

菜魚

TASTE · GOURMET
GROUP LIMITED

嚐 · 高美集團有限公司

(Incorporated in the Cayman Island with limited liability)

STOCK CODE : 8371



2021/22

INTERIM REPORT





CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. WONG Ngai Shan (*Chairman*)

Ms. CHAN Wai Chun (*Chief Executive 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

Level 54, Hopewell Centre

183 Queen's Road East, 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 2021

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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this Report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Report.

*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.*



CONTENTS

BUSINESS REVIEW	3
FINANCIAL REVIEW	9
FUTURE PROSPECTS	14
OTHER INFORMATION	15
REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	21
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	23
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	25
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	27
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	28
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	30



BUSINESS REVIEW

During the six months ended 30 September 2021 (“**FY2022 Interim**”), the Group, we opened six new restaurants: (1) Yakiniku Guu at the Tai Hung Fai Centre in Tsuen Wan in May 2021; (2) Nabe Urawa at the Raffles City Changning in Shanghai in June 2021; (3) Same Same at Plaza 66 in Shanghai in August 2021; (4) Moments Together at the Elements in Tsim Sha Tsui in August 2021; (5) Takano Ramen at the New Town Plaza in Shatin in September 2021; and (6) Dab-Pa Artisan at the K11 MUSEA in Tsim Sha Tsui in September 2021. In July 2021, our La’taste at the Grand Plaza in Mongkok was closed and reopened as a Yakiniku Guu branded Japanese Restaurant in August 2021.

During FY2022 Interim, in addition to the closure of our La’taste restaurant discussed above, the following restaurants were closed: (1) our Sweetology restaurant at the Metroplaza in Kwai Fong was closed upon the expiration of its lease in May 2021 and we decided not to renew its lease; and (2) the lease of our Say Cheese restaurant at the Park Central in Tseung Kwan O was due to expire on 1 November 2021 which we decided not to renew, however a new tenant entered into a new lease with the landlord and our lease was terminated early at the end of August 2021 without having to reinstate the site to the original bare shell condition.

In October 2021, our La’taste restaurant in Central and our Say Cheese Kiosk at the Olympic City were also closed upon the expiration of their respective leases and we decided not to renew their leases.

Currently, 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 those restaurants listed above 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 2021, 30 September 2021 and as at the date of this report are as follows:

By Brands	31 March 2021	30 June 2021	30 September 2021	Date of Report
Hong Kong				
Nabe Urawa	9	9	9	9
Dab-Pa	5	5	6	6
La'taste	5	5	4	3
Rakuraku Ramen	3	3	3	3
Parkview	2	2	2	2
Yakiniku Guu	–	1	2	2
Moments Together	–	–	1	1
Say Cheese	1	1	–	–
Say Cheese Kiosk	1	1	1	–
Takano Ramen	1	1	2	2
Tirpse	1	1	1	1
Urawa	1	1	1	1
Wasyokuya Yamaichi	1	1	1	1
Sweetology	1	–	–	–
Xianghui*	1	1	1	1
Hong Kong Total	32	32	34	32
Shanghai				
Nabe Urawa	–	1	1	1
Same Same	–	–	1	1
Moments Together (Shi Li Xianghui)	1	1	1	1
Shanghai Total	1	2	3	3
Total	33	34	37	35

By Cuisine/Type	31 March 2021	30 June 2021	30 September 2021	Date of Report
Japanese	15	17	19	19
Chinese	7	7	9	9
Vietnamese/Southeast Asian	5	5	5	4
Western	4	4	3	3
Dessert	1	–	–	–
Kiosks	1	1	1	–
Total	33	34	37	35

* Xianghui 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	Site Area (Sq M)
Moments Together	Taikoo Li Qiantan, Shanghai	Swire	31.08.2026	None	Q4 2021	279.00
Yakiniku Guu/Sankinn	TMT Plaza, Tuen Mun	Sino Land	30.09.2026	None	Q4 2021	650.00

For details of these leases, please refer to the announcements issued by the Company dated 24 August 2021 and 2 September 2021.

Significant Investments, Material Acquisitions or Disposals

There were no other significant investments held, material acquisitions or disposals of subsidiaries and affiliated companies during FY2022 Interim.

