

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. WONG Ngai Shan (*Chairman*)
Ms. CHAN Wai Chun (*Chief Executive Officer*)
Mr. YU Man To Gerald Maximillian
(*Chief Financial Officer*)

Independent non-executive Directors

Ms. CHAN Yuen Ting
Mr. TSANG Siu Chun
Mr. WANG Chin Mong

COMPLIANCE OFFICER

Mr. YU Man To Gerald Maximillian

AUTHORISED REPRESENTATIVES

Mr. WONG Ngai Shan
Mr. YU Man To Gerald Maximillian

COMPANY SECRETARY

Mr. YU Man To Gerald Maximillian *B.BUS, MBA, FCPA*

AUDIT COMMITTEE

Mr. WANG Chin Mong (*Chairman*)
Ms. CHAN Yuen Ting
Mr. TSANG Siu Chun

REMUNERATION COMMITTEE

Mr. TSANG Siu Chun (*Chairman*)
Ms. CHAN Yuen Ting
Mr. WANG Chin Mong
Mr. WONG Ngai Shan

NOMINATION COMMITTEE

Ms. CHAN Yuen Ting (*Chairman*)
Mr. TSANG Siu Chun
Mr. WANG Chin Mong

COMPLIANCE COMMITTEE

Ms. CHAN Yuen Ting (*Chairman*)
Mr. TSANG Siu Chun
Mr. WANG Chin Mong

AUDITORS

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors

REGISTERED OFFICE

Cricket Square, Hutchins Drive, PO Box 2681
Grand Cayman KY1-1111, Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit B, 24/F Crawford Tower
99-101 Jervois Street, Sheung Wan, Hong Kong

PRINCIPAL SHARE REGISTRAR

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive, PO Box 2681
Grand Cayman KY1-1111, Cayman Islands

HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited
17/F Far East Finance Centre
16 Harcourt Road, Hong Kong

PRINCIPAL BANKERS

The Hong Kong and Shanghai
Banking Corporation Limited
Bank of China (Hong Kong) Limited

STOCK CODE

08371

COMPANY'S WEBSITE

www.tastegourmet.com.hk (Corporate)
www.tastegourmet.co (Restaurants)



TASTE • GOURMET GROUP LIMITED

嚐 • 高美集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 8371)

INTERIM REPORT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

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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.*



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BUSINESS REVIEW

During the six months ended 30 September 2022 (“FY2023 Interim”), the Group opened two new restaurants: (1) Sankinn Taiwanese Hotpot at the Grand Plaza in Mongkok in July 2022; and (2) QUE Japanese Café at the Citygate in Tung Chung. Our Nabe Urawa restaurant at the Raffles City Changning in Shanghai was closed in April 2022 as the footfall traffic was significantly lower than expectation. In addition, our Parkview restaurant at the Metroplaza in Kwai Fong and our La’Taste restaurant at the Olympian City were closed in September 2022 as the demand for restaurant staff is much greater than the supply resulting in a shortage of staff in our restaurants. We have therefore decided not to renew the leases of the Metroplaza Parkview and Olympian City La’Taste as we can transfer the staff to the more efficient restaurants or to new restaurants that will be more efficient in order to generate more revenue/profit per staff employed.

The number of restaurants as at 31 March 2022, 30 September 2022 and as at the date of this report are as follows:

By Brands	31.03.2022	30.06.2022	30.09.2022	Date of Report
Hong Kong				
Nabe Urawa	9	9	9	9
Dab-Pa	6	6	6	6
La’taste	3	3	2	2
Rakuraku Ramen	3	3	3	3
Yakiniku Guu	3	3	3	3
Parkview	2	2	1	1
Takano Ramen	2	2	2	2
CUE	–	–	1	1
Moments Together	1	1	1	1
Sankinn	1	1	2	2
Tirpse	1	1	1	1
Urawa	1	1	1	1
Wasyokuya Yamaichi	1	1	1	1
Xianghui*	1	1	1	1
Hong Kong Total	34	34	34	34



By Brands	31.03.2022	30.06.2022	30.09.2022	Date of Report
Shanghai				
Moments Together (Shi Li Xianghui)	2	2	2	2
Same Same	1	1	1	1
Nabe Urawa	1	–	–	–
Shanghai Total	4	3	3	3
Total	38	37	37	37

By Cuisine/Type	31.03.2022	30.06.2022	30.09.2022	Date of Report
Japanese	20	19	19	19
Chinese	11	11	12	12
Southeast Asian	4	4	3	3
Western	3	3	3	3
Total	38	37	37	37

Movement during each period	Full Year 31.03.2022	Three Months 30.06.2022	Three Months 30.09.2022	FY2023 Cumulative
At the Beginning of the Period	33	38	37	38
New Restaurants	10	–	2	2
Closed Restaurants	(5)	(1)	(2)	(3)
At the End of the Period	38	37	37	37

* 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 Term (Years)	Expected Commencement Date
(1) QUE	The Elements, Tsim Sha Tsui	MTR Corp	3 with an option to renew for a further 3 years	Q4 2022
(2) QUE	New Town Plaza, Shatin	SHK Properties	4	Q4 2022
(3) Khao San (La'taste)	MegaBox, Kowloon Bay	Kerry Properties	3 with an option to renew for a further 3 years	Q4 2022
(4) Sankinn	Nina Mall, Tsuen Wan	Chinachem	3 with an option to renew for a further 3 years	Q4 2022
(5) Nabe Urawa	The Wai, Tai Wai	MTR Corp	3 with an option to renew for a further 3 years	Q2 2023

For details of these leases, please refer to the announcements issued by the Company dated 4 May 2022, 30 August 2022, 1 September 2022, 26 September 2022 and 25 October 2022.

Significant Investments, Material Acquisitions or Disposals

There were no other significant investments held, material acquisitions or disposals of subsidiaries and affiliated companies during FY2023 Interim.

Restaurant Operations

During FY2023 Interim, a total of 1,431,274 customers patronised our restaurants (excluding Xiang Hui as it is equity accounted for in the condensed consolidated financial statements of the Group), a decrease of 106,359 customers or 6.9% when compared to the six months ended 30 September 2021 (“**FY2022 Interim**”). The decrease in the number of customers was a direct result of the 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\$205.0 to HK\$234.4 for FY2023 Interim compared FY2022 Interim. The key operating information by cuisine are summarized as follows:

	Six Months Ended											
	30.09.2022						30.09.2021					
	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	18,790	381	118,645	148,042	126.9	2.5	23,218	592	156,524	209,008	111.1	2.4
Japanese	172,125	1,998	943,378	708,009	243.1	1.9	165,709	2,024	1,020,511	747,612	221.7	2.3
- Nabe Urawa/ Yakiniku Gyu	121,958	1,498	669,239	433,175	281.5	1.6	124,633	1,524	744,094	503,414	247.6	2.0
- Ramen	32,741	265	178,912	214,576	152.6	4.4	22,449	265	174,634	179,399	125.1	5.3
- Others	17,426	235	95,227	60,258	289.2	1.4	18,627	235	101,783	64,799	287.5	1.5
Chinese	104,973	1,147	653,340	397,166	264.3	2.2	75,911	825	497,940	321,949	235.8	2.6
Western	38,658	433	264,544	178,057	217.1	2.8	47,198	413	261,264	220,310	214.2	3.0
	334,546	3,959	1,979,907	1,431,274	233.7	2.1	312,036	3,854	1,936,239	1,498,879	208.2	2.4
Dessert	-	-	-	-	-	-	1,142	31	24,830	13,663	83.6	9.6
Kiosks	-	-	-	-	-	-	1,080	16	5,903	25,091	43.0	8.6
Others	940	-	-	-	-	-	914	-	-	-	-	-
	335,486	3,959	1,979,907	1,431,274	234.4	2.1	315,172	3,901	1,966,972	1,537,633	205.0	2.5

Impact of COVID-19 on the Number of Customers

Currently, Hong Kong has adopted a vaccine bubble policy where customers that have not taken the third jab of the COVID-19 vaccine or do not have a medical exemption certificate are not allowed to dine-in at any of the restaurants in Hong Kong.

FINANCIAL REVIEW

Revenue

For FY2023 Interim, the Group recorded revenue of HK\$335,486,000, representing an increase of 6.4% when compared to the same period in 2021.

We derive our revenue from the sales of food and beverages at our restaurants in Hong Kong and Shanghai. 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.

	Six months ended				Changes
	30.09.2022		30.09.2021		
	HK\$'000 (unaudited)	% of Revenue	HK\$'000 (unaudited)	% of Revenue	
Vietnamese/Southeast Asian	18,790	5.6%	23,218	7.4%	(19.1%)
Japanese	172,125	51.3%	165,709	52.6%	3.9%
Chinese	104,973	31.3%	75,911	24.1%	38.3%
Western	38,658	11.5%	47,198	15.0%	(18.1%)
Dessert	–	0.0%	1,142	0.4%	(100.0%)
Kiosks	–	0.0%	1,080	0.3%	(100.0%)
Others	940	0.3%	914	0.2%	2.8%
Total revenue	335,486	100.0%	315,172	100.0%	6.4%

When compared to the same period in 2021, the increase in revenue is attributable to the opening of new restaurants discussed above, the increase in average spending and the change in dining habits of customers by taking dinners earlier due to the restrictive Hong Kong Government Social Distancing requiring restaurants to close at 10:00 p.m. However, the increase has been offset by the closure of some of our restaurants discussed above.

Impact of COVID-19 on Revenue

	FY2020	FY2021	FY2022	Baseline			FY2023				FY2023 Interim
	Full Year	Full Year	Full Year	June 2020	April 2022	May 2022	June 2022	July 2022	August 2022	September 2022	
Average revenue per restaurant per day	90%	68%	92%	100%	77%	108%	102%	108%	115%	106%	103%

The average revenue per restaurant per day for FY2023 Interim is slightly above the baseline (June 2020, the highest month in terms of average revenue per restaurant per day during the year ended 31 March 2022) even with the restrictive social distancing measures still in place.

Subsidies from the Hong Kong Government

Approximately HK\$1.7 million relating to the Anti-epidemic Fund and approximately HK\$14.3 million relating to the 2022 Employment Support Scheme for the months of May to July 2022 was recorded during FY2023 Interim. Approximately HK\$9.9 million was booked for the months of May and June 2022 under the 2022 Employment Support Scheme during the three months ended 30 June 2022, however due to a dispute in the number of staff, approximately HK\$0.7 million was deducted from the May 2022 subsidies by the Hong Kong Government. As we are appealing the decision, we have not received the approval of the 2022 Employment Support Scheme for July 2022. As at the date of this report, we have not received approximately HK\$9.3 million of the Employment Support Scheme for the month of June and July. The 2022 Employment Support Scheme was for the months of May, June and July 2022. No subsidy was recorded during FY2022 interim.

Rental Concessions


During FY2023 Interim, we received approximately HK\$2.6 million in rental concessions from our landlords which has been set-off against depreciation of Right-of-Use Assets. During FY2022 Interim, we received approximately HK\$0.8 million.

Major Cost Components

	Six months ended				Changes
	30.09.2022		30.09.2021		
	HK\$'000 (unaudited)	% of Revenue	HK\$'000 (unaudited)	% of Revenue	
Raw materials and consumables used	99,943	29.8%	95,873	30.4%	4.2%
Staff costs	104,416	31.1%	87,772	27.8%	19.0%
Depreciation of property, plant and equipment	13,713	4.1%	10,549	3.3%	30.0%
Depreciation of ROU Assets	44,560	13.3%	43,434	13.8%	2.6%
Property rental and related expenses	20,196	6.0%	16,298	5.2%	23.9%
Utilities and cleaning expenses	11,533	3.4%	9,654	3.1%	19.5%
Other expenses	18,083	5.4%	16,222	5.1%	11.5%
Finance Costs	5,024	1.5%	4,517	1.4%	11.2%

Raw materials and consumables used increased by approximately 4.2% during FY2023 Interim when compared to FY2022 Interim which is in line with the increase in revenue. As a percentage of revenue, raw materials and consumables used decreased slightly from 30.4% to 29.8%.

Staff costs increased by approximately 19.0% during FY2023 Interim when compared to FY2022 Interim is mainly due to the increase in the number of key staff in order to optimise the roles within Group and the opening of larger restaurants and the closure of smaller restaurants. As a percentage of revenue, staff costs increased from 27.8% to 31.1% when compared to FY2022 Interim. 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. If the subsidy is set-off against staff costs, staff costs as a percentage of revenue would be reduced to approximately 26.9%.



Property rental and related expenses increased by approximately 23.9% when compared to FY2022 Interim. The increase is primarily due to more restaurants were in operations during FY2023 Interim. As a percentage of revenue, property rental and related expenses increased from 5.2% to 6.0% is primarily due to the lower revenue in April from the no dine-in after 6 p.m. policy enforced by the Hong Kong Government. Property rental and related expenses includes 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 30.0% and approximately 2.6%, respectively when compared to FY2022 Interim, which is primarily due to more new restaurants were in operations during FY2023 Interim. In addition, the increase in depreciation of ROU Assets is also attributed by new leases under rent-free periods that were under renovation which is partially set-off by the rental concession received during FY2023 Interim. As a percentage of revenue, depreciation of property, plant and equipment and depreciation of ROU Assets increased from 3.3% to 4.1% and decreased slightly from 13.8% to 13.3%. The increase in the depreciation of property, plant and equipment as a percentage of revenue is primarily due to the lower revenue in April from the no dine-in after 6 p.m. policy enforced by the Hong Kong Government. The decrease in depreciation of ROU Assets as a percentage of revenue is primarily due to the rental concession received during FY2023.

