

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.



TASTY CONCEPTS HOLDING LIMITED

賞之味控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8096)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022**

The board (the “**Board**”) of directors (the “**Directors**”) of Tasty Concepts Holding Limited (the “**Company**”) announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 September 2022. This announcement, containing the full text of the 2022 Interim Report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange of Hong Kong Limited in relation to information to accompany preliminary announcement of interim results.

By order of the Board
Tasty Concepts Holding Limited
Tang Chun Ho Chandler
Chairman and Executive Director

Hong Kong, 14 November 2022

As at the date of this announcement, the Board comprises Mr. Tang Chun Ho Chandler and Ms. Sung Kwan Wun as executive Directors; Mr. Ho Lai Chuen, Mr. Lee Koon Tak and Ms. So Siu Ying as independent non-executive Directors.

This announcement, for which the Directors 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 of Hong Kong Limited 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 website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk on the “Latest Listed Company Information” page for at least 7 days from the date of its posting and will be published on the Company’s website at www.butaoramen.com.

TASTY CONCEPTS HOLDING LIMITED

(Incorporated in the Cayman Islands with limited liability)



賞之味控股有限公司

Stock Code: 8096

INTERIM REPORT

2022/2023

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

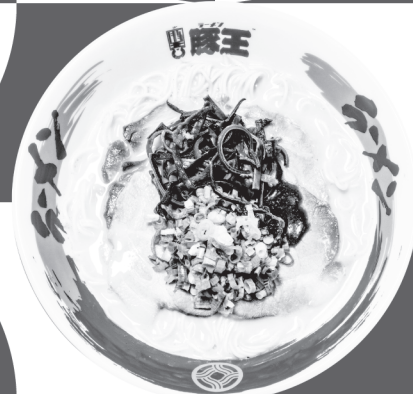
Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange 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 Tasty Concepts Holding Limited (the “**Company**”, 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 (the “**GEM Listing Rules**”) of the Stock Exchange 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

3	Corporate Information
4	Financial highlights
5	Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
6	Condensed Consolidated Statement of Financial Position
7	Condensed Consolidated Statement of Changes in Equity
8	Condensed Consolidated Statement of Cash Flows
9	Notes to the Condensed Consolidated Financial Statements
18	Management Discussion and Analysis
27	Other Information



CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors:

Mr. Tang Chun Ho Chandler
(Chairman and Chief Executive Officer)
Ms. Sung Kwan Wun

Independent non-executive Directors:

Mr. Ho Lai Chuen
Mr. Lee Koon Tak
Mr. Lai Man Hin (resigned on 31 August 2022)
Ms. So Siu Ying (appointed on 31 August 2022)

BOARD COMMITTEES

Audit Committee

Mr. Lee Koon Tak *(Chairman)*
Mr. Ho Lai Chuen
Mr. Lai Man Hin (resigned on 31 August 2022)
Ms. So Siu Ying (appointed on 31 August 2022)

Remuneration Committee

Mr. Ho Lai Chuen *(Chairman)*
Mr. Tang Chun Ho Chandler
Mr. Lee Koon Tak

Nomination Committee

Mr. Tang Chun Ho Chandler *(Chairman)*
Mr. Ho Lai Chuen
Mr. Lee Koon Tak

COMPANY SECRETARY

Ms. Yim Sau Ping (resigned on 31 August 2022)
Ms. Wong Tsz Yan Pinky (appointed on 31 August 2022)

AUTHORISED REPRESENTATIVES

Mr. Tang Chun Ho Chandler
Ms. Yim Sau Ping (resigned on 31 August 2022)
Ms. Wong Tsz Yan Pinky (appointed on 31 August 2022)

COMPLIANCE OFFICER

Mr. Tang Chun Ho Chandler

AUDITOR

D & PARTNERS CPA LIMITED
Room 2201, 22/F, West Exchange Tower
322 Des Voeux Road Central
Sheung Wan
Hong Kong