Restaurant Operations

During FY2022 Interim, a total of 1,537,633 customers patronised our restaurants (excluding Xiang Hui as it is equity accounted for in the condensed consolidated financial statements of the Group), an increase of 482,354 customers or 45.7% when compared to the six months ended 30 September 2020 (“FY2021 Interim”). The average spending per customer increased from HK\$169.8 to HK\$205.0 for FY2022 Interim compared to the same period in 2020 but if the kiosks and dessert businesses are excluded, the average spending per customer increased to HK\$208.2. The average spending per order for our kiosks was HK\$43.0 representing an increase of 4.4% when compared to the same period in 2020 and the average spending per customer for our dessert business was HK\$83.6 representing an increase of 8.9% when compared to the same period in 2020. The key operating information by cuisine are summarized as follows:

	Six Months Ended											
	30.09.2021						30.09.2020					
	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	23,218	592	156,524	209,008	111.1	2.4	20,183	494	111,955	191,891	105.2	2.2
Japanese	165,709	2,024	1,020,511	747,612	221.7	2.3	87,255	1,520	554,658	437,441	199.5	1.8
- Nabe Urawa	114,245	1,308	634,740	476,682	239.7	2.0	63,018	1,068	381,082	275,490	228.7	1.6
- Yakimiku Gou	10,388	216	109,354	26,732	388.6	1.3	-	-	-	-	-	-
- Ramen	22,449	265	174,634	179,399	125.1	5.3	15,481	217	84,595	133,290	116.1	3.4
- Others	18,627	235	101,783	64,799	287.4	1.5	8,756	235	88,981	28,661	305.5	1.2
Chinese	75,911	825	497,940	321,949	235.8	2.6	29,645	442	164,024	167,419	177.1	2.1
Western	47,198	413	261,264	220,310	214.2	3.0	37,322	413	205,257	183,263	203.7	2.4
	312,036	3,854	1,936,239	1,498,879	208.2	2.4	174,405	2,869	1,035,894	980,014	178.0	2.0
Dessert	1,142	31	24,830	13,663	83.6	9.6	3,520	31	20,707	45,839	76.8	8.7
Kiosks	1,080	16	5,903	25,091	43.0	8.6	1,211	16	6,834	29,426	41.2	10.4
Others	914	-	-	-	-	-	-	-	-	-	-	-
	315,172	3,901	1,966,972	1,537,633	205.0	2.5	179,136	2,916	1,063,435	1,055,279	169.8	2.1



Impact of COVID-19 on the Number of Customers

In order to control the spread of COVID-19 in Hong Kong, the Hong Kong Government implemented certain social distancing measures for restaurant operations (the “**Hong Kong Government Social Distancing Measures**”) which includes (a) a minimum of 1.5 metres distance or some form of partition which serves as effective buffer between tables; (b) a limit on the number of customers in the restaurant as well as at each table; (c) a person must wear a mask at catering premises except when consuming food or drink; (d) body temperature screening on a person must be conducted before the person is allowed to enter the catering premises; and (e) hand sanitisers must be provided at catering premises.

The Hong Kong Government Social Distancing Measures that were in place during the period were as follows:

- In February 2021, the Hong Kong Government eased dine-in restrictions to allow a maximum of four per table and services extended to 9:59 p.m.

There are certain conditions for further easing such as if all restaurants staff have at least been vaccinated with one jab or if all staff fully vaccinated and customers have been vaccinated with one jab. The following is an extract from the press release under the heading *Government to relax social distancing measures under “vaccine bubble”* issued by the Hong Kong Government dated 28 April 2021 (<https://www.info.gov.hk/gia/general/202104/28/P2021042800868.htm>):

“(1) Except for bars or pubs which are subject to other requirements, all catering business must operate according to one or more of the following operating mode(s). Among them, Types A and B Mode of Operation are existing arrangements, while Types C and D Mode of Operation are introduced under the “vaccine bubble”.

- (a) *Type A Mode of Operation: The catering business can provide dine-in services from 5am to 5.59pm every day, with the number of customers at the catering premises at any one time not exceeding 50% of the normal seating capacity of the premises and no more than two persons seated together at one table.*

- 
- (b) *Type B Mode of Operation: A person responsible for carrying on a catering business must adopt specified infection control measures, including ensuring that patrons (excluding persons who only order takeaways) scan the “LeaveHomeSafe” QR code using the “LeaveHomeSafe” mobile application on their mobile phones or register their names, contact numbers and the dates and times of their visits before the patrons are allowed to enter the premises; and arranging for all staff members involved in the operation of the premises to undergo a polymerase chain reaction-based nucleic acid test for COVID-19 using combined nasal and throat swabs starting from April 29, once every 14 days (or as alternative, complete a COVID-19 vaccination course). The catering business can provide dine-in services from 5am to 9.59pm every day, with the number of customers at the catering premises at any one time not exceeding 50% of the normal seating capacity of the premises and no more than four persons seated together at one table.*
- (c) *Type C Mode of Operation: A person responsible for carrying on a catering business must ensure that all staff have received the first dose of COVID-19 vaccine. The person responsible for carrying on a catering business can designate the whole or part of the premises as “Designated Zone C”, and must ensure that all customers in the zone scan the “LeaveHomeSafe” QR code using the “LeaveHomeSafe” mobile application on their mobile phones. Within the “Designated Zone C”, the catering business can provide dine-in services from 5am to 11.59pm every day, with the number of customers at the catering premises at any one time not exceeding 50% of the normal seating capacity of the premises and no more than six persons seated together at one table.*
- (d) *Type D Mode of Operation: A person responsible for carrying on a catering business must ensure that all staff have completed the full course of COVID-19 vaccination (which generally refers to having received two doses of COVID-19 vaccine plus 14 days). The person responsible for carrying on a catering business can designate the whole or part of the premises as “Designated Zone D”, and must ensure that all customers in the zone have received the first COVID-19 vaccine dose and scan the “LeaveHomeSafe” QR code using the “LeaveHomeSafe” mobile application on their mobile phones. Within the “Designated Zone D”, the catering business can provide dine-in services every day from 5am to 1.59am on the subsequent day, with the number of customers at the catering premises at any one time not exceeding 75% of the normal seating capacity of the premises and no more than eight persons seated together at one table.”*

