



LIFE CONCEPTS

Life Concepts Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8056

**FIRST QUARTERLY REPORT
2022**



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

The board of Directors (the “**Board**”) presents the unaudited condensed consolidated results of the Group for the three months ended 30 June 2022, together with the unaudited comparative figures for the corresponding period in 2021 as set out below.

FINANCIAL HIGHLIGHTS

- The Group’s revenue for the three months ended 30 June 2022 was approximately HK\$16.4 million, representing a decrease of approximately 73.0% when compared with that of the corresponding period in 2021.
- Loss attributable to owners of the Company for the three months ended 30 June 2022 was approximately HK\$4.2 million (three months ended 30 June 2021: HK\$0.4 million), representing an increase in loss of approximately 919.5% when compared with that of the corresponding period in 2021.
- The Board did not declare any dividend for the three months ended 30 June 2022 (three months ended 30 June 2021: Nil).

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 30 June 2022

	Notes	For the three months ended 30 June	
		2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Revenue	3	16,375	60,563
Cost of sales and inventories consumed		(2,896)	(11,882)
Loan referral and guarantee expenses		(896)	(8,793)
Employee benefit expenses		(9,589)	(19,641)
Depreciation of property, plant and equipment		(3,916)	(7,952)
Rental and related expenses		(419)	(2,066)
Utilities and consumables		(814)	(1,725)
Franchise and licensing fees		—	(820)
Government grants		2,390	562
Net impairment losses on financial instruments and contracts assets		(2,864)	(6,099)
Other expenses		(4,605)	(7,392)
Other gains, net		11	1,612
Finance income, net		2,039	3,483
Loss before income tax		(5,184)	(150)
Income tax credit/(expense)	4	353	(335)
Loss for the period		(4,831)	(485)
Other comprehensive loss			
Item that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		1,181	(2)
Total comprehensive loss for the period		(3,650)	(487)
Loss attributable to:			
Owners of the Company		(4,231)	(415)
Non-controlling interests		(600)	(70)
Loss for the period		(4,831)	(485)
Total comprehensive loss attributable to:			
Owners of the Company		(2,559)	(417)
Non-controlling interests		(1,091)	(70)
		(3,650)	(487)
Loss per share attributable to owners of the Company			
– Basic and diluted (HK cent)	6	(0.52)	(0.05)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the three months ended 30 June 2022

	Attributable to owners of the Company						Attributable to non-controlling interests	Total
	Share capital	Share premium	Other reserve	Translation reserve	Accumulated losses	Subtotal		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
(Unaudited)								
At 1 April 2021	63,037	28,785	27,313	2,420	(196,469)	(74,914)	14,960	(59,954)
Loss for the period	—	—	—	—	(415)	(415)	(70)	(485)
Exchange differences arising on translation of foreign operations	—	—	—	(2)	—	(2)	—	(2)
Loss and total comprehensive expense recognised for the period	—	—	—	(2)	(415)	(417)	(70)	(487)
At 30 June 2021	63,037	28,785	27,313	2,418	(196,884)	(75,331)	14,890	(60,441)
(Unaudited)								
At 1 April 2022	63,037	28,785	27,313	(1,743)	(237,317)	(119,925)	9,510	(110,415)
Loss for the period	—	—	—	—	(4,231)	(4,231)	(600)	(4,831)
Exchange differences arising on translation of foreign operations	—	—	—	1,672	—	1,672	(491)	1,181
Loss and total comprehensive expense recognised for the period	—	—	—	1,672	(4,231)	(2,559)	(1,091)	(3,650)
At 30 June 2022	63,037	28,785	27,313	(71)	(241,548)	(122,484)	8,419	(114,065)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2022

1. GENERAL INFORMATION

Life Concepts Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 22 May 2014 as an exempted company with limited liability under the Companies Law Cap.22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company’s registered office is 71 Fort Street, PO Box 500, George Town, Grand Cayman KY1-1106, Cayman Islands, and its principal place of business is at Suites 1701-3, 17/F, Chinachem Hollywood Centre 1, 3, 5, 7, 9, 11 and 13 Hollywood Road, Central, Hong Kong.