REGISTERED OFFICE IN THE CAYMAN ISLANDS

Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

6/F, Goldsland Building
22-26 Minden Avenue
Tsim Sha Tsui
Kowloon
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Ocorian Trust (Cayman) Limited
Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Boardroom Share Registrars (HK) Limited
2103B, 21/F
148 Electric Road
North Point
Hong Kong

PRINCIPAL BANK

The Hongkong and Shanghai Banking Corporation Limited

COMPANY'S WEBSITE

www.butaoamen.com

STOCK CODE

8096

FINANCIAL HIGHLIGHTS

- The Group's revenue for the six months ended 30 September 2022 was approximately HK\$20.9 million, representing a decrease of approximately 15.4% when compared with that of the corresponding period in 2021.
- Loss for the six months ended 30 September 2022 attributable to owners of the Company was approximately HK\$5.3 million, representing an increase of approximately 85.9% when compared with that of the corresponding period in 2021.
- The Board did not recommend payment of any dividend for the six months ended 30 September 2022 (2021: Nil).



CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and six months ended 30 September 2022

	Notes	For the three months ended 30 September		For the six months ended 30 September	
		2022	2021	2022	2021
		HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Revenue	4	12,293	11,425	20,893	24,685
Cost of inventories		(2,787)	(2,603)	(5,008)	(5,624)
Other income	5	823	34	1,533	239
Other gains and losses	5	(17)	–	(31)	1
Staff costs		(5,930)	(4,581)	(10,421)	(10,615)
Rental and related expenses		(738)	(814)	(1,293)	(1,543)
Depreciation expenses		(842)	(1,460)	(1,304)	(2,941)
Equity-settled share-based payments		–	–	(2,019)	–
Other expenses		(4,915)	(3,984)	(7,287)	(7,295)
Finance costs	6	(156)	(177)	(299)	(370)
Loss before taxation		(2,269)	(2,160)	(5,236)	(3,463)
Taxation	8	(49)	449	(135)	629
Loss for the period		(2,318)	(1,711)	(5,371)	(2,834)
Other comprehensive income (expense) for the period					
<i>Item that may be reclassified subsequently to profit or loss:</i>					
Exchange differences arising on the translation of foreign operations		(10)	15	22	30
Total comprehensive expense for the period		(2,328)	(1,696)	(5,349)	(2,804)
Loss for the period attributable to:					
– owners of the Company		(2,312)	(1,711)	(5,269)	(2,834)
– non-controlling interests		(6)	–	(102)	–
		(2,318)	(1,711)	(5,371)	(2,834)
Total comprehensive expenses for the period attributable to:					
– owners of the Company		(2,318)	(1,696)	(5,243)	(2,804)
– non-controlling interests		(6)	–	(102)	–
		(2,324)	(1,696)	(5,345)	(2,804)
Loss per share			(Restated)		(Restated)
Basic (HK cents)	10	(4.29)	(3.42)	(10.14)	(5.67)
Diluted (HK cents)	10	N/A	N/A	N/A	N/A

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2022

	Notes	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
Non-current assets			
Right-of-use assets	11	10,140	1,778
Property and equipment	11	225	310
Deposits	12	1,027	1,740
Deferred tax assets		117	–
		11,509	3,828
Current assets			
Inventories		547	612
Trade and other receivables, deposits and prepayments	12	7,463	5,886
Bank balances and cash		8,382	11,619
		16,392	18,117
Current liabilities			
Trade and other payables and accruals	13	5,773	5,257
Tax payable		195	60
Bank borrowings		587	1,016
Lease liabilities		6,057	6,647
Provisions		151	159
		12,763	13,139
Net current assets		3,629	4,978
Total assets less current liabilities		15,138	8,806
Non-current liabilities			
Lease liabilities		8,849	3,007
Provisions		258	228
Deferred tax liabilities		54	54
		9,161	3,289
Net assets		5,977	5,517
Capital and reserves			
Share capital	14	5,500	5,000
Reserves		2,548	2,486
Equity attribute to owners of the Company		8,048	7,486
Non-controlling interests		(2,071)	(1,969)
Total equity		5,977	5,517

