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

(incorporated in the Cayman Islands with limited liability)

(Stock code: 8371)

**FIRST QUARTERLY RESULTS ANNOUNCEMENT
FOR THE THREE MONTHS ENDED 30 JUNE 2022**

Financial Highlights:

- Number of customers decreased by 11.5% to 638,397.
- Average spending per customer increased from HK\$200.9 to HK\$235.2.
- Revenue increased by approximately 3.5% to HK\$150.1 million.
- Profit attributable to Owners of the Company increased by approximately HK\$4.9 million or 42.7%.

The board of directors (the “**Board**” or “**Directors**”) of the Taste • Gourmet Group Limited (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the three months ended 30 June 2022 (the “**First Quarterly Results**”). This announcement contains full text of the first quarterly report of the Group for the three months ended 30 June 2022 and the contents were prepared in accordance with the relevant disclosure requirements of the Rules Governing the Listing of Securities on the GEM (the “**GEM Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The First Quarterly Results have been reviewed by the Board and the audit committee of the Company.

This results announcement is published on the website of the Company at www.tastegourmet.com.hk and the Stock Exchange at www.hkexnews.hk. The first quarterly report of the Group for the three months ended 30 June 2022 will be delivered to the shareholders of the Company and will be available at the abovementioned websites in due course.

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

Hong Kong, 14 August 2022

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

Executive Directors:

WONG Ngai Shan (*Chairman*)
CHAN Wai Chun (*Chief Executive Officer*)
LOW Soon Huat (*Chief Operating Officer*)
YU Man To Gerald Maximillian
(*Chief Financial Officer and Company Secretary*)

Independent Non-executive Directors:

CHAN Yuen Ting
TSANG Siu Chun
WANG Chin Mong

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

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



TASTE·GOURMET
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2022/23

1st

QUARTERLY REPORT





TASTE • GOURMET GROUP LIMITED

嚐 • 高美集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 8371)

REPORT OF THE FIRST QUARTERLY RESULTS FOR THE THREE MONTHS ENDED 30 JUNE 2022

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 of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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

The board of directors (the “**Board**”) of the Company is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the three months ended 30 June 2022.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED 30 JUNE 2022

	NOTES	Three months ended	
		30.06.2022 HK\$'000 (unaudited)	30.06.2021 HK\$'000 (unaudited)
Revenue	2	150,135	144,988
Other Income		12,250	870
Other gains or losses, net		14	14
Raw materials and consumables used		(45,487)	(44,251)
Staff costs		(49,001)	(39,555)
Depreciation of property, plant and equipment		(6,638)	(4,817)
Depreciation of right-of-use assets (“ ROU Assets ”)		(20,732)	(21,095)
Property rental and related expenses		(9,294)	(7,424)
Utilities and cleaning expenses		(5,352)	(4,541)
Other expenses		(7,750)	(8,030)
Finance costs		(2,461)	(2,176)
Profit before taxation		15,684	13,983
Income tax expense	3	(141)	(2,990)
Profit for the period		15,543	10,993
Other comprehensive income:			
Item that may be reclassified subsequently to profit and loss:			
Exchange difference on translation of foreign operation		(919)	148
Total comprehensive income for the period		14,624	11,141

	NOTES	Three months ended	
		30.06.2022 HK\$'000 (unaudited)	30.06.2021 HK\$'000 (unaudited)
Profit for the period attributable to:			
– Owners of the Company		16,381	11,482
– Non-controlling interest		(838)	(489)
		15,543	10,993
Total comprehensive income for the period attributable to:			
– Owners of the Company		14,990	11,082
– Non-controlling interest		(366)	59
		14,624	11,141
Earnings per share			
– Basic (HK cents)	5	4.2	3.0
– Diluted (HK cents)	5	4.2	3.0

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE THREE MONTHS ENDED 30 JUNE 2022

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

	Attributable to Owners of the Company											Total HK\$'000
	Share capital	Share premium	Special reserve	Other reserve	Share option reserve	Capital redemption reserve	Treasury share	Translation reserve	Retained profits	Sub-total	Non-controlling interest	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
At 31 March 2021 (audited)	38,693	13,946	(300)	313	695	2,027	-	532	95,773	151,679	6,444	158,123
Profit for the period	-	-	-	-	-	-	-	-	11,482	11,482	(489)	10,993
Other comprehensive income for the period	-	-	-	-	-	-	-	89	-	89	59	148
Profit and total comprehensive income for the period	-	-	-	-	-	-	-	89	11,482	11,571	(430)	11,141
Lapsed of share options	-	-	-	-	-	-	-	-	-	-	-	-
Recognition of equity settled share-based payment	-	-	-	-	37	-	-	-	-	37	-	37
At 30 June 2021 (unaudited)	38,693	13,946	(300)	313	732	2,027	-	621	107,255	163,287	6,014	169,301

Notes:

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED 30 JUNE 2022

1. GENERAL INFORMATION, BASIS OF PREPARATION AND ACCOUNTING POLICIES

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

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

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

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

Other than changes in accounting policies resulting from application of new Hong Kong HKFRSs, the accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements for the three months ended 30 June 2022 are consistent with those followed in the preparation of the Group's audited consolidated financial statements for the year ended 31 March 2022.