The Company is an investment holding company and its subsidiaries (together, the “**Group**”) are principally engaged in (i) operation of restaurants; (ii) interior design and fitting-out business; (iii) provision of consulting services in relation to organic vegetables research and development, plantation and sales; and (iv) provision of financial institution intermediation services.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

These unaudited condensed consolidated financial statements for the three months ended 30 June 2022 have been prepared in accordance with the accounting principles generally accepted in Hong Kong and comply with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the applicable disclosure provisions of Chapter 18 of the GEM Listing Rules.

The accounting policies and methods of computation used in the preparation of these unaudited condensed consolidated financial statements for the three months ended 30 June 2022 are consistent with those adopted in the preparation of audited consolidated financial statements included in the Company’s 2021/22 annual report, except for the adoption of the new and revised Hong Kong Financial Reporting Standards (the “**New and Revised HKFRSs**”) (which include all HKFRSs, Hong Kong Accounting Standards and Interpretations) issued by the HKICPA that are adopted for the first time for the current period’s financial statements.

The adoption of the New and Revised HKFRSs has had no significant effect on these unaudited condensed consolidated financial statements for the three months ended 30 June 2022 and there have been no significant changes to the accounting policies applied in these unaudited condensed consolidated financial statements for the three months ended 30 June 2022.

The Group has not applied new and revised standards, amendments or interpretations that have been issued but are not yet effective. The Group is currently assessing the impact of the adoption of such new and revised standards, amendments or interpretations to the Group but is yet to be in a position to state whether they would have any material financial impact on the Group’s results of operations and financial position.

These unaudited condensed consolidated financial statements for the three months ended 30 June 2022 have been prepared on the historical cost basis. These unaudited condensed consolidated financial statements for the three months ended 30 June 2022 are presented in Hong Kong dollars (“**HK\$**”), which is the functional currency of the Company and its major subsidiaries.

These condensed consolidated financial statements have not been audited by the Company’s independent auditor, but have been reviewed by the audit committee of the Board (the “**Audit Committee**”).

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

In preparing the unaudited condensed consolidated financial statements, the Directors have given careful consideration to the future liquidity of the Group. While recognising that the Group had net current liabilities of approximately HK\$172,737,000 as at 30 June 2022 and incurred a net loss of approximately HK\$4,831,000 for the period then ended, the Directors are of the opinion that, after due and careful enquiry taking into account the internally generated funds available to the Group, the Group has, in the absence of unforeseeable circumstances, sufficient financial resources to meet its financial obligations as they fall due for the foreseeable future.

Accordingly, the Directors believe that it is appropriate to prepare the unaudited condensed consolidated financial statements on a going concern basis without including any adjustments that would be required should the Group fails to continue as a going concern.

3. REVENUE

(i) Disaggregation of revenue from contracts with customers

	For the three months ended 30 June	
	2022 HK\$'000	2021 HK\$'000
Revenue from contracts with customers		
Restaurants operations		
– Italian style	2,128	6,987
– Western style	11,061	35,892
– Asian style	—	2,347
– Chinese style	—	984
	13,189	46,210
Provision of interior design and fitting-out services	—	—
Provision of organic vegetables consulting services	—	807
Provision of financial intermediation services	3,186	13,546
	16,375	60,563
Geographical markets		
Hong Kong	13,189	45,226
Mainland China	3,186	15,337
	16,375	60,563
Timing of revenue recognition		
A point in time	13,189	46,210
Over time	3,186	14,353
	16,375	60,563

For all contracts for provision of food and beverages and provision of interior design and fitting-out services for periods of one year or less, as permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

The transaction price allocated to the satisfied performance obligation for provision of organic vegetables consulting services is not disclosed because it is variable consideration and cannot be estimated as it is dependent on customers' future revenue.

3. REVENUE (Continued)

(ii) Performance obligations for contracts with customers

Restaurants operations (revenue recognised at a point in time)

Revenue is recognised at a point in time upon the provision of food and beverages to customers. Payment of the transaction price is mostly due immediately at the point of providing food and beverages to customers. Customer deposits for corporate events are recognized as contract liability.