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the six months ended 30 September 2022

	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000	Statutory reserve HK\$'000 <i>(Note i)</i>	Translation reserve HK\$'000	Accumulated losses HK\$'000	Share options reserve HK\$'000 <i>(Note ii)</i>	Sub total HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
At 1 April 2021 (audited)	5,000	64,646	9,107	26	(92)	(57,342)	-	21,345	-	21,345
Loss for the period	-	-	-	-	-	(2,834)	-	(2,834)	-	(2,834)
Other comprehensive income for the period	-	-	-	-	30	-	-	30	-	30
Total comprehensive income (expense) for the period	-	-	-	-	30	-	-	30	-	30
At 30 September 2021 (unaudited)	5,000	64,646	9,107	26	(62)	(60,176)	-	18,541	-	18,541
At 1 April 2022 (audited)	5,000	64,646	9,107	26	(118)	(71,175)	-	7,486	(1,969)	5,517
Loss for the period	-	-	-	-	-	(5,269)	-	(5,269)	(102)	(5,371)
Other comprehensive income for the period	-	-	-	-	22	-	-	22	-	22
Total comprehensive income (expense) for the period	-	-	-	-	22	(5,269)	-	(5,247)	(102)	(5,349)
Recognition of equity-settled share-based compensation	-	-	-	-	-	-	2,019	2,019	-	2,019
Issue of shares upon exercise of share options	500	5,309	-	-	-	-	(2,019)	3,790	-	3,790
At 30 September 2022 (unaudited)	5,500	69,955	9,107	26	(96)	(76,444)	-	8,048	(2,071)	5,977

Notes:

- (i) In accordance with statutory requirements in the People's Republic of China (the "PRC"), other than Hong Kong, subsidiaries registered in the PRC are required to transfer a certain percentage of the annual net income from accumulated profits to the statutory funds, until the statutory funds are accumulated up to 50% of its registered capital. Under normal circumstances, the statutory funds are not allowed to be distributed to the subsidiaries' shareholders as dividends. The statutory funds shall only be used for offsetting accumulated losses, capitalisation into paid-in capital and expansion of its production and operations.
- (ii) Share options reserve represents the cumulative expenses recognised on the granting of share options to the grantees. Recognition of equity-settled share-based payments spread over the vesting period of the share options or if the case there is no vesting period required, equity-settled share-based payments are fully recognised on the grant date of the share options.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2022

	For the six months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Net cash generated from operating activities	2,211	649
Net cash used in investing activities	(490)	(2,356)
Net cash used in financing activities	(4,958)	(5,430)
Net decrease in cash and cash equivalents	(3,237)	(7,137)
Cash and cash equivalents at the beginning of the period	11,619	29,141
Cash and cash equivalents at the end of the period	8,382	22,004

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

1. GENERAL

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 23 July 2018 under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The shares of the Company were listed on GEM of the Stock Exchange on 15 March 2019 (the “**Listing**”). The addresses of the registered office and the principal place of business of the Company are Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands and 6th Floor, Goldsland Building, 22-26 Minden Avenue, Tsim Sha Tsui, Kowloon, Hong Kong respectively.

The Company acts as an investment holding company and its subsidiaries are principally engaged in operation of Japanese ramen restaurants in Hong Kong.

The unaudited condensed consolidated financial statements for the six months ended 30 September 2022 are presented in Hong Kong Dollar (“**HK\$**”), which is also the functional currency of the Company.

2. BASIS OF PREPARATION

These unaudited condensed consolidated financial statements for the six months ended 30 September 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 (“**HKICPA**”). In addition, the unaudited condensed consolidated financial statements include the applicable disclosure provisions of Chapter 18 of the GEM Listing Rules and the Companies Ordinance (Chapter 622 of the laws of Hong Kong). The unaudited condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 March 2022.

The accounting policies and methods of computation used in preparing the unaudited condensed consolidated financial statements for the six months ended 30 September 2022 are consistent with those used in the Group’s annual financial statements for the year ended 31 March 2022 except as described below.