As at the date of this report, we have eight restaurants under type B, 13 restaurants under type C and 11 restaurants under type D (including Xianghui).

FINANCIAL REVIEW

Revenue

For FY2022 Interim, the Group recorded revenue of HK\$315,172,000, representing an increase of 75.9% when compared to the same period in 2020.

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.

	Six months ended				Changes
	30.09.2021		30.09.2020		
	HK\$'000 (unaudited)	% of Revenue	HK\$'000 (unaudited)	% of Revenue	
Vietnamese/Southeast Asian	23,218	7.4%	20,183	11.3%	15.0%
Japanese	165,709	52.6%	87,255	48.7%	89.9%
Chinese	75,911	24.1%	29,645	16.5%	156.1%
Western	47,198	15.0%	37,322	20.8%	26.5%
Dessert	1,142	0.4%	3,520	2.0%	-67.6%
Kiosks	1,080	0.3%	1,211	0.7%	-10.8%
Others	914	0.2%	-	0.0%	100.0%
Total revenue	315,172	100.0%	179,136	100.0%	75.9%

When compared to the same period in 2020, 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 Full Year	FY2021 Full Year	Baseline June 2020	FY2022 Q1	FY2022 Q2	FY2022 Interim
Average revenue per restaurant per day	90%	68%	100%	97%	108%	103%

The average revenue per restaurant per day for FY2022 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 2021). However, the average revenue per restaurant per day during the three months ended 30 September 2021 ("FY2022 Q2") is higher than the baseline even with the restrictive social distancing measures in place.

Subsidies from the Hong Kong Government

No government subsidies in relation to the Anti-epidemic Fund was received by the Group during FY2022 Interim. Subsidies received during FY2021 Interim amounted to HK\$14.3 million.

Rental Concessions

During FY2022 Interim, we received approximately HK\$0.8 million in rental concessions from our landlords which has been set-off against depreciation of Right-of-Use Assets. During FY2021 Interim, we received approximately HK\$4.7 million.

Major Cost Components

	Six months ended				Changes
	30.09.2021		30.09.2020		
	HK\$'000 (unaudited)	% of Revenue	HK\$'000 (unaudited)	% of Revenue	
Raw materials and consumables used	95,873	30.4%	54,382	30.4%	76.3%
Staff costs	87,772	27.8%	48,386	27.0%	81.4%
Depreciation of property, plant and equipment	10,549	3.3%	8,610	4.8%	22.5%
Depreciation of Right-of-use ("ROU") Assets	43,434	13.8%	31,042	17.3%	39.9%
Property rental and related expenses	16,298	5.2%	10,718	6.0%	52.1%
Utilities and cleaning expenses	9,654	3.1%	6,000	3.3%	60.9%
Other expenses	16,222	5.1%	11,133	6.2%	45.7%
Listing expense	-	0.0%	15,750	8.8%	100.0%
Finance costs	4,517	1.4%	3,037	1.7%	48.7%

Raw materials and consumables used increased by approximately 76.3% during FY2022 Interim when compared to FY2021 Interim is mainly due to the opening of new restaurants as discussed under revenue above. As a percentage of revenue raw materials and consumables used remained stable at 30.4%.

Staff costs increased by approximately 81.4% during FY2022 Interim when compared to FY2021 Interim is mainly due to the increase in the number of key staff in order to optimise the roles within Group and unpaid leaves taken by all our staff during FY2021 Interim. As a percentage of revenue staff costs increased slightly from 27.0% to 27.8% when compared to FY2021 Interim is primarily the same as the reason described above.

Property rental and related expenses increased by approximately 52.1% when compared to FY2021 Interim. The increase is primarily due to more restaurants were in operations during FY2022 Interim. As a percentage of revenue, property rental and related expenses decreased from 6.0% to 5.2% is primarily due to the increase in the average revenue per restaurant per day when compared to the COVID-19 impacted revenue during FY2021 Interim as property rental and related expenses only 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 22.5% and approximately 39.9%, respectively when compared to FY2021 Interim, which is primarily due to more restaurants were in operations during FY2022 Interim. In addition, the increase in depreciation of ROU Assets is also attributed by new leases under rent free periods that were under renovation. As a percentage of revenue, depreciation of property, plant and equipment and depreciation of ROU Assets decreased from 4.8% to 3.3% and from 17.3% to 13.8% is primarily due to the increase in the average revenue per restaurant per day when compared to the COVID-19 impacted revenue during FY2021 Interim as these assets are depreciated on a straight-line basis. However, the increase in depreciation of ROU Assets is offset by the charging of depreciation for new leases under rent free periods that had not commenced operations.