Provision of interior design and fitting-out services (revenue recognised over time)

The Group provides interior design and fitting-out services to customers. Such services are recognized as a performance obligation satisfied over time as the Group creates or enhances an asset that the customer controls as the asset is created or enhanced.

The progress towards complete satisfaction of a performance obligation is measured based on input method, which is to recognise revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depict the Group's performance in transferring control of goods or services.

Provision of organic vegetables consulting services (revenue recognised over time)

The Group provides consulting services in relation to organic vegetables research and development, plantation and sales. Revenue is recognised for such consulting services on a monthly basis based on a pre-determined percentage of customer's monthly revenue amount as agreed in contracts.

Provision of financial institutions intermediation services

In all arrangements where the Group is not the loan originator, the Group also generates non-interest service fees by facilitating transactions between borrowers and financial institutions. The Group determines that it is not the legal lender and legal borrower in the loan origination and repayment process. Therefore, the Group does not record loans receivable and payable arising from the loans.

The Group's services consist of:

- Upfront loan facilitation service: matching potential qualified borrowers to financial institutions and facilitating the execution of loan agreements between the parties;
- Post loan facilitation service: providing repayment processing services for the financial institutions over the loan term, including following up on late repayments;
- Guarantee service provided to financial institutions, if applicable.

The Group does not receive upfront payments from borrowers and financial institutions at loan inception but receives subsequent payments from financial institutions over the term of the loan. The total service fees are first allocated to the guarantee liabilities at fair value which meets the definition of a financial guarantee under HKFRS 9. The remaining amount is then allocated to upfront loan facilitation service and post loan facilitation service using best estimated selling price, as neither vendor specific objective evidence or third party evidence of selling price is available.

Upfront loan facilitation service fees are recognised at loan inception. When the cash received is not equal to the fee allocated to the upfront loan facilitation service, a "contract asset" or "contract liability" is recognised. Post loan facilitation service fees are recognised over the term of the loan, which approximates the pattern of when the underlying services are performed. Gains from guarantee are recognised ratably over the term of the loan.

The Group expects to have any contracts where the period between the transfer of the promised services to the customer and payment by the customer exceeds one year. As a consequence, the Group adjusts the transaction prices for the time value of money.

4. INCOME TAX CREDIT/(EXPENSE)

	For the three months ended 30 June	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Hong Kong Profits Tax	—	—
Deferred tax	353	(335)
	353	(335)

No provision for Hong Kong Profits Tax has been made for Hong Kong subsidiaries, as there was no estimated assessable profit during the three months ended 30 June 2022 (30 June 2021: Nil).

No provision for Enterprise Income Tax has been made for the People's Republic of China (the "PRC") subsidiaries, as there was no estimated assessable profit during the three months ended 30 June 2022 (30 June 2021: Nil).

Deferred tax credit of approximately HK\$353,000 for the three months ended 30 June 2022 (30 June 2021: HK\$335,000, expense) arose from the temporary differences in relation to amortisation of intangible assets and unrealised gains in Mainland China.

5. DIVIDEND

The Board has resolved not to declare any dividend for the three months ended 30 June 2022 (30 June 2021: Nil).

6. LOSS PER SHARE

(a) Basic

Basic loss per share is calculated by dividing the loss attributable to the owners of the Company by the weighted average number of ordinary shares in issue for the relevant periods.

	For the three months ended 30 June	
	2022 (Unaudited)	2021 (Unaudited)
Loss attributable to owners of the Company (HK\$'000)	(4,231)	(415)
Weighted average number of ordinary shares in issue (thousands)	810,250	810,250
Basic loss per share (HK cent)	(0.52)	(0.05)

(b) Diluted

Diluted loss per share presented is the same as the basic loss per share as there was no potentially dilutive ordinary share outstanding as at 30 June 2022 and 2021.

For the three months ended 30 June 2022 and 2021, the diluted loss per share did not take into account the assumed exercise of the Company's outstanding share option since their exercise would result in a decrease in loss per share.

