value-for-money is the key to our success, customers need to feel that they are getting their money's worth by providing a dining experience that matches their expectation.

OTHER INFORMATION

Directors' and Chief Executive's Interests and Short positions in the Shares, Underlying Shares and Debentures of the Company or Any Associated Corporation

As at 30 June 2023, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rule 5.46 of the GEM Listing Rules, were as follows:

Long Positions in Shares

Name of Directors	Capacity / Nature of interest	Interest in Shares	Interest in underlying Shares pursuant to share options	Aggregate Interests	Approximate Percentage of Shareholding
Mr. Wong	Interest in controlled corporation and interest of spouse	260,302,000	–	260,302,000	68.74%
Ms. Chan	Interest in controlled corporation and interest of spouse	260,302,000	–	260,302,000	68.74%
Mr. Yu Man To Gerald Maximilian	Beneficial owner	76,000	950,000	1,026,000	0.27%
Mr. Tsang Siu Chun	Beneficial owner	20,000	–	20,000	0.01%

Notes:

1. IKEAB Limited is owned by Mr. Wong as to 70% and Ms. Chan as to 30%. As such Mr. Wong and Ms. Chan are deemed to be interested in the shares of the Company owned by IKEAB Limited by virtue of the SFO.
2. Elite China Enterprise Limited ("**Elite China**") is owned by Mr. Wong as to 50% and Ms. Chan as to 50%. As such Mr. Wong and Ms. Chan are deemed to be interested in 9,984,000 shares of the Company held by Elite China as at 30 June 2023 by virtue of the SFO.
3. Mr. Wong is the spouse of Ms. Chan.

Save as disclosed above, as at 30 June 2023, none of the Directors and chief executive of the Company has any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rules 5.48 to 5.67 of the GEM Listing Rules.

Directors' Rights to Acquire Shares or Debentures of the Company and Associated Corporation

Pursuant to the Company's share option scheme adopted by the Shareholders on 20 December 2017 (the "SOS"), the Company has granted certain Director of the Company options to subscribe for shares of the Company, details of which as at 30 June 2023 were as follows:

Name of Directors	Date of Grant	Exercise Period	Exercise Price (HK\$)	Number of Shares Subject to Outstanding Share	Number of Shares Subject to Outstanding Share	Approximate Percentage of Shareholding
				Options as at 01.04.2023	Options as at 30.06.2023	
Mr. Yu Man To Gerald Maximillian	29 June 2018	29 June 2019 to 28 June 2028	0.92	105,000	105,000	0.03%
	29 June 2018	29 June 2020 to 28 June 2028	0.92	105,000	105,000	0.03%
	29 June 2018	29 June 2021 to 28 June 2028	0.92	140,000	140,000	0.04%
	9 August 2019	9 August 2020 to 8 August 2029	0.85	90,000	90,000	0.02%
	9 August 2019	9 August 2021 to 8 August 2029	0.85	90,000	90,000	0.02%
	9 August 2019	9 August 2022 to 8 August 2029	0.85	120,000	120,000	0.03%
	16 December 2021	16 December 2022 to 15 December 2031	0.90	90,000	90,000	0.02%
	16 December 2021	16 December 2023 to 15 December 2031	0.90	90,000	90,000	0.02%
	16 December 2021	16 December 2024 to 15 December 2031	0.90	120,000	120,000	0.03%

Notes:

1. The vesting period of the share options is from the date of grant until the commencement of the exercise period.
2. These share options represent personal interest held by the Directors as beneficial owners.
3. The outstanding share options as at 1 April 2023 were included in the employees category as disclosed in the Company's annual report for the year ended 31 March 2023.

Other than the SOS mentioned below, at no time during the period was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and neither the Directors nor the chief executive of the Company, nor any of their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right.

Interests and Short Position of Substantial Shareholders' and Other Person in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporations

As at 30 June 2023, the interests and short positions of substantial shareholders and other persons (other than a Director or chief executive of the Company) in the shares and underlying shares which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or required to be entered in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

Long Positions in Shares

Name of Substantial Shareholder	Capacity / Nature of interest	Number of Shares Held	Approximate Percentage of Shareholding
Mr. Wong	Interest in controlled corporation and interest of spouse	260,302,000	68.74%
Ms. Chan	Interest in controlled corporation and interest of spouse	260,302,000	68.74%
IKEAB Limited	Beneficial owner	250,318,000	66.10%

Notes:

1. IKEAB Limited is owned by Mr. Wong as to 70% and Ms. Chan as to 30%. As such Mr. Wong and Ms. Chan are deemed to be interested in the shares of the Company owned by IKEAB Limited by virtue of the SFO.
2. Elite China is owned by Mr. Wong as to 50% and Ms. Chan as to 50%. As such Mr. Wong and Ms. Chan are deemed to be interested in 9,984,000 shares of the Company held by Elite China as at 30 June 2023 by virtue of the SFO.
3. Mr. Wong is the spouse of Ms. Chan.

Save as disclosed above, as at 30 June 2023, the Directors are not aware of any interests and short positions owned by any parties (other than a Director) in the shares and underlying shares which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or required to be entered in the register maintained by the Company pursuant to Section 336 of the SFO.

Purchase, Sale or Redemption of Listed Securities

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the three months ended 30 June 2023 and up to the date of this report.

Corporate Governance

During the three months ended 30 June 2023, the Company had complied with the code provisions as set out in the Corporate Governance Code contained in Appendix 15 of the GEM Listing Rules.

Competing Interests

As at 30 June 2023, none of the Directors or substantial shareholders of the Company or any of their respective associates (as defined in the GEM Listing Rules) has engaged in any business that competes or may compete with the business of the Group or have any other conflict of interests with the Group.

Directors' Securities Transactions

The Company has adopted written guidelines regarding directors' securities transactions on terms no less exacting than the required standard of dealings set out in Rule 5.48 to 5.67 of the GEM Listing Rules. All directors have confirmed, following specific enquiries by the Company, that they have complied with the required standard of dealings during the three months ended 30 June 2023.

Audit Committee

The Company has an audit committee (the "**Audit Committee**") which was established in accordance with the requirements of the GEM Listing Rules for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal control procedures. As at the date of this report, the Audit Committee comprises Mr. Wang Chin Mong (Chairman of the Audit Committee), Mr. Tsang Siu Chun and Ms. Chan Yuen Ting, all of whom are independent non-executive Directors.

An Audit Committee meeting was held on 10 August 2023 to review the unaudited condensed consolidated quarterly financial statements of the Group for three months ended 30 June 2023 and is of the opinion that such financials complied with the applicable accounting standards, legal and disclosure requirements applicable to the Group.

Appreciation

On behalf of the Board, I would like to take this opportunity to express my gratitude to all the staff and management team for their contribution during the period. I would also like to express my appreciation to the continuous support of our shareholders and investors.

By Order of the Board

WONG Ngai Shan

Chairman and Executive Director

Hong Kong, 10 August 2023

As at the date of this report, the Board comprises:

Executive Directors:

WONG Ngai Shan (*Chairman*)

CHAN Wai Chun (*Chief Executive Officer*)

Non-executive Director:

YU Man To Gerald Maximilian (*Company Secretary*)

Independent Non-executive Directors:

CHAN Yuen Ting

TSANG Siu Chun

WANG Chin Mong