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\$18,083,000, representing an increase of approximately 11.5% when compared FY2022 Interim, primarily due to more restaurants were in operations during FY2023 Interim. As a percentage of revenue, other expenses increased slightly from 5.1% to 5.4% of revenue when compared to FY2022 Interim primarily due to the increase in the average revenue per restaurant per day when compared to the COVID-19 impacted revenue during FY2022 Interim as some expenses are fixed expenses in nature.

Net Profit and Profit Attributable to Owners of the Company

(1) *Unadjusted*

For the six months ended 30 September 2022, net profit and profit attributable to owners of the Company amounted to approximately HK\$32,092,000 and HK\$33,077,000, respectively. Net profit increased by approximately HK\$7,080,000 or 28.3% and net profit attributable to owners of the Company increased by approximately HK\$6,611,000 or 25.0%.

(2) *Government Subsidies Deducted and Listing Expenses Added Back*

Adjusted for the impact of listing expenses and the Anti-epidemic subsidies from the Hong Kong Government received during FY2023 Interim, net profit decreased by approximately HK\$8,875,000 or 35.5% and net profit attributable to owners of the Company decreased by approximately HK\$9,344,000 or 35.3%.

The increases are the result of the cumulative effect of the above factors.

Financial Resources and Position

As at 30 September 2022, the Group did not have any bank borrowings.


Cash and cash equivalents amounted to HK\$117.4 million as at 30 September 2022 which are mostly denominated in Hong Kong Dollars. Although the Group is subject to the exchange rate exposure of the Renminbi through its subsidiary on the Mainland China, 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 September 2022, the Group was in a net cash position (net debt divided by equity attributable to owners of the Company plus net debt).

Staff Training and Development

As at 30 September 2022, the Group had a total of 1,030 employees, of which approximately 92% are situated in Hong Kong. In addition to offering competitive remuneration packages to employee discretionary bonuses and share options may also be granted to eligible employees based on individual performance.

The Group also encourages its employees to pursue a balanced life and provides a good working environment for its employees to maximise their potential and contribution to the Group.



The remuneration committee of the Company, having regard to the Company's operating results, individual performance and comparable market statistics, decides the emoluments of the Directors. No Director, or any of his associates, and executive, is involved in dealing with his own remuneration.

The Company has adopted a share option scheme as an incentive to Directors and eligible employees, details of the schemes is set out under the heading "Share Option Scheme" below.

Appointment of Directors

Mr. Low Soon Huat ("**Mr. Low**") and Mr. Yu Man To Gerald Maximillian ("**Mr. Yu**") were appointed as executive Directors at the Company's annual general meeting held on 1 August 2022. The biographical details of Mr. Low and Mr. Yu are as follow:

Mr. Low Soon Huat

Mr. Low, aged 42, is the chief operating officer of our Group who joined in May 2021, Mr. Low leads the corporate development and overall operations of the businesses, bringing with him a wealth of experience in various field of work from the restaurant industry internationally and in the Asia Pacific Region. He also has both technical and business knowledge with a diploma in Culinary Skills from the Singapore Hotel & Tourism Education Center and a master's degree in Business Administration from the Management Development Institute of Singapore. Other experiences include ISO certification knowledge, food safety management systems, halal certification processes, workplace safety certifications, hygiene officer certification and various other process knowledge.

Mr. Yu Man To Gerald Maximillian

Mr. Yu, aged 56, is the chief financial officer and company secretary of our Company who joined our Group in April 2017. He is mainly responsible for human resources, administration, secretarial and financial matters of our Group. Mr. Yu holds a bachelor's degree in Business from La Trobe University and a master's degree in Business Administration from Macquarie University. Mr. Yu was admitted as a fellow member of CPA Australia (FCPA (Aust.)) and a fellow member of the Hong Kong Institute of Certified Public Accountants (FCPA). Mr. Yu has over 30 years of experience in accounting, finance, management and company secretarial field. Prior to joining the Company, Mr. Yu had worked as the chief financial officer and company secretary of China MeiDong Auto Holdings Limited (1268.HK), Sound Global Ltd. (967.HK and E6E.SI), Wai Chun Mining Industry Group Company Limited (now known as Wai Chun Bio-Technology Limited, 660.HK), Wai Chun Group Holdings Limited (1013. HK) and Towngas China Company Limited (now known as Towngas Smart Energy Company Limited, 1083.HK, "**Towngas**"). Mr. Yu also worked as the company secretary of Sinolink Worldwide Holdings Limited (1168.HK). Mr. Yu was with Towngas for almost nine years and was with an international accounting firm for over seven years prior to joining Towngas.

Resignation of Director

Mr. Low resigned as an executive director and chief operating officer of the Company with effect from 1 October 2022 in pursuit of other career opportunities.

Contingent Liabilities

As at 30 September 2022, the Group did not have any significant contingent liabilities.

Capital Commitments

As at 30 September 2022, the Group's outstanding capital commitments was approximately HK\$9,049,000.

Interim Dividend

The Board resolved to declare an interim cash dividend of HK\$0.048 per Share for the six months ended 30 September 2022 (2021: Nil). The interim dividend will be paid out of the retained earnings under reserves of the Company. Based on the number of shares in issue as at the date of this report, a total amount of approximately HK\$18.2 million will be distributed.

The interim dividend will be distributed to shareholders of the Company whose names appear on the register of members of the Company at the close of business on Tuesday, 29 November 2022. The register of members of the Company will close from Monday, 28 November 2022 to Tuesday, 29 November 2022 (both days inclusive), during such period no share transfer will be registered. To qualify for the interim dividend, all transfer of shares accompanied by the relevant share certificates must be lodged with the branch register of the Company in Hong Kong, Tricor Investor Services Limited, at 17/F Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on Friday, 25 November 2022. It is expected that the cheques for cash dividends will be sent by ordinary mail to the Shareholders at their own risk on or about 16 December 2022.

The current dividend payout policy adopted by the Group is not less than 50% of the profit attributable to owners of the Company.

Future Prospects

With a steady increase in the vaccination rate in Hong Kong and Mainland China, customers have adjusted their dining habits in order to co-exist with the social distancing requirements, we believe our business will continue to improve. 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, it is therefore imperative for us to deliver this philosophy during these difficult times.

As for our expansion, in addition to committed two new leases thus far and we will continue to discuss with shopping mall landlords for new potential locations in Hong Kong and in the Mainland China.

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 September 2022, 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	67.273%
Ms. Chan	Interest in controlled corporation and interest of spouse	260,302,000	–	260,302,000	67.273%
Mr. Low Soon Huat	Beneficial owner	–	200,000	200,000	0.052%
Mr. Yu Man To Gerald Maximillian	Beneficial owner	76,000	950,000	1,026,000	0.265%
Mr. Tsang Siu Chun	Beneficial owner	20,000	–	20,000	0.005%

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 Enterprises 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 September 2022 by virtue of the SFO.
3. Mr. Wong is the spouse of Ms. Chan.