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\$16,222,000, representing an increase of approximately 45.7% when compared FY2021 Interim, primarily due to more restaurants were in operations during FY2022 Interim. As a percentage of revenue, other expenses accounted for approximately 5.1% of revenue, a slight decrease compared to the 6.2% recorded during FY2021 Interim primarily due to the increase in the average revenue per restaurant per day when compared to the COVID-19 impacted revenue during FY2021 Interim as some expenses are fixed expenses in nature.

Listing expense is expense incurred in relation to the Proposed Transfer.

Net Profit and Profit Attributable to Owners of the Company

(1) Unadjusted

For the six months ended 30 September 2021, net profit and profit attributable to owners of the Company amounted to approximately HK\$25,012,000 and HK\$26,466,000, respectively. Net profit increased by approximately HK\$20,593,000 or 466.0% and net profit attributable to owners of the Company increased by approximately HK\$21,952,000 or 486.3%.

(2) Government Subsidies Deducted and Listing Expenses Added Back

Adjusted for the impact of listing expense and the Anti-epidemic subsidies from the Hong Kong Government received during FY2021 Interim, net profit increased by approximately HK\$19,183,000 or 329.1% and net profit attributable to owners of the Company increased by approximately HK\$20,542,000 or 346.8%.

(3) Listing Expense Added Back Only

Adjusted for the impact of listing expense only incurred during FY2021 Interim, net profit increased by approximately HK\$4,843,000 or 24.0% and net profit attributable to owners of the Company increased by approximately HK\$6,202,000 or 30.6%.

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

Financial Resources and Position

As at 30 September 2021, total borrowing amounted to approximately HK\$0.1 million, representing a decrease of 85.6% compared to 31 March 2021. Our bank borrowing carry variable-rate at Hong Kong Dollar Best Lending Rate less 2.5% per annum. The bank borrowing is secured by the corporate guarantee of the Company.

Cash and cash equivalents amounted to HK\$98.7 million as at 30 September 2021 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 September 2021, 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 2021, the Group had a total of 860 employees, of which approximately 90% are situated in Hong Kong and 10% situated in Mainland China. 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 remuneration committee of the Company, having regard to the Company's operating results, individual performance and comparable market statistics, determined the emoluments of the Directors. None of the Directors or any of his/her associates, and executive, is involved in dealing in his/her own remuneration.

Contingent Liabilities

As at 30 September 2021, the Group did not have any significant contingent liabilities.

Capital Commitments

As at 30 September 2021, the Group's outstanding capital commitments was approximately HK\$1,279,000.



Interim Dividend

The Board resolved to declare an interim cash dividend of HK\$0.04 per Share for the six months ended 30 September 2021 (2020: 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\$15,477,000 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, 30 November 2021. The register of members of the Company will close from Monday, 29 November 2021 to Tuesday, 30 November 2021 (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 Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on Friday, 26 November 2021. 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 21 December 2021.

The current dividend payout policy adopted by the Group is not less than 50% of the profit attributable to owners of the Company. Based on the profit attributable to owners of the Company for the six months ended 30 September 2021 of approximately \$26,596,000, the dividend payout ratio is approximately 58.2%.

Future Prospects

With a steady increased 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 2021, 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	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%
Mr. Tsang Siu Chun	Beneficial owner	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 2021 by virtue of the SFO.
3. Mr. Wong is the spouse of Ms. Chan.

Save as disclosed above, as at 30 September 2021, 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.

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 2021, 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 2021 by virtue of the SFO.
3. Mr. Wong is the spouse of Ms. Chan.

Save as disclosed above, as at 30 September 2021, 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 six months ended 30 September 2021 and up to the date of this report.



Share Option Scheme

Pursuant to the Company's share option scheme adopted by the Shareholders on 20 December 2017 (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 a person providing 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 Eligible Person.

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 10.3% of the issued share capital of the Company.

As at 30 September 2021, the Company had 4,470,000 share options outstanding under the SOS, representing approximately 1.2% 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

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 outstanding options as at 01.04.2021	Granted during the period	Exercised during the period	Lapsed during the period	Number of Shares subject to the outstanding options as at 30.09.2021	Weighted average closing price of Shares immediately before the date on which the options were exercised
Category 1: Employees	2018 Options	29 June 2018	29 June 2019 to 28 June 2028	0.92	765,000	-	-	-	765,000	-
			29 June 2020 to 28 June 2028	0.92	765,000	-	-	-	765,000	-
			29 June 2021 to 28 June 2028	0.92	1,020,000	-	-	-	1,020,000	-
	2019 Options	9 August 2019	9 August 2020 to 8 August 2029	0.85	576,000	-	-	-	576,000	-
			9 August 2021 to 8 August 2029	0.85	576,000	-	-	-	576,000	-
			9 August 2022 to 8 August 2029	0.85	768,000	-	-	-	768,000	-
Total					4,470,000	-	-	-	4,470,000	

No share options were granted during the six months ended 30 September 2021.