MANAGEMENT DISCUSSION AND ANALYSIS

During the three months ended 30 June 2022 and up to the date of this report, the Group has been principally engaged in (i) operating restaurants in Hong Kong serving a variety of cuisines, mainly Western and Italian, targeting customers with a medium to high propensity to spend (the “**Food and Beverage Business**”); (ii) provision of interior design proposals, engaging subcontractors to carry out fitting-out works and coordinating, managing and supervising the fitting-out works in the PRC (the “**Interior Design and Fitting-out Business**”); (iii) provision of consulting services in relation to organic vegetables research and development, plantation and sales in the PRC (the “**Organic Vegetables Consulting Services**”); and (iv) provision of financial institution intermediation services in the PRC (the “**Financial Institution Intermediation Services**”).

Business Review

Food and Beverage Business

During the three months ended 30 June 2022, the Group maintained its focus on serving a variety of cuisines at varying prices under different brands to a diversified customer base in Hong Kong. The Group has strived to maintain its core value, “Value for Money”, through providing patrons with a boutique dining experience of quality dishes, attentive service and a relaxing environment.

During both three months ended 30 June 2022 and 2021, the operating results of our restaurants have been negatively impacted by the novel coronavirus pneumonia (COVID-19) (the “**COVID-19 Pandemic**”). Proportionate to number of confirmed cases in Hong Kong, stringent measures have been undertaken by the government in Hong Kong, including but not limited to, implementation of travel restrictions, several restrictions in relation to catering business and prohibition on group gathering, which has significantly disrupted the local economy, especially local food and beverage business. The “vaccine pass” arrangement and the tightening of social distancing measures upon the fifth wave of COVID-19 in Hong Kong since February 2022 led to a more challenging food and beverage business environment. We had also closed several restaurants due to the difficult business environment. As a result, the Company recorded a decrease in revenue and an increase in operating loss for our food and beverage business for the three months ended 30 June 2022 compared to that recorded for the three months ended 30 June 2021. In the long run, we expect the COVID-19 Pandemic to continue to have a negative impact on the Group’s business.

Interior Design and Fitting-out Business

During the three months ended 30 June 2022, no revenue was recognised in this segment as the business was still in a start-up stage and a contract was suspended temporarily due to the impact of the COVID-19 Pandemic.

Organic Vegetables Consulting Services

During the three months ended 30 June 2022, no revenue was recognised in this segment due to the COVID-19 Pandemic lockdown in Shanghai, the segment’s principle place of business.

Financial Institution Intermediation Services

The Group has laid out a one-stop and professional financial services platform for financial practitioners and financial institutions based on the macro background of China's consistent policy of vigorously supporting small and medium-sized enterprises. Currently, the Group cooperates with financial practitioners and financial institutions to contact potential qualified borrowers through financial practitioners, and then the Group recommends potential qualified borrowers to financial institutions and facilitates both parties to enter into loan agreements, and the financial institutions provide loans to the borrowers. During the three months ended 30 June 2022, the business of the Group generated revenue of approximately HK\$3.2 million.

Financial Review

Revenue

During the three months ended 30 June 2022, the Group's revenue was generated from (i) the operation of restaurants in Hong Kong; and (ii) provision of financial institution intermediation services in the PRC. As at 30 June 2022, we had 5 (2021: 13) restaurants in Hong Kong and 2 restaurants (2021: Nil) was closed or had been disposed of.

The Group served mainly two categories of cuisines during the three months ended 30 June 2022. The table below sets forth a breakdown of the Group's revenue generated by (i) operation of restaurants by type of cuisines; (ii) provision of interior design and fitting-out services; (iii) provision of organic vegetables consulting services; and (iv) provision of financial institution intermediation services, and as a percentage of the total revenue during the three months ended 30 June 2022 (and 2021 for comparison purpose).