The unaudited condensed consolidated financial statements for the three months ended 30 June 2022 have been prepared on the historical cost basis.

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

Application of new and amendments to HKFRSs

In the current period, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 April 2022 for the preparation of the Group's condensed consolidated financial statements:

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

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

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

2. REVENUE

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

3. TAXATION

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

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

4. DIVIDENDS

The Board has resolved not to recommend the payment of an interim dividend for the three months ended 30 June 2022.

5. EARNINGS PER SHARE

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

	Three months ended	
	30.06.2022 (unaudited)	30.06.2021 (unaudited)
Earnings		
Earnings for the period attributable to owners of the Company for the purpose of basic earnings and diluted earnings per Share (HK\$'000)	16,381	11,482
Number of ordinary Shares		
Weighted average number of ordinary shares for the purpose of basic earnings per Share ('000)	386,932	386,932
Effect of potential dilutive ordinary shares: Share options	712	901
Weighted average number of ordinary shares for the purpose of diluted earnings per share ('000)	387,644	387,833

BUSINESS REVIEW

During the three months ended 30 June 2022 (“FY2023 Q1”), the Group did not open any new restaurants. Our Nabe Urawa restaurant at the Raffles City Changning in Shanghai was closed in April 2022 as the footfall traffic was significantly lower than expectation.

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

By Brands	31.03.2022	30.06.2022	Date of Report
Hong Kong			
Nabe Urawa	9	9	9
Dab-Pa	6	6	6
La'taste	3	3	3
Rakuraku Ramen	3	3	3
Yakiniku Guu	3	3	3
Parkview	2	2	2
Takano Ramen	2	2	2
Moments Together	1	1	1
Sankinn	1	1	2
Tirpse	1	1	1
Urawa	1	1	1
Wasyokuya Yamaichi	1	1	1
Xianghui*	1	1	1
Hong Kong Total	34	34	35
Shanghai			
Moments Together (Shi Li Xianghui)	2	2	2
Same Same	1	1	1
Nabe Urawa	1	–	–
Shanghai Total	4	3	3
Total	38	37	38

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

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

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

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

Restaurant	Location	Mall Operator	Lease Expiry Date	Option to Renew (Yrs)	Expected Commencement Date
Sankinn	Grand Plaza, Mongkok	Hung Lung	09.05.2025	3	Q3 2022
CUE	Citygate, Tung Chung	Swire	03.07.2026	None	Q3 2022
Nabe Urawa	The Wai, Tai Wai	MTR Corp	28.02.2026	3	Q2 2023

For details of these leases, please refer to the announcements issued by the Company dated 10 December 2021, 4 May 2022 and 10 May 2022.

Our Sankinn Taiwanese hotpot restaurant at the Grand Plaza in Hong Kong commenced operations in July 2022.

Significant Investments, Material Acquisitions or Disposals

There were no other significant investments held, material acquisitions or disposals of subsidiaries and affiliated companies during FY2023 Q1.

Restaurant Operations

During FY2023 Q1, a total of 638,397 customers patronized our restaurants (excluding Xiang Hui as it is equity accounted for in the consolidated financial statements of the Group), a decrease of 83,155 customers or 11.5% when compared to the three months ended 30 June 2021 (“FY2022 Q1”). The decrease in the number of customers was a direct result of the no dine-in after 6 p.m. policy enforced by the Hong Kong Government until 20 April 2022. The average spending per customer increased from HK\$200.9 to HK\$235.2 for FY2023 Q1 compared to the same period in 2021. The key operating information by cuisine are summarized as follows:

	Three Months Ended						30.06.2021					
	Revenue HK\$'000	Number of Seats	Average Daily Sales HK\$	Number of Customers	Average Spending per Customer HK\$	Daily Seating Turnover Rate	Revenue HK\$'000	Number of Seats	Average Daily Sales HK\$	Number of Customers	Average Spending per Customer HK\$	Daily Seating Turnover Rate
Vietnamese/ Southeast	7,212	381	85,802	61,697	116.9	1.9	11,525	494	131,612	105,929	108.8	2.4
Asian	80,021	1,998	884,908	325,168	246.1	1.8	73,790	1,884	850,262	330,602	223.2	2.0
Japanese												
- Nabe Urawa/												
Yakiniku Gyu	56,708	1,498	628,726	200,329	283.1	1.5	52,644	1,308	594,059	214,739	245.2	1.9
Ramen	14,896	265	163,683	95,527	155.9	4.0	9,714	217	106,742	78,461	123.8	4.0
Others	8,417	235	92,499	29,312	287.2	1.4	11,432	359	149,461	37,402	305.7	1.4
Chinese	45,135	1,033	518,380	168,602	267.7	1.9	35,085	658	385,547	152,300	230.4	2.5
Western	17,541	333	192,757	82,930	211.5	2.7	22,921	413	251,880	106,781	214.7	2.8
	149,909	3,745	1,681,847	638,397	234.8	1.9	143,321	3,449	1,619,301	695,612	206.0	2.3
Dessert	-	-	-	-	-	-	1,142	31	24,830	13,663	83.6	9.6
Kiosks	-	-	-	-	-	-	525	16	5,768	12,277	42.8	8.4
Others	226	-	-	-	-	-	-	-	-	-	-	-
	150,135	3,745	1,681,847	638,397	235.2	1.9	144,988	3,496	1,649,899	721,552	200.9	2.3

Impact of COVID-19 on the Number of Customers

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

Appointment of Directors

At the annual general meeting of the Company held on 1 August 2022, Mr. Low Soon Huat (“Mr. Low”) and Mr. Yu Man To Gerald Maximillian (“Mr. Yu”) were appointed as executive Directors. The biographical details of Mr. Low and Mr. Yu can be found in the announcement of the Company dated 23 June 2022.

FINANCIAL REVIEW

Revenue

For FY2023 Q1, the Group recorded revenue of HK\$150,135,000, representing an increase of 3.5% when compared to FY2022 Q1.

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

	Three months ended				Changes
	30.06.2022		30.06.2021		
	HK\$'000 (unaudited)	% of Revenue	HK\$'000 (unaudited)	% of Revenue	
Vietnamese	7,212	4.8%	11,525	7.9%	(37.4%)
Japanese	80,021	53.3%	73,790	50.9%	8.4%
Chinese	45,135	30.1%	35,085	24.2%	28.6%
Western	17,541	11.7%	22,921	15.8%	(23.5%)
Dessert	–	0.0%	1,142	0.8%	(100.0%)
Kiosks	–	0.0%	525	0.4%	(100.0%)
Others	226	0.2%	–	0.0%	100.0%
Total revenue	150,135	100.0%	144,988	100.0%	3.5%

When compared to the same period in 2021, the increase in revenue is attributable to those restaurants opened during FY2022 Q1 having a full three months of operations. The increase in revenue was affected by the no dine-in after 6 p.m. policy enforced by the Hong Kong Government for most of April 2022.

Impact of COVID-19 on Revenue

	FY2020	FY2021	FY2022	Baseline	FY2023		FY2023 Q1	
	Full Year	Full Year	Full Year	June 2020	April 2022	May 2022	June 2022	
Average revenue per restaurant per day	90%	68%	92%	100%	77%	108%	102%	96%

The average revenue per restaurant per day for FY2023 Q1 is still slightly below the baseline (June 2020, the highest month in terms of average revenue per restaurant per day during the year ended 31 March 2021). The low average revenue per restaurant per day during April 2022 was due to the no dine-in after 6 p.m. policy adopted by the Hong Kong Government which was lifted at the end of April. June 2022 was slight lower than May 2022 because of the requirement of the vaccine pass where customers are required to have received the third vaccine dose before they are allowed to dine inside restaurants, or they have medical exemption certificate. As at the date of the report, the vaccination rate for the third dose was approximately 69%.

Subsidies from the Hong Kong Government

Approximately HK\$1.7 million relating to the Anti-epidemic Fund and approximately HK\$9.9 million relating to the 2022 Employment Support Scheme for the month of May and June 2022 was recorded during FY2023 Q1. The 2022 Employment Support Scheme is for the months of May, June and July. No subsidy was recorded during FY2022 Q1.

Rental Concessions

During FY2023 Q1, we received approximately HK\$2.1 million in rental concessions from our landlords which has been set-off against depreciation of Right-of-Use Assets. During FY2022 Q1, we received approximately HK\$0.6 million.