Save as disclosed above, as at 30 September 2022, 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 Directors of the Company options to subscribe for shares of the Company, details of which as at 30 September 2022 were as follows:

Name of Directors	Date of Grant	Exercise Period	Exercise Price (HK\$)	Number of Shares Subject to Outstanding Share Options as at 01.04.2022	Number of Shares Subject to Outstanding Share Options as at 30.09.2022	Approximate Percentage of Shareholding
Mr. Low Soon Huat	16 December 2021	16 December 2022 to 15 December 2031	0.90	60,000	60,000	0.016%
	16 December 2021	16 December 2023 to 15 December 2031	0.90	60,000	60,000	0.016%
	16 December 2021	16 December 2024 to 15 December 2031	0.90	80,000	80,000	0.021%
Mr. Yu Man To Gerald Maximilian	29 June 2018	29 June 2019 to 28 June 2028	0.92	105,000	105,000	0.027%
	29 June 2018	29 June 2020 to 28 June 2028	0.92	105,000	105,000	0.027%
	29 June 2018	29 June 2021 to 28 June 2028	0.92	140,000	140,000	0.036%
	9 August 2019	9 August 2020 to 8 August 2029	0.85	90,000	90,000	0.023%
	9 August 2019	9 August 2021 to 8 August 2029	0.85	90,000	90,000	0.023%
	9 August 2019	9 August 2022 to 8 August 2029	0.85	120,000	120,000	0.031%
	16 December 2021	16 December 2022 to 15 December 2031	0.90	90,000	90,000	0.023%
	16 December 2021	16 December 2023 to 15 December 2031	0.90	90,000	90,000	0.023%
	16 December 2021	16 December 2024 to 15 December 2031	0.90	120,000	120,000	0.031%



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 2022 were included in the employees category as disclosed in the Company's annual report for the year ended 31 March 2022.

On 30 September 2022, Mr. Low resigned as a director and employee of the Company and his share options lapsed on 1 October 2022. For details, please refer to the announcement of the Company published on 30 September 2022 and under the heading "Share Options Scheme" below.

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 of the Company 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 September 2022, 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	67.273%
Ms. Chan	Interest in controlled corporation and interest of spouse	260,302,000	67.273%
IKEAB Limited	Beneficial owner	250,318,000	64.693%

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 September 2022 by virtue of the SFO.
3. Mr. Wong is the spouse of Ms. Chan.

Save as disclosed above, as at 30 September 2022, 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

From 28 September 2022 to 11 October 2022 (the "Purchase Period"), we purchased from the market a total of 8,456,000 Shares which were subsequently cancelled on 10 November 2022. We believe that the current trading price of the Shares does not reflect the intrinsic value and that the share repurchase reflects the Company's confidence in its long-term business prospects and would ultimately benefit the Company and create value for Shareholders.


Particulars of the Shares repurchased on the Stock Exchange during the Purchase Period are as follow:

Date of Repurchase	Number of Shares Repurchased by the Company	Price per Share		Consideration HK\$
		Highest HK\$	Lowest HK\$	
28 September 2022	136,000	1.07	1.07	145,520
30 September 2022	208,000	1.08	1.08	224,640
03 October 2022	1,200,000	1.08	1.08	1,296,000
05 October 2022	2,952,000	1.08	1.08	3,188,160
06 October 2022	76,000	1.08	1.08	82,080
07 October 2022	1,220,000	1.09	1.09	1,329,800
10 October 2022	2,236,000	1.09	1.09	2,437,240
11 October 2022	428,000	1.09	1.09	466,520
Total	8,456,000			9,169,960

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2022 and up to the date of this report.

Share Option Scheme

Pursuant to the SOS, the Board may, at its sole discretion, invite any director or proposed director (including an independent non-executive director) of any member of our Group, any executive director of, manager of, or other employee holding an executive, managerial, supervisory or similar position in, any member of our Group (an "**Employee**"), any proposed Employee, any full-time or part-time Employee, or a person for the time being seconded to work full-time or part-time for any member of our Group (an "**Executive**"), a consultant, business or joint venture partner, franchisee, contractor, agent or representative of any member of our Group, or any advisory, consultancy, professional or other services to any member of our Group, or a close associate (as defined under the GEM Listing Rules) of any of the foregoing persons (together, the "**Eligible Persons**" and each an "**Eligible Person**").




The purpose of the SOS is to motivate Eligible Persons to optimise their future contributions to our Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with Eligible Persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of our Group, and additionally in the case of Executives, to enable our Group to attract and retain individuals with experience and ability and/or to reward them for their past contributions.

The exercise price of the share option will be determined at the higher of the average of closing prices of the Shares on the Stock Exchange on the five trading days immediately preceding the date of grant of the option, the closing price of the Shares on the Stock Exchange on the date of grant or the nominal value of the Shares.

The SOS will remain in force for a period of 10 years commencing on 17 January 2018.

The share options under the SOS are exercisable at any time for a period to be determined by the Directors, which shall not be more than 10 years after the date of grant.

The total number of Shares in respect of which options may be granted under the SOS is not permitted to exceed 10% of the Shares in issue on the Listing Date without prior approval from the Shareholders. No option may be granted in any 12-month period to any one Eligible Person which if exercised in full would result in the total number of Shares already issued and issuable to him under all the options previously granted to him and the said option exceeding 1% of the number of Shares issued and issuable under all the options which may be granted under the SOS or any other share option schemes at the time it is proposed to grant the relevant options to that employee.



Each grant of share options to a Director, chief executive or substantial Shareholder of our Company or any of their respective associates under the SOS shall be approved by Independent Non-executive Directors of our Company (excluding the Independent Non-executive Director of our Company who is the proposed grantee of the share options). Where any grant of share options to a substantial Shareholder or an Independent Non-executive Director of our Company or any of their respective associates would result in the securities issued and to be issued upon exercise of all share options already granted and which may be granted (including share options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (a) representing in aggregate over 0.1% of the Shares in issue; and
- (b) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million, such further grant of share options must be approved by our Shareholders.

The Company shall send a circular to our Shareholders containing the information required under Rule 23.04 of the GEM Listing Rules. The relevant Eligible Person, his associates and all core connected persons of our Company shall abstain from voting at such general meeting. Any vote taken at the meeting to approve the grant of such share options must be taken on a poll.

Share options granted under the SOS must be taken up within the time period to be stated on the letter containing the offer of the grant of the share options, upon payment of HK\$1.00 per grant.

As at the Date of this report, a total of 40,000,000 shares may be granted under the SOS, representing approximately 10.6% of the issued share capital of the Company.