During the six months ended 30 September 2021, approximately HK\$52,000 of the Options Fair Value was amortised in the accounts of the Company.

Corporate Governance

During the six months ended 30 September 2021, 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 2021, 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 2021.



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 12 November 2021 to review the unaudited condensed consolidated financial statements of the Group for six months ended 30 September 2021 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, 12 November 2021

As at the date of this report, 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

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 23 to 46, which comprise the condensed consolidated statement of financial position as of 30 September 2021 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

12 November 2021

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

	NOTES	For the three months ended		For the six months ended	
		30 September		30 September	
		2021	2020	2021	2020
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	3	170,184	80,927	315,172	179,136
Other income		113	11,139	983	15,028
Other gains and losses, net		(874)	14	(860)	27
Raw materials and consumables used		(51,622)	(25,652)	(95,873)	(54,382)
Staff costs		(48,217)	(23,141)	(87,772)	(48,386)
Depreciation of property, plant and equipment		(5,732)	(4,438)	(10,549)	(8,610)
Depreciation of right-of-use assets		(22,339)	(16,392)	(43,434)	(31,042)
Property rentals and related expenses		(8,874)	(5,419)	(16,298)	(10,718)
Utilities and cleaning expenses		(5,113)	(2,890)	(9,654)	(6,000)
Other expenses		(8,192)	(5,298)	(16,222)	(11,133)
Listing expense		–	(12,050)	–	(15,750)
Finance costs		(2,341)	(1,537)	(4,517)	(3,037)
Profit (loss) before tax	4	16,993	(4,737)	30,976	5,133
Income tax (expense) credit	5	(2,974)	771	(5,964)	(714)
Profit (loss) for the period		14,019	(3,966)	25,012	4,419
Other comprehensive income:					
Item that may be reclassified subsequently to profit or loss:					
Exchange difference on translation of foreign operation		68	40	216	40
Total comprehensive income (expense) for the period		14,087	(3,926)	25,228	4,459

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2021

	NOTES	As at 30 September 2021 HK\$'000 (Unaudited)	As at 31 March 2021 HK\$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	8	78,741	58,186
Right-of-use assets	8	272,428	241,215
Interest in a joint venture		–	–
Interest in an associate		–	–
Goodwill		3,051	3,051
Intangible assets		1,104	1,312
Financial asset at fair value through profit or loss	15	1,701	1,673
Rental and utilities deposits		30,970	29,568
Prepayments and other deposits		2,062	2,744
Loan to an associate		–	–
Amount due from a joint venture		–	–
Deferred tax assets		1,113	1,182
		391,170	338,931
CURRENT ASSETS			
Inventories		1,480	924
Trade and other receivables, prepayments and deposits	9	23,808	20,143
Amounts due from directors		144	144
Amount due from a shareholder		67	60
Amount due from an associate		81	79
Tax recoverable		1,293	4,627
Bank balances and cash		98,744	81,296
		125,617	107,273

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 30 SEPTEMBER 2021

	NOTES	As at 30 September 2021 HK\$'000 (Unaudited)	As at 31 March 2021 HK\$'000 (Audited)
CURRENT LIABILITIES			
Trade and other payables	10	52,032	31,970
Contract liabilities		1,528	1,923
Amount due to a shareholder		285	294
Bank borrowing	11	110	764
Lease liabilities		79,616	68,299
Tax payable		3,088	196
Provision for reinstatement costs		1,390	1,350
		138,049	104,796
NET CURRENT (LIABILITIES) ASSETS		(12,432)	2,477
TOTAL ASSETS LESS CURRENT LIABILITIES		378,738	341,408
NON-CURRENT LIABILITIES			
Lease liabilities		201,877	175,416
Provision for reinstatement costs		7,328	6,170
Provision for long service payments		398	398
Deferred income		239	–
Deferred tax liabilities		970	1,301
		210,812	183,285
NET ASSETS		167,926	158,123
CAPITAL AND RESERVES			
Share capital	12	38,693	38,693
Share premium and reserves		124,157	112,986
Equity attributable to owners of the Company		162,850	151,679
Non-controlling interest		5,076	6,444
TOTAL EQUITY		167,926	158,123