	For the three months ended 30 June			
	2022		2021	
	Revenue (HK\$'000) (Unaudited)	% of total revenue (%)	Revenue (HK\$'000) (Unaudited)	% of total revenue (%)
Western style	11,061	67.5	35,892	59.3
Italian style	2,128	13.0	6,987	11.5
Asian style	—	—	2,347	3.9
Chinese style	—	—	984	1.6
Operation of restaurants	13,189	80.5	46,210	76.3
Provision of interior design and fitting-out services	—	—	—	—
Provision of organic vegetables consulting services	—	—	807	1.3
Provision of financial institution intermediation services	3,186	19.5	13,546	22.4
Total	16,375	100.0	60,563	100.0

Western style restaurants

The revenue generated from operation of Western style restaurants decreased by approximately HK\$24.8 million, or approximately 69.2%, from approximately HK\$35.9 million for the three months ended 30 June 2021 to approximately HK\$11.1 million for the three months ended 30 June 2022. Such decrease was mainly due to (i) the occurrence of the fifth wave of COVID-19 Pandemic in Hong Kong since February 2022; and (ii) the closure of several Western style restaurants during the last financial year. These closed Western style restaurants contributed approximately HK\$24.1 million revenue into the segment during the three months ended 30 June 2021.

Italian style restaurants

The revenue generated from operation of Italian style restaurants decreased by approximately HK\$4.9 million, or approximately 69.5%, from approximately HK\$7.0 million for the three months ended 30 June 2021 to approximately HK\$2.1 million for the three months ended 30 June 2022. The decrease was resulted from (i) the occurrence of the fifth wave of COVID-19 Pandemic in Hong Kong since February 2022; and (ii) the closure of several Italian style restaurants during the last financial year. These closed Italian style restaurants contributed approximately HK\$4.2 million revenue into the segment during the three months ended 30 June 2021.

Asian style restaurants

No revenue was generated from operation of Asian style restaurants for the three months ended 30 June 2022 (three months ended 30 June 2021: HK\$2.3 million). It was caused by the closing of the Asian style restaurants in the last financial year due to the difficult business environment.

Chinese style restaurant

No revenue was generated from operation of the Chinese style restaurant in the PRC for the three months ended 30 June 2022 (three months ended 30 June 2021: HK\$1 million) as it was affected by the COVID-19 Pandemic, the operation had been suspended since the third fiscal quarter and the management has decided to close it down during the quarter ended 31 March 2022.

Interior design and fitting-out services

During the three months ended 30 June 2022, no revenue was recognised in this segment as the business was still in a start-up stage and a contract was suspended temporarily due to the impact of the COVID-19 Pandemic (three months ended 30 June 2021: Nil).

Provision of organic vegetables consulting services

During the three months ended 30 June 2022, no revenue was recognised due to the COVID-19 Pandemic lockdown in Shanghai, the segment's principal place of business (three months ended 30 June 2021: HK\$0.8 million).

Provision of financial institution intermediation services

The revenue generated from provision of financial institution intermediation services by the Group in relation to matching potential qualified borrowers to financial institutions and facilitating the execution of loan agreements between the parties was approximately HK\$3.2 million for the three months ended 30 June 2022 (three months ended 30 June 2021: HK\$13.5 million). The decrease was resulted from the unfavourable macro-economic environment in the PRC, particularly with the gigantic loan default events in 2021 with lasting impacts up to the date of this report, which led to reduced amount of loans facilitated for the three months ended 30 June 2022 compared to the corresponding period in 2021.

Cost of sales and inventories consumed

Cost of sales and inventories consumed mainly represents the costs of food ingredients and beverages for the operation of the Group's restaurant and an insignificant portion of cost of sales (balance of which amounted to less than HK\$0.01 million and \$1 million for the three months ended 30 June 2022 and 2021 respectively). The major food ingredients purchased by the Group includes vegetable, meat, seafood and frozen food. Cost of sales and inventories consumed is one of the major components of the Group's operating expenses which amounted to approximately HK\$11.9 million and HK\$2.9 million for each of the three months ended 30 June 2021 and 2022, respectively, representing approximately 19.6% and 17.7% of the Group's total revenue for the corresponding period in 2021 and 2022. The decrease in cost of sales and inventories consumed was consistent with the decline in revenue.