As at 30 September 2022, the Company had 7,260,000 share options outstanding under the SOS, representing approximately 1.9% of the issued share capital of the Company. Details of the share options outstanding as at the date of this report are as follows:

Option Type	Date of Grant	Exercisable Period	Exercise Price (HK\$)
2018 Options	29 June 2018	29 June 2019 to 28 June 2028	0.92
	29 June 2018	29 June 2020 to 28 June 2028	0.92
	29 June 2018	29 June 2021 to 28 June 2028	0.92
2019 Options	9 August 2019	9 August 2020 to 8 August 2029	0.85
	9 August 2019	9 August 2021 to 8 August 2029	0.85
	9 August 2019	9 August 2022 to 8 August 2029	0.85
2021 Options	16 December 2021	16 December 2022 to 15 December 2031	0.90
	16 December 2021	16 December 2023 to 15 December 2031	0.90
	16 December 2021	16 December 2024 to 15 December 2031	0.90

The following table discloses movements in the share options of the Company during the period:

Eligible Person	Options Type	Date of Grant	Exercisable Period	Exercise Price (HK\$)	Number of Shares subject to the			Granted during the period	Exercised during the period	Lapsed during the period	Weighted average closing price of Shares immediately before the date on which the options were exercised	
					outstanding options as at 01.04.2022	Reclassification between Categories	Number of Shares subject to the outstanding options as at 30.09.2022				Number of Shares subject to the outstanding options as at 30.09.2022	Number of Shares subject to the outstanding options as at 30.09.2022
Category 1: Directors												
Mr. Low	2021 Options	16 December 2021	16 December 2022 to 15 December 2031	0.90	-	60,000	-	-	-	60,000	-	-
			16 December 2023 to 15 December 2031	0.90	-	60,000	-	-	-	60,000	-	-
			16 December 2024 to 15 December 2031	0.90	-	80,000	-	-	-	80,000	-	-
Mr. Yu	2018 Options	29 June 2018	29 June 2019 to 28 June 2028	0.92	-	105,000	-	-	-	105,000	-	-
			29 June 2020 to 28 June 2028	0.92	-	105,000	-	-	-	105,000	-	-
			29 June 2021 to 28 June 2028	0.92	-	140,000	-	-	-	140,000	-	-
	2019 Options	9 August 2019	9 August 2020 to 8 August 2029	0.85	-	90,000	-	-	-	90,000	-	-
			9 August 2021 to 8 August 2029	0.85	-	90,000	-	-	-	90,000	-	-
			9 August 2022 to 8 August 2029	0.85	-	120,000	-	-	-	120,000	-	-
2021 Options	16 December 2021	16 December 2022 to 15 December 2031	0.90	-	90,000	-	-	-	90,000	-	-	
		16 December 2023 to 15 December 2031	0.90	-	90,000	-	-	-	90,000	-	-	
		16 December 2024 to 15 December 2031	0.90	-	120,000	-	-	-	120,000	-	-	
		15 December 2031										
Total for Directors					-	1,150,000	-	-	-	1,150,000		

Eligible Person	Options Type	Date of Grant	Exercisable Period	Exercise Price (HK\$)	Number of Shares subject to the outstanding options as at 01.04.2022	Reclassification between Categories	Granted during the period	Exercised during the period	Lapsed during the period	Number of Shares subject to the outstanding options as at 30.09.2022	Weighted average closing price of Shares immediately before the date on which the options were exercised
Category 2: Employees	2018 Options	29 June 2018	29 June 2019 to 28 June 2028	0.92	660,000	(105,000)	-	-	-	555,000	-
			29 June 2020 to 28 June 2028	0.92	660,000	(105,000)	-	-	-	555,000	-
			29 June 2021 to 28 June 2028	0.92	880,000	(140,000)	-	-	-	740,000	-
	2019 Options	9 August 2019	9 August 2020 to 8 August 2029	0.85	516,000	(90,000)	-	-	(15,000)	411,000	-
			9 August 2021 to 8 August 2029	0.85	516,000	(90,000)	-	-	(15,000)	411,000	-
			9 August 2022 to 8 August 2029	0.85	688,000	(120,000)	-	-	(20,000)	548,000	-
	2021 Options	16 December 2021	16 December 2022 to 15 December 2031	0.90	1,107,000	(150,000)	-	-	(90,000)	867,000	-
			16 December 2023 to 15 December 2031	0.90	1,107,000	(150,000)	-	-	(90,000)	867,000	-
			16 December 2024 to 15 December 2031	0.90	1,476,000	(200,000)	-	-	(120,000)	1,156,000	-
Total for Employees					7,610,000	(1,150,000)	-	-	(350,000)	6,110,000	
Total					7,610,000	-	-	-	(350,000)	7,260,000	

Note: The vesting period of the share options is from the date of grant until the commencement of the exercise period.

No share options were granted during the six months ended 30 September 2022.

During the six months ended 30 September 2022, approximately HK\$120,000 of the options fair value was amortised in the accounts of the Company.



Corporate Governance

During the six months ended 30 September 2022, 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 September 2022, 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 six months ended 30 September 2022.

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 11 November 2022 to review the unaudited condensed consolidated quarterly financial statements of the Group for six months ended 30 September 2022 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, 11 November 2022

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

Executive Directors:

WONG Ngai Shan (*Chairman*)

CHAN Wai Chun (*Chief Executive Officer*)

YU Man To Gerald Maximilian

(Chief Financial Officer and Company Secretary)

Independent Non-executive Directors:

CHAN Yuen Ting

TSANG Siu Chun

WANG Chin Mong



REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Deloitte.

德勤

TO THE BOARD OF DIRECTORS OF TASTE • GOURMET GROUP LIMITED

(incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the condensed consolidated financial statements of Taste • Gourmet Group Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 28 to 48, which comprise the condensed consolidated statement of financial position as of 30 September 2022 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“**HKAS 34**”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

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



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

11 November 2022

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

	NOTES	For the three months ended		For the six months ended	
		30 September		30 September	
		2022	2021	2022	2021
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	3	185,351	170,184	335,486	315,172
Other income		5,452	720	17,053	983
Other gains and losses, net		(155)	(874)	(141)	(860)
Raw materials and consumables used		(54,456)	(51,622)	(99,943)	(95,873)
Staff costs		(55,415)	(48,217)	(104,416)	(87,772)
Depreciation of property, plant and equipment		(7,075)	(5,652)	(13,713)	(10,549)
Depreciation of right-of-use assets		(23,828)	(23,026)	(44,560)	(43,434)
Property rentals and related expenses		(10,902)	(8,874)	(20,196)	(16,298)
Utilities and cleaning expenses		(6,181)	(5,113)	(11,533)	(9,654)
Other expenses		(10,982)	(8,192)	(18,083)	(16,222)
Finance costs		(2,563)	(2,341)	(5,024)	(4,517)
Profit before tax	4	19,246	16,993	34,930	30,976
Income tax expense	5	(2,697)	(2,974)	(2,838)	(5,964)
Profit for the period		16,549	14,019	32,092	25,012
Other comprehensive (expense) income:					
Item that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations		(761)	68	(1,680)	216
Total comprehensive income for the period		15,788	14,087	30,412	25,228