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs

ADOPTION OF NEW AND AMENDMENTS TO HKFRSs

In the current period, the Group has adopted all the new and revised HKFRSs, including Hong Kong Accounting Standards (“**HKASs**”) and Interpretations, issued by the HKICPA that are relevant to its operations and effective for its accounting period beginning on 1 April 2022. The adoption of these new and revised HKFRSs in the current period has no material effect on the Group’s financial positions and performance for the current and prior years and/or on the amounts and/or disclosures set out in these unaudited condensed consolidated financial statements.

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

NEW AND AMENDMENTS TO HKFRSs IN ISSUED BUT NOT YET EFFECTIVE

Except for the amendments to HKFRSs mentioned above, the Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs and anticipates that the application of these new HKFRSs would have no material impact on its results of operations and financial position.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

4. REVENUE AND SEGMENT INFORMATION

Revenue

Revenue represents the fair value of amounts received and receivable for services provided and goods sold and net of discount, during the period.

	For the three months ended 30 September		For the six months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Recognised at a point in time:				
Operation of restaurants in Hong Kong	11,701	10,072	19,773	22,069
Sales of food and related products to franchisees	450	1,065	806	2,016
Recognised over time:				
Royalty fee income from franchisees <i>(Note i)</i>	138	237	305	496
License fee income from a licensee <i>(Note ii)</i>	4	5	9	12
Consultancy services income from a franchisee <i>(Note iii)</i>	-	46	-	92
	12,293	11,425	20,893	24,685

Notes:

- (i) Royalty fee income is calculated with reference to the revenue or the number of the restaurants run by the franchisees for a term of three or five years.
- (ii) License fee income is calculated with reference to the production volume of the licensed products produced by the licensee for a term of two years.
- (iii) Consultancy services income is calculated with reference to the number of restaurants run by the franchisee for a term of five years.

Contracts for royalty fee income are under 3- or 5-year non-cancellable term in which the Group bills at a fixed rate on the sales generated from the use of trademark by the franchisees or the number of the restaurants run by the franchisees under the trademark. The Group elected to apply the practical expedient by recognising revenue in the amount to which the Group has the right to invoice. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied performance obligations is not disclosed.

Contracts for license fee income are under 2-year non-cancellable term in which the Group bills at a fixed amount for each licensing product produced by the licensee. The Group elected to apply the practical expedient by recognising revenue in the amount to which the Group has the right to invoice. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied performance obligations is not disclosed.

Consultancy services income is recognised over time as the Group provides consultancy services and the franchisee simultaneously receives and consumes the benefit provide by the Group. Consultancy services income is charged at respective fixed amounts based on number of restaurants operated by the franchisee. Consultancy services income is due on a quarterly basis.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

4. REVENUE AND SEGMENT INFORMATION (Continued)

Segment information

The Group is principally engaged in operation of Japanese ramen restaurants and Hong Kong style restaurant in Hong Kong. This operating segment has been identified on the basis of internal management reports prepared in accordance with the Group's accounting policies. The executive Directors have been identified as the chief operating decision maker ("CODM"). The CODM reviews the Group's revenue analysis by geographical location in order to assess performance and allocation of resources.

Other than revenue analysis, no operating results or other discrete financial information is available for the assessment of performance and allocation of resources. The CODM reviews the results of the Group as a whole to make decisions. Accordingly, other than entity wide information, no analysis of this single operating segment is presented.