Employee benefits expenses

Employee benefits expenses represented one of the major components of the Group's operating expenses, which primarily consisted of Directors' emoluments, salaries, retirement benefit scheme contributions and other benefits. The employee benefits expenses decreased by approximately HK\$10.1 million from approximately HK\$19.6 million to approximately HK\$9.6 million for each of the three months ended 30 June 2021 and 2022, respectively. The decrease was mainly due to the closure of restaurants and the continuous streamlining of organizational structure in the PRC.

Rental and related expenses

Our rental and related expenses regarding the food and beverage business amounting to approximately HK\$0.4 million for the three months ended 30 June 2022. Comparing to the corresponding amount of approximately HK\$2.1 million for the three months ended 30 June 2021, the decrease was mainly due to the closure of restaurants in the previous and current financial periods leading to reduced leased space.

Other expenses

Other expenses mainly include advertising, cleaning and laundry expenses, credit card commission, packing and printing materials, music performance show, repair and maintenance, legal and professional fee and insurance. During the three months ended 30 June 2021 and 2022, the Group recognised other expenses of approximately HK\$7.4 million and HK\$4.6 million, respectively, representing approximately 12.2% and 28.1% of the Group's total revenue for the corresponding periods. The decrease in other expenses incurred in the current period was mainly due to the closure of restaurants, leading to reduction of such operating expenses.

Finance income, net

Finance income mainly included interest income from contract asset.

Finance costs mainly represent finance costs recognised in relation to the lease liabilities regarding the rental contracts upon adoption of HKFRS 16 "Leases".

The decrease in finance income, net is mainly due the decrease in the provision of financial intermediation services in a greater extent than the decrease in interest charge on leases.

Loss attributable to owners of the Company

Loss attributable to owners of the Company for the three months ended 30 June 2022 was approximately HK\$4.2 million (three months ended 30 June 2021: HK\$0.4 million).

The increase of loss attributable to owners of the Company was primarily attributable to the following factors:

- (i) The revenue and operating results of our restaurants have been severely affected by the fifth wave of COVID-19 Pandemic;
- (ii) The closure of operating restaurants leading to reduction of revenue, whereas the unallocated fixed costs of the supporting departments can only be reduced at a lesser proportion.

OUTLOOK

Despite the keen competition and challenging operating environment in food and beverage industry in Hong Kong, the Group has emerged as one of the well-known restaurant chains in Hong Kong. During the three months ended 30 June 2022, the Group continued to maintain its focus in serving a variety of cuisines at varying prices under different brands to a diversified customer base in Hong Kong. As at 30 June 2022, the Group was operating 5 restaurants in Hong Kong.

The Group also provides interior design and fitting-out services, organic vegetables consulting services and financial institution intermediation services in the PRC.

Our interior design and fitting-out services featured with fashionable and customized one-stop solution aims to provide affordable luxury and environmental-friendly service to the PRC clients. The business is facing fierce competition in the market. We will pay close attention to the market environment and try our best to develop and grow the business by combining our own advantageous resources.

Consulting services in relation to organic vegetables research and development, plantation and sales rely on the extensive managerial experience of the operating team and advanced patents and technologies. As living standards are rising, the demands towards quality of food ingredients are increasing, which could be a critical component of the Group's diversified development structure and deployment.

In the marco environment of a consistent supporting policy for micro, small and medium-sized enterprises in the PRC, the Group is setting up a one-stop and professional financial service platform with excellent performance for financial market practitioners. Small and micro enterprises, including their individual entrepreneurs and owners, are the major forces in absorbing employment, stimulating innovation, driving investment and promoting consumption, and are important contributors to the gross domestic product, national tax revenue and urban employment, but financing has always been a prominent problem limiting the development of small and micro enterprises. The financial service platform established by the Group helps to ease this problem. The Group will continue to observe the changes of business environment and government policies in this segment and adjust its business strategy in accordingly.

The Group will take opportunities to continue to invest in and develop new business.