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

	NOTE	For the three months ended		For the six months ended	
		30 September		30 September	
		2022	2021	2022	2021
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit (loss) for the period attributable to:					
– Owners of the Company		16,696	14,984	33,077	26,466
– Non-controlling interest		(147)	(965)	(985)	(1,454)
		16,549	14,019	32,092	25,012
Total comprehensive income (expense) for the period attributable to:					
– Owners of the Company		16,239	15,025	32,069	26,596
– Non-controlling interest		(451)	(938)	(1,657)	(1,368)
		15,788	14,087	30,412	25,228
Earnings per share					
– Basic	7	4.3	3.9	8.5	6.8
– Diluted	7	4.3	3.9	8.5	6.8

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2022

	NOTES	As at 30 September 2022 HK\$'000 (Unaudited)	As at 31 March 2022 HK\$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	8	87,006	82,077
Right-of-use assets	8	324,253	295,000
Interest in a joint venture		–	–
Interest in an associate		–	–
Goodwill		3,051	3,051
Intangible assets		878	992
Financial asset at fair value through profit or loss	14	1,756	1,728
Rental and utilities deposits		41,682	38,600
Prepayments and other deposits		1,703	1,014
Loan to an associate		–	–
Amount due from a joint venture		–	–
Deferred tax assets		2,129	1,041
		462,458	423,503
CURRENT ASSETS			
Inventories		1,448	1,157
Trade and other receivables, prepayments and deposits	9	27,036	15,525
Amounts due from directors		–	994
Amount due from a shareholder		80	78
Amount due from an associate		75	79
Tax recoverable		–	172
Bank balances and cash		117,362	64,505
		146,001	82,510

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 30 SEPTEMBER 2022

	NOTES	As at 30 September 2022 HK\$'000 (Unaudited)	As at 31 March 2022 HK\$'000 (Audited)
CURRENT LIABILITIES			
Trade and other payables	10	65,542	29,250
Contract liabilities		2,922	1,092
Lease liabilities		94,084	83,334
Tax payable		9,661	5,769
Provision for reinstatement costs		1,414	679
		173,623	120,124
NET CURRENT LIABILITIES			
		(27,622)	(37,614)
TOTAL ASSETS LESS CURRENT LIABILITIES			
		434,836	385,889
NON-CURRENT LIABILITIES			
Lease liabilities		241,961	221,520
Provision for reinstatement costs		12,615	8,430
Provision for long service payments		349	349
Deferred tax liabilities		204	411
Deferred income		798	239
		255,927	230,949
NET ASSETS			
		178,909	154,940
CAPITAL AND RESERVES			
Share capital	11	38,693	38,693
Share premium and reserves		134,567	108,941
Equity attributable to owners of the Company		173,260	147,634
Non-controlling interest		5,649	7,306
TOTAL EQUITY			
		178,909	154,940

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

	Attributable to owners of the Company										Non-controlling interest	Total
	Share capital	Share premium	Special reserve	Other reserve	Share options reserve	Capital redemption reserve	Translation reserve	Retained profits	Sub-total			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
At 1 April 2021 (audited)	38,693	13,946	(300)	313	695	2,027	532	95,773	151,679	6,444	158,123	
Profit (loss) for the period	-	-	-	-	-	-	-	26,466	26,466	(1,454)	25,012	
Other comprehensive income for the period	-	-	-	-	-	-	130	-	130	86	216	
Total comprehensive income (expense) for the period	-	-	-	-	-	-	130	26,466	26,596	(1,368)	25,228	
Recognition of equity settled share-based payment	-	-	-	-	52	-	-	-	52	-	52	
Dividends recognised as distribution (Note 6)	-	-	-	-	-	-	-	(15,477)	(15,477)	-	(15,477)	
At 30 September 2021 (unaudited)	38,693	13,946	(300)	313	747	2,027	662	106,762	162,850	5,076	167,926	

	Attributable to owners of the Company										Non-controlling interest	Total
	Share capital	Share premium	Special reserve	Other reserve	Share options reserve	Capital redemption reserve	Treasury share reserve	Translation reserve	Retained profits	Sub-total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000 (Note)	HK\$'000	HK\$'000	HK\$'000		
At 1 April 2022 (audited)	38,693	13,946	(300)	313	741	2,027	-	927	91,287	147,634	7,306	154,940
Profit (loss) for the period	-	-	-	-	-	-	-	-	33,077	33,077	(985)	32,092
Other comprehensive expense for the period	-	-	-	-	-	-	-	(1,008)	-	(1,008)	(672)	(1,680)
Total comprehensive (expense) income for the period	-	-	-	-	-	-	-	(1,008)	33,077	32,069	(1,657)	30,412
Recognition of equity settled share-based payment	-	-	-	-	120	-	-	-	-	120	-	120
Lapse of share options	-	-	-	-	(12)	-	-	-	12	-	-	-
Shares repurchased	-	-	-	-	-	-	(372)	-	-	(372)	-	(372)
Dividends recognised as distribution (Note 6)	-	-	-	-	-	-	-	-	(6,191)	(6,191)	-	(6,191)
At 30 September 2022 (unaudited)	38,693	13,946	(300)	313	849	2,027	(372)	(81)	118,185	173,260	5,649	178,909

Note: The treasury share reserve represents the shares repurchased but not yet cancelled during the six months ended 30 September 2022 and all treasury shares have been cancelled subsequently in November 2022.

During the six months ended 30 September 2022, the Company repurchased in total of 344,000 shares through the The Stock Exchange of Hong Kong Limited (the "Stock Exchange") at price ranging from HK\$1.07 to HK\$1.08 per share at a total consideration of approximately HK\$372,000 including transaction costs of approximately HK\$1,000.

In October 2022, the Company further repurchased in total of 8,112,000 shares through the Stock Exchange at price ranging from HK\$1.08 to HK\$1.09 per share at a total consideration of approximately HK\$8,834,000 including transaction costs of approximately HK\$35,000. All shares repurchased are subsequently cancelled in November 2022.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

	For the six months ended	
	30 September	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Net cash from operating activities:		
Profit before tax	34,930	30,976
Adjustments for:		
Amortisation of intangible assets	114	114
Depreciation of property, plant and equipment	13,713	10,549
Depreciation of right-of-use assets	44,560	43,434
Gain from changes in fair value of financial asset at fair value through profit or loss	(28)	(28)
Finance costs	5,024	4,517
Gain on early termination of leases	-	(148)
Impairment loss on an intangible asset	-	94
Interest income from bank deposits	(9)	(8)
Interest income on rental deposits	(385)	(355)
Loss on disposal of property, plant and equipment	74	942
Share-based payment expenses	120	52
Operating cash flows before movements in working capital	98,113	90,139
Increase in trade and other payables	32,700	17,552
Increase in trade and other receivables, prepayments and other deposits and rental and utilities deposits	(11,044)	(3,180)
Other operating activities	1,248	(1,310)
	121,017	103,201