Geographical information

The Group's current operations are mainly located in Hong Kong. Information about the Group's revenue from external customers is presented based on the location of the customers. Information about its non-current assets by geographical location of assets is detailed below:

	Revenue				Non-current assets (Note iii)	
	For the three months ended		For the six months ended		As at	As at
	30 September		30 September			
	2022	2021	2022	2021	30 September	31 March
HK\$'000	HK\$'000	HK\$'000	HK\$'000	2022	2021	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Hong Kong	12,076	10,077	20,153	22,081	11,392	13,697
The PRC (Note i)	24	70	47	137	-	-
Macau Special Administrative Region of the PRC ("Macau") (Note ii)	193	1,278	693	2,467	-	-
	12,293	11,425	20,893	24,685	11,392	13,697

Note:

- (i) The revenue is derived from operation of restaurant in the PRC, sales of food and related products to and the royalty fee and consultancy services income from a franchisee which is located in the PRC.
- (ii) The revenue is derived from the sales of food and related products to and royalty fee income from a franchisee which is located in Macau.
- (iii) Non-current assets excluded deferred tax assets.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

5. OTHER INCOME/OTHER GAINS AND LOSSES

	For the three months ended 30 September		For the six months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
<u>Other income:</u>				
Government grants (Note)	783	–	1,319	–
Rental concessions	–	–	136	120
Imputed interest income	39	34	73	74
Others	1	–	5	45
	823	34	1,533	239
<u>Other gains and losses:</u>				
Net exchange (losses) gains	(17)	–	(31)	1
	(17)	–	(31)	1

Note: Government grants mainly represent subsidies received from the "Anti-epidemic Fund" and "Employment Support Scheme" from the government of Hong Kong Special Administrative Region (the "Hong Kong Government"). There were no unfulfilled conditions and other contingencies attached to the receipt of the grants.

6. FINANCE COSTS

	For the three months ended 30 September		For the six months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Interests on lease liabilities	148	159	280	332
Interests on bank borrowings	8	18	19	38
	156	177	299	370

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

7. (LOSS) PROFIT BEFORE TAXATION

	For the three months ended 30 September		For the six months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
(Loss) profit before taxation has been arrived at after charging:				
Auditor's remuneration	130	144	260	285
Directors' remuneration	255	1,312	702	2,623
Other staff costs:				
– salaries, bonuses and allowances	5,478	3,105	9,326	7,644
– retirement benefits schemes contributions	197	164	393	348
Total staff costs	5,930	4,581	10,421	10,615
Depreciation of property and equipment	108	449	216	776
Depreciation of right-of-use assets	734	1,011	1,088	2,165
Total depreciation expenses	842	1,460	1,304	2,941

8. TAXATION

	For the three months ended 30 September		For the six months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
The taxation comprises:				
Hong Kong Profits Tax charge for the period	29	34	45	83
PRC Enterprise Income Tax ("EIT") charge for the period	–	2	–	2
Deferred tax (credit) charge for the period	20	(485)	90	(714)
	49	(449)	135	(629)

Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of profits of qualifying corporations will be taxed at 8.25%, and profits above HK\$2,000,000 will be taxed at 16.5%. The profits of corporations not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

For the six months ended 30 September 2021 and 2022, Hong Kong Profits Tax is calculated at 8.25% on the first HK\$2,000,000 of the estimated assessable profits of one of the subsidiaries of the Company and at 16.5% on the estimated assessable profits above HK\$2,000,000 of that subsidiary, if any. The profits of corporations not qualified for the two-tier profits tax regime will continue to be taxed at a flat rate of 16.5%.

Under the Law of the PRC on EIT (the "EIT Law") and Implementation Regulations of the EIT Law, the tax rate of the PRC subsidiaries is 25% for the six months ended 30 September 2021 and 2022.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

9. DIVIDENDS

The board of Directors (the “**Board**”) of the Company did not recommend the payment of any dividend for the six months ended 30 September 2022 (2021: Nil).

10. LOSS PER SHARE

The calculation of the basic 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	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Loss				
Loss for the period attributable to owners of the Company for the purpose of basic loss per share	(2,312)	(1,711)	(5,269)	(2,834)

	For the three months ended 30 September		For the six months ended 30 September	
	2022 (Unaudited)	2021 (Unaudited)	2022 (Unaudited)	2021 (Unaudited)
Number of shares				
Weighted average number of ordinary shares for the purpose of basic loss per share	53,913,043	50,000,000 (Restated)	51,967,213	50,000,000 (Restated)

The share consolidation on the basis of every ten (10) issued and unissued shares of par value of HK\$0.01 each in the existing share capital of the Company be consolidated into one (1) consolidated share of par value of HK\$0.1 each became effective on 10 August 2022. The weighted average number of ordinary shares during the three months and nine months ended 30 September 2021 have been adjusted for the share consolidation.