DISCLOSURE OF ADDITIONAL INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2022, the interests and short positions of the Directors and the 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 recorded in the register required to be kept 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 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Long positions

(a) Shares in the Company:

Name of Directors	Capacity/Nature of interests	No. of shares and underlying shares	Approximate percentage of shareholding
Mr. James Fu Bin Lu ("Mr. James Lu") ^{Note}	Interest of spouse/Family interest	407,600,000(L)	50.31%
Ms. Li Qing Ni ("Ms. Li") ^{Note}	Interest in controlled corporation/ Corporate interest	407,600,000(L)	50.31%

Note: These shares of the Company are held by Strong Day Holdings Limited ("Strong Day"). Strong Day is 29.90% owned by Ms. Li, an executive Director and the spouse of Mr. James Lu. By virtue of the SFO, Ms. Li is deemed to be interested in the shares of the Company held by Strong Day and Mr. James Lu, the spouse of Ms. Li, is deemed to be interested in the shares deemed to be held by Ms. Li. Mr. James Lu is also a director of Strong Day.

(L) Long position

(b) Shares in associated corporation of the Company:

Name of Director	Name of associated corporation	Capacity/ Nature of interest	No. of shares and underlying shares	Approximate percentage of shareholding
Ms. Li	Strong Day	Beneficial owner/ Personal interest	299	29.90%

Save as disclosed above, as at 30 June 2022, none of the Directors and the 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 recorded in the register required to be kept 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 5.46 to 5.67 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 30 June 2022, the interests and short positions of substantial shareholders and other persons (not being a Director or the chief executive of the Company) in the shares and underlying shares of the Company which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Long positions of the shares of the Company:

Name	Capacity/Nature of interests	No. of shares	Approximate percentage of shareholding
Strong Day ^{Note}	Beneficial owner/Personal interest	407,600,000(L)	50.31%
Excel Precise International Limited ("Excel Precise") ^{Note}	Person having a security interest in shares/Others	407,600,000(L)	50.31%
True Promise Investments Limited ("True Promise") ^{Note}	Interest in controlled corporation/Corporate interest	407,600,000(L)	50.31%
Mr. Law Fei Shing ("Mr. Law") ^{Note}	Interest in controlled corporation/Corporate interest	407,600,000(L)	50.31%
Mr. Wong Man Hin Max	Beneficial owner/Personal interest	171,550,000(L)	21.17%

Note: These shares of the Company are held by Strong Day. Excel Precise is the lender of record which has direct interest on the shares of the Company pledged by Strong Day. Excel Precise is owned as to 73.50% by True Promise and 25% by Mr. Law. True Promise is wholly owned by Mr. Law. By virtue of the SFO, True Promise and Mr. Law are deemed to be interested in the shares of the Company pledged to Excel Precise.

(L) Long position

Save as disclosed above, as at 30 June 2022, so far as it was known by or otherwise notified to the Directors or the chief executive of the Company, no other corporations which or persons who (other than a Director or the chief executive of the Company) had interest or short positions in the shares and the underlying shares of the Company, which/who would notified to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company under section 336 of the SFO.

SHARE OPTION SCHEME

Share Option Scheme

The Share Option Scheme was approved by the shareholders of the Company (the "Shareholders") on 14 July 2016 for attracting and retaining the best available personnel of our Group, and providing incentives or rewards to eligible persons of the Group for their contribution to the success of the Group's business.

During the three months ended 30 June 2022, no share options were granted, exercised or cancelled or lapsed under the Share Option Scheme and there was no share option outstanding as at 30 June 2022.

PURCHASE, SALE OR REDEMPTION OF SHARES OF THE COMPANY

The Company did not redeem any of the shares of the Company listed on GEM nor did the Company or any of its subsidiaries purchase or sell any such shares of the Company during the three months ended 30 June 2022.

DIRECTORS' INTERESTS IN CONTRACTS

During the three months ended 30 June 2022, no Director had a significant beneficial interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or its holding company or any of its subsidiaries or fellow subsidiaries was a party.

DIRECTORS' INTEREST IN COMPETING INTERESTS

During the three months ended 30 June 2022, none of the Directors or substantial shareholders of the Company or any of their respective close associates (as defined in the GEM Listing Rules) has engaged in any business that competed or might compete with the business of the Group, or have any other conflict of interests with the Group.