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

	For the six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Net cash used in investing activities:		
Purchase of property, plant and equipment	(16,078)	(28,065)
Payments for rental deposits	(4,725)	(2,925)
Refund of rental deposits	515	811
Advance to an associate	–	(456)
Repayment from an associate	4	454
Repayments from directors	994	–
Advance to a shareholder	(2)	(7)
Receipt of government grants related to acquisition of intangible assets	559	239
Deposits paid for acquisition of property, plant and equipment	(703)	(717)
Interest received	9	8
	(19,427)	(30,658)
Net cash used in financing activities:		
Repayment of bank borrowing	–	(654)
Interest paid on bank borrowing	–	(6)
Interest paid on lease liabilities	(5,024)	(4,511)
Repayments of lease liabilities	(36,360)	(34,597)
Payments on repurchase shares and transaction costs attributable to repurchase shares	(372)	–
Dividends paid	(6,191)	(15,477)
	(47,947)	(55,245)
Net increase in cash and cash equivalents	53,643	17,298
Cash and cash equivalents at the beginning of the period	64,505	81,296
Effect of foreign exchange rate changes	(786)	150
Cash and cash equivalents at the end of the period, represented by bank balances and cash	117,362	98,744

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

1. BASIS OF PREPARATION

Taste · Gourmet Group Limited (the “**Company**”) (hereinafter its subsidiaries together with the Company collectively referred to as the “**Group**”) 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 have been listed on GEM of the Stock Exchange since 17 January 2018.

The condensed consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company.

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“**HKAS 34**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) as well as with the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on GEM of the Stock Exchange.

In preparing the condensed consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group in light of the fact that the Group’s current liabilities exceeded its current assets by HK\$27,622,000 as at 30 September 2022. In the opinion of the directors of the Company, the Group will have sufficient funds available for its future operating cash flow. In addition, taking into account of the unutilised available banking facilities amounting to HK\$30,500,000, the directors of the Company are confident that the Group will be able to meet its financial obligations when they fall due in the foreseeable future. Accordingly, the condensed consolidated financial statements have been prepared on a going concern basis.



2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair values, as appropriate.

Other than additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2022 are the same as those presented in the Group’s annual financial statements for the year ended 31 March 2022.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on 1 April 2022 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020

The application of the above amendments to HKFRSs in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures out in these condensed consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

Revenue represents amounts received and receivable from restaurant operations, net of discounts, during the periods ended 30 September 2022 and 2021.

The principal activities of the Group are operating restaurants serving different kinds of cuisine in Hong Kong and the People's Republic of China ("PRC") during the periods ended 30 September 2022 and 2021.

The Group's revenue from external customers by type of cuisines is as follow:

	For the three months ended 30 September		For the six months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Vietnamese/ Southeast Asian	11,578	11,693	18,790	23,218
Japanese	92,104	91,919	172,125	165,709
Western	21,117	24,277	38,658	47,198
Chinese	59,838	40,826	104,973	75,911
Dessert	–	–	–	1,142
Kiosk	–	555	–	1,080
Others	714	914	940	914
	185,351	170,184	335,486	315,172

Information reported to Mr. Wong Ngai Shan ("Mr. Wong") and Ms. Chan Wai Chun ("Ms. Chan") (collectively as the "Controlling Shareholders"), being the chief operating decision maker ("CODM"), for the purposes of resource allocation and performance assessment, focuses on the operating results of the Group by location of operation. The CODM has determined that the Group has only two reportable segments for the restaurants serving different kinds of cuisine in Hong Kong and the PRC, each of which is considered a separate operating segment by the CODM.

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segment:

	For the three months ended 30 September 2022			For the three months ended 30 September 2021		
	Hong Kong	The PRC	Total	Hong Kong	The PRC	Total
	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)
Revenue from external sales	174,512	10,839	185,351	162,768	7,416	170,184
Segment profit (loss)	21,173	1,323	22,496	21,964	(2,066)	19,898
Unallocated other gains and losses, net			14			14
Unallocated expenses			(3,264)			(2,919)
Profit before tax			19,246			16,993

	For the six months ended 30 September 2022			For the six months ended 30 September 2021		
	Hong Kong	The PRC	Total	Hong Kong	The PRC	Total
	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)
Revenue from external sales	323,710	11,776	335,486	302,386	12,786	315,172
Segment profit (loss)	43,621	(2,466)	41,155	40,559	(3,623)	36,936
Unallocated other gains and losses, net			28			28
Unallocated expenses			(6,253)			(5,988)
Profit before tax			34,930			30,976

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment revenue and results (Continued)

Segment profit (loss) represents the profit earned (loss incurred) by the reportable segment excluding unallocated other gains and losses, net (i.e. gain from changes in fair value of financial asset at fair value through profit or loss ("FVTPL")) and without allocation of central administration costs. This is the measure reported to CODM for the purposes of resource allocation and performance assessment.

The CODM makes decisions according to operating results of each segment. No analysis of segment assets and segment liabilities is presented as the CODM does not regularly review such information for the purposes of resource allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

The Group's customer base is diversified and no individual customer had contributed more than 10% of the Group's revenue during the relevant periods.

4. PROFIT BEFORE TAX

	For the three months ended 30 September		For the six months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Profit before tax has been arrived at after charging (crediting):				
Share-based payment expenses (included in staff costs)	59	15	120	52
Amortisation of intangible assets (included in other expenses)	57	57	114	114
Covid-19-related rent concessions (included in depreciation of right-of-use assets) (Note 8)	–	(189)	(2,557)	(793)
Gain from changes in fair value of financial asset at FVTPL (included in other gains and losses, net)	(14)	(14)	(28)	(28)
Gain on early termination of leases (included in other gains and losses, net)	–	(148)	–	(148)
Government subsidies (included in other income) (Note)	(5,040)	–	(15,955)	–
Impairment loss on an intangible asset (included in other gains and losses, net)	–	94	–	94
Loss on disposal of property, plant and equipment (included in other gains and losses, net)	74	942	74	942

4. PROFIT BEFORE TAX (CONTINUED)

Note:

During the six months ended 30 September 2022,

- the Group recognised government grants of HK\$14,255,000 relates to Employment Support Scheme provided by the Hong Kong government; and
- the Group recognised government grants of HK\$1,700,000 relates to a one-off subsidy received from the Food License Holders Subsidy Scheme operated by the Food and Environmental Hygiene Department under the Anti-epidemic Fund.

No such government grants are received during the six months ended 30 September 2021.

5. INCOME TAX EXPENSE

	For the three months ended		For the six months ended	
	30 September	2021	30 September	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
The tax charge (credit)				
comprises				
Hong Kong Profits Tax:				
– Current tax	1,759	2,724	4,133	6,226
Deferred taxation	938	250	(1,295)	(262)
	2,697	2,974	2,838	5,964

6. DIVIDENDS

	For the six months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Dividends for ordinary shareholders of the Company recognised as distribution during the period:		
2022 Final – HK1.6 cents (2021: 2021 Final – HK4 cents) per share	6,191	15,477

Subsequent to the end of the current interim period, the directors of the Company has declared that an interim dividend of HK4.8 cents per share, in aggregate amount of HK\$18,167,000, will be paid to the shareholders of the Company whose names appear on the register of members of the Company on Tuesday, 29 November 2022.