Major Cost Components

	Three months ended				Changes
	30.06.2022		30.06.2021		
	HK\$'000 (unaudited)	% of Revenue	HK\$'000 (unaudited)	% of Revenue	
Raw materials and consumables used	45,487	30.3%	44,251	30.5%	2.8%
Staff costs	49,001	32.6%	39,555	27.3%	23.9%
Depreciation of property, plant and equipment	6,638	4.4%	4,817	3.3%	37.8%
Depreciation of ROU Assets	20,732	13.8%	21,095	14.5%	(1.7%)
Property rental and related expenses	9,294	6.2%	7,424	5.1%	25.2%
Utilities and cleaning expenses	5,352	3.6%	4,541	3.1%	17.9%
Other expenses	7,750	5.2%	8,030	5.5%	(3.5%)
Finance Costs	2,461	1.6%	2,176	1.5%	13.1%

Raw materials and consumables used increased by approximately 2.8% during FY2023 Q1 when compared to FY2022 Q1 which is in line with the increase in revenue. As a percentage of revenue, raw materials and consumables remained stable at 30.3% when compared to the 30.5% recorded in FY2022 Q1.

Staff costs increased by approximately 23.9% during FY2023 Q1 when compared to FY2022 Q1 is mainly due to the increase in the number of restaurants during FY2022. As a percentage of revenue staff costs increased from 27.3% to 32.6% when compared to FY2022 Q1. Although no pay leaves were taken by our staff during the month of April 2022, headcount was not reduced due to the subsidy from the 2022 Employment Support Scheme which has been accounted for under other income. If the subsidy is set-off against staff costs, staff costs as a percentage of revenue would be reduced to 26.1%.

Property rental and related expenses increased by approximately 25.2% when compared to FY2022 Q1. The increase is primarily due to more restaurants were in operation during FY2022 Q1. As a percentage of revenue, property rental and related expenses increased from 5.1% to 6.2% is primarily due to the lower revenue in April from the no dine-in after 6 p.m. policy enforced by the Hong Kong Government. As property rental and related expenses only include expenses such as turnover rents, building management fees and rates, which are mostly fixed expenses in nature.

Depreciation of property, plant and equipment and Depreciation of ROU Assets increased by approximately 37.8% and decreased by approximately 1.7%, respectively when compared to FY2022 Q1, which is primarily due to more restaurants were in operation during FY2022 Q1. In addition, the slight decrease in depreciation of ROU Assets is due to the rental concession received during FY2023 Q1. As a percentage of revenue, depreciation of property, plant and equipment and depreciation of ROU Assets increased from 3.3% to 4.4% and decreased from 14.5% to 13.8%. The increase in the depreciation of property, plant and equipment as a percentage of revenue is primarily due to the lower revenue in April from the no dine-in after 6 p.m. policy enforced by the Hong Kong Government. The decrease in depreciation of ROU Assets as a percentage of revenue is primarily due to the rental concession received during FY2023.

Other expenses include items such as advertising expenses, credit card charges, delivery fees, entertainment expenses, insurance, printing and stationery, medical expenses and repairs and maintenance. Other expenses amounted to approximately HK\$7,750,000 which is slightly less than FY2022 Q1. As a percentage of revenue, other expenses accounted for approximately 5.2% of revenue, a slight increase compared to the 5.5% recorded during FY2022 Q1 primarily due to the increase in the average revenue per restaurant per day when compared to the COVID-19 impacted revenue during FY2022 Q1 as some expenses are fixed expenses in nature.

Net Profit and Profit Attributable to Owners of the Company

For the three months ended 30 June 2022, net profit and profit attributable to owners of the Company amounted to approximately HK\$15,543,000 and HK\$16,381,000, respectively. Net profit increased by approximately HK\$4,550,000 or 41.4% and net profit attributable to owners of the Company increased by approximately HK\$4,899,000 or 42.7%. However, adjusted for the impact the Anti-epidemic subsidies and 2022 Employment Support Scheme from the Hong Kong Government recorded during FY2023 Q1, net profit decreased by approximately HK\$7,014,000 or 63.8% and net profit attributable to owners of the Company decreased by approximately HK\$6,665,000 or 58.0%. However, as mentioned above, we did not reduce our headcount because of the subsidy from the 2022 Employment Subsidy Scheme. The decreases are the result of the cumulative effect of the above factors.

Financial Resources and Position

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

Cash and cash equivalents amounted to HK\$95.7 million as at 30 June 2022 which are mostly denominated in Hong Kong Dollars. Although the Group has entered into the JV Agreement which will be subject to the exchange rate exposure of the Renminbi, the Group's main businesses are still conducted in Hong Kong, therefore the Group does not expect to be exposed to any material foreign exchange risks in the next twelve months.