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

	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 2020 (audited)	37,973	5,340	(300)	313	528	2,027	-	76,464	122,345	-	122,345	
Profit (loss) for the period	-	-	-	-	-	-	-	4,514	4,514	(95)	4,419	
Other comprehensive income for the period	-	-	-	-	-	-	24	-	24	16	40	
Total comprehensive income (expense) for the period	-	-	-	-	-	-	24	4,514	4,538	(79)	4,459	
Capital contribution from non-controlling interest	-	-	-	-	-	-	-	-	-	6,824	6,824	
Recognition of equity settled share-based payment	-	-	-	-	127	-	-	-	127	-	127	
Lapse of share options	-	-	-	-	(38)	-	-	38	-	-	-	
Dividends recognised as distribution (Note 6)	-	-	-	-	-	-	-	(5,696)	(5,696)	-	(5,696)	
At 30 September 2020 (unaudited)	37,973	5,340	(300)	313	617	2,027	24	75,320	121,314	6,745	128,059	

	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	

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

	For the six months ended	
	30 September	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Net cash from operating activities:		
Profit before tax	30,976	5,133
Adjustments for:		
Amortisation of intangible assets	114	113
Depreciation of property, plant and equipment	10,549	8,610
Depreciation of right-of-use assets	43,434	31,042
Gain from changes in fair value of financial asset at fair value through profit or loss	(28)	(27)
Finance costs	4,517	3,037
Gain on early termination of leases	(148)	–
Impairment loss on an intangible asset	94	–
Interest income from bank deposits	(8)	(1)
Interest income on rental deposits	(355)	(277)
Loss on disposal of property, plant and equipment	942	–
Share-based payment expenses	52	127
Operating cash flows before movements in working capital	90,139	47,757
Increase in trade and other payables	17,552	17,931
Increase in trade and other receivables, prepayments and other deposits and utilities deposits	(3,180)	(5,428)
Other operating activities	(1,310)	617
	103,201	60,877

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

	For the six months ended	
	30 September	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Net cash used in investing activities:		
Purchase of property, plant and equipment	(28,065)	(15,838)
Payments for rental deposits	(2,925)	(3,558)
Refund of rental deposits	811	–
Advance to an associate	(456)	–
Repayment from an associate	454	41
Advance to a shareholder	(7)	–
Receipt of government grants related to acquisition of intangible assets	239	–
Deposits paid for acquisition of property, plant and equipment	(717)	(1,174)
Interest received	8	1
	(30,658)	(20,528)
Net cash used in financing activities:		
Repayment of bank borrowing	(654)	(637)
Interest paid on bank borrowing	(6)	(24)
Interest paid on lease liabilities	(4,511)	(3,013)
Repayments of lease liabilities	(34,597)	(30,175)
Dividends paid	(15,477)	(5,696)
Contribution from a non-controlling shareholder	–	6,824
	(55,245)	(32,721)
Net increase in cash and cash equivalents	17,298	7,628
Cash and cash equivalents at the beginning of the period	81,296	64,202
Effect of foreign exchange rate changes	150	40
Cash and cash equivalents at the end of the period, represented by bank balances and cash	98,744	71,870



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

1. BASIS OF PREPARATION

Taste • Gourmet Group Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) were 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 of Hong Kong Limited (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 (“**HKAS**”) 34 *Interim Financial Reporting* 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\$12,432,000 as at 30 September 2021. In the opinion of the directors of the Company, the Group has a number of sources of finance available to fund its operations. 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**”) and application of certain accounting policies which became relevant to the Group, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2021 are the same as those presented in the Group’s annual financial statements for the year ended 31 March 2021.

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 periods beginning on or after 1 April 2021 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKFRS 9, HKAS 39,
HKFRS 7, HKFRS 4 and HKFRS 16

Interest Rate Benchmark Reform – Phase 2

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.

Accounting policy

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the condensed consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

3. REVENUE AND SEGMENT INFORMATION

Revenue represents amounts received and receivable from restaurant operations, net of discounts, during the periods ended 30 September 2021 and 2020.

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 2021 and 2020.

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

	For the three months ended		For the six months ended	
	30 September		30 September	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Vietnamese/Southeast Asian	11,693	9,150	23,218	20,183
Japanese	91,919	40,734	165,709	87,255
Western	24,277	16,482	47,198	37,322
Chinese	40,826	12,355	75,911	29,645
Dessert	–	1,637	1,142	3,520
Kiosk	555	569	1,080	1,211
Others	914	–	914	–
	170,184	80,927	315,172	179,136

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 types of goods or services delivered or provided. 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 segments:

	For the three months ended 30 September 2021			For the three months ended 30 September 2020		
	Hong Kong HK\$'000 (unaudited)	The PRC HK\$'000 (unaudited)	Total HK\$'000 (unaudited)	Hong Kong HK\$'000 (unaudited)	The PRC HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
Revenue from external sales	162,768	7,416	170,184	80,927	-	80,927
Segment profit (loss)	21,964	(2,066)	19,898	10,283	-	10,283
Unallocated other gains and losses, net			14			14
Unallocated expenses			(2,919)			(2,984)
Listing expense			-			(12,050)
Profit (loss) before tax			16,993			(4,737)