7. EARNINGS PER SHARE

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

	For the three months ended 30 September		For the six months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Earnings				
Earnings for the purposes of basic and diluted earnings per share – profit for the period attributable to owners of the Company	16,696	14,984	33,077	26,466

7. EARNINGS PER SHARE (CONTINUED)

	For the three months ended		For the six months ended	
	30 September		30 September	
	2022	2021	2022	2021
	'000	'000	'000	'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Number of shares				
Weighted average number of ordinary shares for the purpose of basic earnings per share (Note)	386,925	386,932	386,929	386,932
Effect of dilutive potential ordinary shares:				
Share options	409	900	512	984
Weighted average number of ordinary shares for the purpose of diluted earnings per share	387,334	387,832	387,441	387,916

Note: For the six months ended 30 September 2022, the weighted average number of ordinary shares for the purpose of calculating basic earnings per share has been adjusted for the effect of the ordinary shares of the Company repurchased from the market in September 2022 and subsequently cancelled in November 2022.

8. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

- (a) During the six months ended 30 September 2022, the Group acquired property, plant and equipment of HK\$19,848,000 (six months ended 30 September 2021: HK\$31,974,000) and written off property, plant and equipment with carrying amounts of HK\$74,000 (six months ended 30 September 2021: HK\$942,000).



8. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (CONTINUED)

- (b) During the six months ended 30 September 2022 and 2021, the Group entered into several new lease agreements and lease modifications for its restaurants with lease terms ranged from 1 to 6 years. The Group is required to make fixed monthly payments and additional variable payments that are based on 11% to 15% of monthly sales and minimum monthly lease payment that are fixed over the terms, whichever is higher. On lease commencement or modified, the Group recognised right-of-use assets of HK\$78,728,000 (six months ended 30 September 2021: HK\$78,369,000) and lease liabilities of HK\$72,775,000 (six months ended 30 September 2021: HK\$76,242,000).

During the six months ended 30 September 2022, lessors of certain restaurants provided rent concessions that occurred as a direct consequence of Covid-19 pandemic to the Group through rent reductions ranging from 8% to 50% (six months ended 30 September 2021: 10% to 45%) over one to two months (six months ended 30 September 2021: over one to two months).

All rent concessions occurred as a direct consequence of Covid-19 pandemic and met of all of the conditions in HKFRS 16.46B, and the Group applied the practical expedient not to assess whether the changes constitute lease modifications. During the six months ended 30 September 2022, the effects on changes in lease payments due to forgiveness or waiver by the lessors for the relevant leases of HK\$2,557,000 (six months ended 30 September 2021: HK\$793,000) were recognised as negative variable lease payments.

9. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

The revenue from sales of food and beverages are generally on cash or credit card settlement. The Group allows a credit period of 30 days to its trade receivables arising from sales of food and beverages through food delivery service agents.

As at 30 September 2022 and 31 March 2022, the Group's trade receivables include receivables from financial institutions in relation to the payments settled by credit cards by customers of which the settlement period is normally within 2 days from the trade date, and receivables from the food delivery service agents or other payment channels of which the settlement period is within 30 days from the invoice date.

All trade receivables as at 30 September 2022 of HK\$3,865,000 (31 March 2022: HK\$1,772,000) are aged within 30 days as at the end of each reporting date with no impairment loss being recognised. All trade receivables are not past due and settled subsequent to the end of the reporting period. None of the trade receivables are past due but not impaired as at 30 September 2022 and 31 March 2022.

10. TRADE AND OTHER PAYABLES

	As at 30 September 2022 HK\$'000 (Unaudited)	As at 31 March 2022 HK\$'000 (Audited)
Trade payables – aged within 30 days (based on invoice date)	17,197	5,974

The credit period granted by suppliers on purchase of goods is 0 to 30 days. No interest is charged by the trade creditors.

11. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Ordinary shares of HK\$0.1 each		
Authorised: At 1 April 2021 (audited), 30 September 2021 (unaudited), 31 March 2022 (audited) and 30 September 2022 (unaudited)	1,000,000,000	100,000
Issued and fully paid: At 1 April 2021 (audited), 30 September 2021 (unaudited), 31 March 2022 (audited) and 30 September 2022 (unaudited)	386,932,000	38,693

12. CAPITAL COMMITMENTS

	As at 30 September 2022 HK\$'000 (Unaudited)	As at 31 March 2022 HK\$'000 (Audited)
Contracted for but not provided:		
– Acquisition of property, plant and equipment	7,799	84
– Acquisition of intangible assets	1,250	1,250
	9,049	1,334

13. RELATED PARTY TRANSACTIONS

Apart from details of the balances with related parties disclosed in the condensed consolidated statement of financial position and other details disclosed elsewhere in the condensed consolidated financial statements, the Group also entered into the following transactions with related parties during the periods:

Name of related parties	Nature of transactions	For the six months ended	
		30 September 2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Controlling shareholders	Payments relating to short-term leases (Note)	82	82
United Mind Limited*	Management fee income	60	60

* This related party is an associate of the Group.

Note: During the six months ended 30 September 2022 and 2021, the Group has entered into short-term lease agreements for leases of car park spaces for one year.

13. RELATED PARTY TRANSACTIONS (CONTINUED)

Compensation of key management personnel

The remuneration of senior management personnel including executive directors' remuneration during the periods is as follows:

	For the six months ended	
	30 September	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Short-term benefits	3,958	3,796
Post-employment benefits	72	72
	4,030	3,868

14. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value measurement and valuation processes

In estimating the fair value of an asset, the Group uses market-observable data to the extent it is available. For instruments with significant unobservable inputs under Level 3, the Group performed discounted cash flow to derive the present value of the financial asset. The management of the Group reports the findings to the directors of the Company every half year to explain the cause of fluctuations in the fair value of the asset.

The following table gives information about how the fair value of this financial asset is determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are based on quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

14. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value measurement of the Group's financial asset that is measured at fair value on a recurring basis

Financial asset	Fair value as at		Fair value hierarchy	Valuation techniques and key input
	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)		
Financial asset at FVTPL	1,756	1,728	Level 3	With reference to the adjusted cash value provided by counterparty which represents the premium paid to the policies adjusted by net yield with reference to the expected return rate of 4.4% (31 March 2022: 4.4%)

Note: The significant unobservable input is expected return rate and assuming other inputs were held constant, if the expected return rate increases, the fair value of the policies increases and vice versa. In the opinion of the directors of the Company, the change of expected return rate of the policies is insignificant based on historical record and no sensitivity is prepared.

There is no transfer between Level 1, 2 and 3 for both periods.

Reconciliation of Level 3 fair value measurements of financial asset

	HK\$'000
At 1 April 2021 (audited)	1,673
Net gains in profit or loss	28
At 30 September 2021 (unaudited)	1,701
At 1 April 2022 (audited)	1,728
Net gains in profit or loss	28
At 30 September 2022 (unaudited)	1,756

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values.