As at 30 June 2022, the Group was in a net cash position (net debt divided by equity attributable to owners of the Company plus net debt).

Contingent Liabilities

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

Capital Commitments

As at 30 June 2022, the Group's outstanding capital commitments was approximately HK\$1.4 million.

Future Prospects

With the COVID-19 outbreak in Hong Kong and PRC under control and with customers adjusting their dining habits in order to co-exist with the virus, 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 PRC.

OTHER INFORMATION

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

As at 30 June 2022, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rule 5.46 of the GEM Listing Rules, were as follows:

Long Positions in Shares

Name of Directors	Capacity/Nature of interest	Number of Shares Held	Interest in underlying Shares pursuant to share options	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 Enterprise Limited ("Elite China") is owned by Mr. Wong as to 50% and Ms. Chan as to 50%. As such Mr. Wong and Ms. Chan are deemed to be interested in 9,984,000 shares of the Company held by Elite China as at 30 June 2022 by virtue of the SFO.
3. Mr. Wong is the spouse of Ms. Chan.

On 1 August 2022 and up to the date of this report, Mr. Low is interested in 200,000 underlying shares of the Company, being 200,000 shares of the Company derived from the share options granted to him and Mr. Yu is interested in 76,000 Shares and 950,000 underlying shares of the Company, being 950,000 shares of the Company derived from the share options granted to him.

Save as disclosed above, as at 30 June 2022, none of the Directors and chief executive of the Company has any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rules 5.48 to 5.67 of the GEM Listing Rules.

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

As at 30 June 2022, the interests and short positions of substantial shareholders and other persons (other than a Director or chief executive of the Company) in the shares and underlying shares which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or required to be entered in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

Long Positions in Shares

Name of Substantial Shareholder	Capacity/Nature of interest	Number of Shares Held	Approximate Percentage of Shareholding
Mr. Wong	Interest in controlled corporation and interest of spouse	260,302,000	67.273%
Ms. Chan	Interest in controlled corporation and interest of spouse	260,302,000	67.273%
IKEAB Limited	Beneficial owner	250,318,000	64.693%

Notes:

1. IKEAB Limited is owned by Mr. Wong as to 70% and Ms. Chan as to 30%. As such Mr. Wong and Ms. Chan are deemed to be interested in the shares of the Company owned by IKEAB Limited by virtue of the SFO.
2. Elite China is owned by Mr. Wong as to 50% and Ms. Chan as to 50%. As such Mr. Wong and Ms. Chan are deemed to be interested in 9,984,000 shares of the Company held by Elite China as at 30 June 2022 by virtue of the SFO.
3. Mr. Wong is the spouse of Ms. Chan.

Save as disclosed above, as at 30 June 2022, the Directors are not aware of any interests and short positions owned by any parties (other than a Director) in the shares and underlying shares which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or required to be entered in the register maintained by the Company pursuant to Section 336 of the SFO.

Purchase, Sale or Redemption of Listed Securities

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the three months ended 30 June 2022 and up to the date of this report.

Corporate Governance

During the three months ended 30 June 2022, the Company had complied with the code provisions as set out in the Corporate Governance Code contained in Appendix 15 of the GEM Listing Rules.

Competing Interests

As at 30 June 2022, none of the Directors or substantial shareholders of the Company or any of their respective associates (as defined in the GEM Listing Rules) has engaged in any business that competes or may compete with the business of the Group or have any other conflict of interests with the Group.

Directors' Securities Transactions

The Company has adopted written guidelines regarding directors' securities transactions on terms no less exacting than the required standard of dealings set out in Rule 5.48 to 5.67 of the GEM Listing Rules. All directors have confirmed, following specific enquiries by the Company, that they have complied with the required standard of dealings during the three months ended 30 June 2022.

Audit Committee

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

An Audit Committee meeting was held on 14 August 2022 to review the unaudited condensed consolidated quarterly financial statements of the Group for three months ended 30 June 2022 and is of the opinion that such financials complied with the applicable accounting standards, legal and disclosure requirements applicable to the Group.

Appreciation

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

By Order of the Board

WONG Ngai Shan

Chairman and Executive Director

Hong Kong, 14 August 2022

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

Executive Directors:

WONG Ngai Shan (*Chairman*)

CHAN Wai Chun (*Chief Executive Officer*)

LOW Soon Huat (*Chief Operating Officer*)

YU Man To Gerald Maximillian (*Chief Financial Officer and Company Secretary*)

Independent Non-executive Directors:

CHAN Yuen Ting

TSANG Siu Chun

WANG Chin Mong