No separate diluted loss per share information has been presented as there were no potential ordinary shares outstanding in issue for the six months ended 30 September 2021 and 2022.

11. PROPERTY AND EQUIPMENT AND RIGHT-OF-USE ASSETS

- During the six months ended 30 September 2022, the Group has acquired property and equipment of approximately HK\$131,000 which represented addition in leasehold improvement.
- During the six months ended 30 September 2022, the Group entered into leases with the right-of-use assets additionally recognised in respect of leased properties amounted to approximately HK\$6,963,000.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

12. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
Trade receivables from restaurant operations	156	184
Trade receivables from franchisees	114	138
Trade receivables from a licensee	4	15
Rental deposits	3,837	3,435
Utilities and other deposits	1,648	1,525
Other receivables	1,632	1,167
Prepayments	1,099	1,162
Total trade and other receivables, deposits and prepayments	8,490	7,626
Analysed for reporting purposes as:		
Non-current assets	1,027	1,740
Current assets	7,463	5,886
	8,490	7,626

An ageing analysis of the trade receivables from restaurant operations, based on the invoice date, which approximate the revenue recognition date, is as follows:

	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
0-30 days	156	184

An ageing analysis of the trade receivables from franchisees, based on the invoice date, which approximate the revenue recognition date, is as follows:

	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
0-30 days	114	138
31-60 days	-	-
61-90 days	-	-
Over 90 days	-	-
	114	138

The ageing analysis of the trade receivables from a licensee, based on invoice date, which approximate the revenue recognition date is within the banding of 0 – 30 days.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

13. TRADE AND OTHER PAYABLES AND ACCRUALS

The credit period on purchases is ranging from 0 to 30 days. An ageing analysis of trade payable, based on the invoice date, is as follows:

	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
0-30 days	468	424
31-60 days	-	-
Over 90 days	-	12
	468	436

14. SHARE CAPITAL

Details of the Company's shares are disclosed as follows:

	Number of shares	Par value HK\$	Amount
Authorised:			
At 1 April 2021, 31 March 2022, 1 April 2022	10,000,000,000	0.01	100,000,000
Share consolidation (Note i)	(9,000,000,000)		-
As at 30 September 2022	1,000,000,000	0.1	100,000,000
Issued and paid:			
At 1 April 2021, 31 March, 1 April 2022	500,000,000	0.01	50,000,000
Share consolidation (Note i)	(450,000,000)		(450,000,000)
Issue of shares upon exercise of share options	5,000,000		500,000
As at 30 September 2022	55,000,000	0.1	5,500,000

Note i: An annual general meeting was held on 8 August 2022 in which the resolution to approve the proposed share consolidation of every ten (10) issued and unissued shares of par value of HK\$0.01 each in the existing share capital of the Company be consolidated into one (1) consolidated share of par value of HK\$0.1 each was passed by the shareholders of the Company. The share consolidation became effective on 10 August 2022. Please refer to the announcements of the Company dated 20 June 2022, 8 August 2022 and 10 August 2022 and the circular of the Company dated 30 June 2022 for details of the share consolidation.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

15. RELATED PARTY TRANSACTIONS

Saved as disclosed elsewhere in these condensed consolidated financial statements, the Group had the following transactions with its related parties during the period:

COMPENSATION OF KEY MANAGEMENT PERSONNEL

The remuneration of the Directors and other member of key management personnel during the period were as follows:

	For the three months ended 30 September		For the six months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Short-term benefits	255	1,764	702	3,527
Post-employment benefits	6	26	13	51
	261	1,790	715	3,578

16. EVENTS AFTER THE REPORTING PERIOD

No significant events have taken place subsequent to 30 September 2022 and up to the date of this report.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the six months ended 30 September 2022 and up to the date of this report, the Group has been principally engaged in operating ramen restaurants in Hong Kong, generating revenue from provision of catering services. Besides, the Group also generates revenue from (i) franchising its own brand to franchisees to operate ramen restaurants in Macau and the PRC and receives royalty fee and consultancy services income and income from sales of food and accessories products to franchisees; and (ii) granting an exclusive licence to a licensee to use the Group's trademarks on licensed products, license fee income is charged based on the production volume.