	For the six months ended 30 September 2021			For the six months ended 30 September 2020		
	Hong Kong HK\$'000 (unaudited)	The PRC HK\$'000 (unaudited)	Total HK\$'000 (unaudited)	Hong Kong HK\$'000 (unaudited)	The PRC HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
Revenue from external sales	302,386	12,786	315,172	179,136	-	179,136
Segment profit (loss)	40,559	(3,623)	36,936	27,082	-	27,082
Unallocated other gains and losses, net			28			27
Unallocated expenses			(5,988)			(6,226)
Listing expense			-			(15,750)
Profit before tax			30,976			5,133



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 (i.e. gain from changes in fair value of financial asset at fair value through profit or loss ("FVTPL")), listing expense 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 resources 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 (LOSS) BEFORE TAX

	For the three months ended		For the six months ended	
	30 September		30 September	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit (loss) before tax has been arrived at after charging (crediting):				
Share-based payment expenses (included in staff costs)	15	47	52	127
Amortisation of intangible assets (included in other expenses)	57	57	114	113
Covid-19-related rent concessions (included in depreciation of right-of-use assets) (Note 8)	(189)	(1,725)	(793)	(4,665)
Gain from changes in fair value of financial asset at FVTPL (included in other gains and losses, net)	(14)	(14)	(28)	(27)
Gain on early termination of leases (included in other gains and losses, net)	(148)	–	(148)	–
Government subsidies (included in other income) (Note)	–	(10,606)	–	(14,340)
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)	942	–	942	–

4. PROFIT (LOSS) BEFORE TAX (CONTINUED)

Note:

During the six months ended 30 September 2020,

- the Group recognised government grants of HK\$14,140,000 relating to Employment Support Scheme provided by the Hong Kong government; and
- the Group recognised governments grants of HK\$200,000 relating 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) CREDIT

	For the three months ended		For the six months ended	
	30 September		30 September	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
The tax charge (credit)				
comprises				
Hong Kong Profits Tax:				
– Current tax	2,724	648	6,226	2,729
Deferred taxation	250	(1,419)	(262)	(2,015)
	2,974	(771)	5,964	714

6. DIVIDENDS

	For the six months ended 30 September	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Dividends for ordinary shareholders of the Company recognised as distribution during the period:		
2021 Final – HK4 cents (2020: 2020 Final – HK1.5 cents) per share	15,477	5,696

Subsequent to the end of the current interim period, the directors of the Company have declared that an interim dividend of HK4 cents per share, in aggregate amount of HK\$15,477,000, will be paid to the shareholders of the Company whose names appear on the register of members of the Company on Tuesday, 30 November 2021.

7. EARNINGS (LOSS) PER SHARE

The calculation of the basic and diluted earnings (loss) 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	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Earnings (loss)				
Earnings (loss) for the purposes of basic and diluted earnings (loss) per share – profit (loss) for the period attributable to owners of the Company	14,984	(3,871)	26,466	4,514

7. EARNINGS (LOSS) PER SHARE (CONTINUED)

	For the three months ended		For the six months ended	
	30 September		30 September	
	2021	2020	2021	2020
	'000	'000	'000	'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Number of shares				
Weighted average number of ordinary shares for the purpose of basic earnings (loss) per share	386,932	379,732	386,932	379,732
Effect of dilute potential ordinary shares:				
Share options (Note)	900	–	984	523
Weighted average number of ordinary shares for the purpose of diluted earnings (loss) per share	387,832	379,732	387,916	380,255

Note: As the Group incurred losses for the three months period ended 30 September 2020, the potential ordinary shares were not included in the calculation of dilutive loss per share, as their inclusion would be anti-dilutive. Accordingly, dilutive loss per share for the three months period ended 30 September 2020 is the same as basic loss per share.

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

- (a) During the six months ended 30 September 2021, the Group acquired property, plant and equipment of HK\$31,974,000 (six months ended 30 September 2020: HK\$16,177,000) and written off property, plant and equipment with carrying amounts of HK\$942,000 (six months ended 30 September 2020: nil).



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

- (b) During the six months ended 30 September 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\$78,369,000 (six months ended 30 September 2020: HK\$45,009,000) and lease liabilities of HK\$76,242,000 (six months ended 30 September 2020: HK\$44,070,000).

During the six months ended 30 September 2021, 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 10% to 45% (six months ended 30 September 2020: 10% to 70%) over one to two months (six months ended 30 September 2020: over one to two months).

These 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 2021, the effects on changes in lease payments due to forgiveness or waiver by the lessors for the relevant leases of HK\$793,000 (six months ended 30 September 2020: HK\$4,665,000) 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 2021 and 31 March 2021, 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 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 2021 of HK\$3,784,000 (31 March 2021: HK\$2,828,000) are aged within 30 days as at the end of each reporting period 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 2021 and 31 March 2021.