DIRECTORS' SECURITIES TRANSACTIONS

The Group has adopted the required standard of dealings in the securities (the "**Required Standard of Dealings**") as contained in Rules 5.48 to 5.67 of the GEM Listing Rules as its own code of conduct for dealings in the securities of the Company by the Directors. Having made specific enquiries by the Company, all the Directors have confirmed that they had complied with the Required Standard of Dealings during the three months ended 30 June 2022.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

To the best knowledge of the Directors, the Directors consider that up to the date of this report, the Company has complied with all the applicable code provisions of Corporate Governance Code as set out in Part 2 of Appendix 15 to the GEM Listing Rules (the "**CG Code**"), except for certain deviation as specified with considered reason for such deviation as explained below.

Under Code Provision C.2.1 of the CG Code, the roles of the chairman and chief executive officer should be separated and should not be performed by the same individual.

During the three months ended 30 June 2022, the Company has not separated the roles of chairman and chief executive officer of the Company. Mr. James Lu is the chairman and also the chief executive officer of the Company. The Board believes that vesting the roles of both the chairman of the Board and the chief executive officer in the same person provides the Company with strong and consistent leadership, and allows for effective and efficient planning and implementation of business decisions and strategies. The Board considers that the structure currently operated by the Company does not undermine the balance of power and authority between the Board and the management as the decisions of the Board are made collectively by way of voting and therefore the chairman of the Board should not be able to monopolize the voting result. The Board shall nevertheless review the structure from time to time to ensure appropriate move is being taken should suitable circumstances arise.

AUDIT COMMITTEE

Pursuant to Rule 5.28 of the GEM Listing Rules, the Board has established an Audit Committee with written terms of reference aligned with the provision of the code provisions set out in the CG Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control procedures of the Group. As at the date of this report, the Audit Committee comprises Mr. Shi Kangping (chairman of the Audit Committee), Mr. Lu Cheng and Mr. Kim Jin Tae, all of whom are independent non-executive Directors.

The unaudited condensed consolidated results of the Group for the three months ended 30 June 2022 and this report of the Company have been reviewed by the Audit Committee, which was of the opinion that the preparation of such results and report complied with the applicable accounting standards, the GEM Listing Rules and legal requirements and that adequate disclosures have been made.

DIVIDEND

The Board has resolved not to declare any dividend for the three months ended 30 June 2022 (three months ended 30 June 2021: Nil).

MATERIAL ACQUISITION AND DISPOSAL

The Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures during the three months ended 30 June 2022.

EVENT AFTER REPORTING PERIOD

An extraordinary general meeting of the Company (the “EGM”) has been scheduled to be held on 1 August 2022 to approve the (i) change of domicile of the Company from the Cayman Islands to Bermuda; (ii) adoption of Memorandum of Continuance and New Bye-Laws; (iii) reduction of the share premium account; (iv) implementation of a capital reorganisation; and (v) implementation of the right issue on the basis of three (3) rights shares for every two (2) adjusted shares held on record date (the “Corporate Exercise”). In light of the further delay in publication of the annual results of the Company for the year ended 31 March 2022 and to allow the Shareholders to assess the latest financial position of the Company prior to voting on the EGM, the EGM originally scheduled to be held on 1 August 2022 has been rescheduled for 15 August 2022 to approve the Corporate Exercise. For further details, please refer to the announcements of the Company dated 28 April 2022, 25 May 2022, 14 June 2022, 16 June 2022 and 27 July 2022 and the circular of the Company dated 28 June 2022.

Save for the above, the Group does not have any material subsequent event after the three months ended 30 June 2022 and up to the date of this report.

By order of the Board
Life Concepts Holdings Limited
James Fu Bin Lu
Chairman, Chief executive officer and executive Director

Hong Kong, 12 August 2022

As at the date of this report, the executive Directors are Mr. James Fu Bin Lu (Chairman and Chief Executive Officer), Ms. Li Qing Ni and Mr. Long Hai; and the independent non-executive Directors are Mr. Lu Cheng, Mr. Shi Kangping and Mr. Kim Jin Tae.