10. TRADE AND OTHER PAYABLES

	As at 30 September 2021 HK\$'000 (Unaudited)	As at 31 March 2021 HK\$'000 (Audited)
Trade payables		
– aged within 30 days (based on invoice date)	15,926	11,778

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

11. BANK BORROWING

	As at 30 September 2021 HK\$'000 (Unaudited)	As at 31 March 2021 HK\$'000 (Audited)
Bank loan, secured and guaranteed	110	764
Carrying amount repayable (according to scheduled repayment term as set out in the loan agreements):		
– Within one year	110	764
	110	764
Carrying amount that contain a repayment on demand clause (shown under current liabilities)	110	764

11. BANK BORROWING (CONTINUED)

The Group's bank borrowing carries variable-rate interest at Hong Kong Dollar Best Lending Rate ("HKDBLR") less 2.5% per annum (31 March 2021: HKDBLR less 2.5% per annum).

The effective interest rates (which are also equal to contractual interest rates) on the Group's borrowing are as follows:

	As at 30 September 2021 (Unaudited)	As at 31 March 2021 (Audited)
Effective interest rate (per annum):		
Variable-rate borrowing	2.50%	2.50%

As at 30 September 2021 and 31 March 2021, the borrowing is secured by (1) the life insurance policy for Mr. Wong, an executive director of the Company held by the Group; (2) blanket counter indemnity and counter indemnity to a bank provided by the subsidiaries of the Company; and (3) corporate guarantee of the Company.

12. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Ordinary shares of HK\$0.1 each		
Authorised:		
At 1 April 2020 (audited), 30 September 2020 (unaudited), 31 March 2021 (audited) and 30 September 2021 (unaudited)	1,000,000,000	100,000
Issued and fully paid:		
At 1 April 2020 and 30 September 2020 (unaudited)	379,732,000	37,973
Issuance of shares (Note)	7,200,000	720
At 31 March 2021 (audited) and 30 September 2021 (unaudited)	386,932,000	38,693

12. SHARE CAPITAL (CONTINUED)

Note:

On 3 November 2020, the Group entered into a placing and top-up subscription agreement with a placing agent (the "Placing Agent") and IKEAB Limited ("IKEAB"), a parent company of the Group, whereby IKEAB agreed to appoint the Placing Agent to procure not less than 6 placees for up to 7,200,000 shares of the Company at of HK\$1.33 per placing share representing a discount of approximately 4.32% to the closing market price of the Company's ordinary shares on 3 November 2020 and IKEAB has agreed to subscribe for up to 7,200,000 shares of the Company.

On 5 November 2020, a total of 7,200,000 shares of the Company were successfully placed. The net proceeds of HK\$9,326,000 from the placing will be used to fund the expansion of the restaurant business, and to provide additional working capital for the Company. These new shares were issued to IKEAB under the general mandate granted to the directors at the annual general meeting of the Company held on 10 November 2020 and rank pari passu with other shares in issue in all respects.

None of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period.

13. CAPITAL COMMITMENTS

	As at 30 September 2021 HK\$'000 (Unaudited)	As at 31 March 2021 HK\$'000 (Audited)
Contracted for but not provided:		
– Acquisition of property, plant and equipment	–	4,672
– Acquisition of intangible assets	1,279	1,279
	1,279	5,951

14. 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	
		2021	2020
		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Chiu Kee (Note a)	Purchases of food ingredients	1,787	1,401
Controlling shareholders	Payments relating to short-term leases (Note b)	82	55
United Mind Limited*	Management fee income	60	–

* This related party is an associate of the Group.

Notes:

- (a) This related party is owned by a former non-controlling shareholder of subsidiaries who became a shareholder of the Company since 23 June 2017 following the group reorganisation with details as set out in the Company's prospectus dated 29 December 2017 for the purpose of listing of the shares on the Stock Exchange.
- (b) The Group entered into several lease agreements for the use of office premises, warehouses and directors' quarter with lease term of one year for the six months ended 30 September 2021 and 2020. During the six months ended 30 September 2021, the Group has entered into short-term lease agreements for leases of car park spaces for one year.

14. 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	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Short-term benefits	3,796	2,762
Post-employment benefits	72	45
	3,868	2,807

15. 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. Where Level 1 inputs are not available, 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 assets and liabilities.

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 those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from 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).

15. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

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

Some of the Group's financial assets are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and key input(s) used).

Financial asset	Fair value as at		Fair value hierarchy	Valuation techniques and key input
	30 September 2021 HK\$'000 (Unaudited)	31 March 2021 HK\$'000 (Audited)		
Financial asset at FVTPL	1,701	1,673	Level 3	With reference to the adjusted cash value provided by counterparty which represents the premium paid to the polices adjusted by net yield with reference to the expected return rate of 4.4% (31 March 2021: 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.



15. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

Reconciliation of Level 3 fair value measurements of financial asset

	HK\$'000
At 1 April 2020 (audited)	1,620
Net gains in profit or loss	27
At 30 September 2020 (unaudited)	1,647
At 1 April 2021 (audited)	1,673
Net gains in profit or loss	28
At 30 September 2021 (unaudited)	1,701

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.