As at 30 September 2022 and up to the date of this report, the Group operated 6 ramen restaurants and 1 Hong Kong style restaurant respectively in Hong Kong.

FINANCIAL REVIEW

REVENUE

The revenue of the Group decreased by approximately 15.4% from approximately HK\$24.7 million for the six months ended 30 September 2021 to approximately HK\$20.9 million for the six months ended 30 September 2022. The decrease in revenue was mainly because of the closure of a restaurant due to the expiration of tenancy agreement. Moreover, revenue generated from a franchisee in Macau decreased due to various strict coronavirus disease 2019 ("COVID-19") pandemic prevention measures were implemented by the Government of Macau during the second quarter of year 2022, leading to certain suspension of the operation for the franchised restaurant. Furthermore, the 5th wave of local COVID-19 pandemic in Hong Kong also led to a significant decline in customers visited due to the restricted operating hours enforced by the Hong Kong Government among restaurants covering mostly the whole April 2022, forming rigorous challenges to the catering industry.

COST OF INVENTORIES

Cost of inventories decreased by approximately HK\$0.6 million, or approximately 11.0%, from approximately HK\$5.6 million for the six months ended 30 September 2021 to approximately HK\$5.0 million for the six months ended 30 September 2022. The decrease in cost of inventories in line with the drop in the revenue. The cost of inventories sold amounted to approximately 22.8% and 24.0% of the Group's total revenue for the six months ended 30 September 2021 and 2022, respectively. The ratio increased as compared to corresponding period in year 2021, which is mainly attributed to the decrease in the economic efficiency resulting from the drop in production volume in the central kitchen caused by the closure of restaurant and the decline in customers visited.

OTHER INCOME

Other income mainly comprised of subsidies granted by the Hong Kong Government, rental concessions received, imputed interest income and other miscellaneous income. The increase in amount of approximately HK\$1.3 million was mainly attributed to the increase in government grants received under the "Employment Support Scheme" amounted to approximately HK\$1.3 million.

MANAGEMENT DISCUSSION AND ANALYSIS

OTHER GAINS AND LOSSES

Other gains and losses mainly represented net exchange losses or gains for the six months ended 30 September 2021 and 2022.

STAFF COSTS

Staff costs were relatively stable with approximately 1.8% decrease from approximately HK\$10.6 million for the six months ended 30 September 2021 to approximately HK\$10.4 million for the six months ended 30 September 2022. The decrease in staff costs was mainly attributable to the decrease in discretionary bonus distributed to Directors and (ii) the decrease in head counts due to closure of a restaurant operated by the Group. Staff costs were the most significant portion of the operating costs, as a percentage of revenue, staff costs amounted to approximately 43.0% for the six months ended 30 September 2021 and approximately 49.9% for the six months ended 30 September 2022.

The Group understands the importance of recruiting the skilled personnel and retaining experienced staff in the highly competitive labour market in order to properly manage the Group's restaurants and interact with the customers, which is critical to maintaining the quality and consistency of the Group's services as well as the brand reputation.

RENTAL AND RELATED EXPENSES

Rental and related expenses for the six months ended 30 September 2022 represents (i) building management fee, (ii) government rent and rates, (iii) rental for machineries, (iv) contingent rents and (v) other leases for which the lease term ends within twelve months or leases of which the underlying assets are of low value. The rental and related expenses decreased by approximately HK\$0.2 million or 16.2% for the six months ended 30 September 2022 compared to corresponding period in year 2021, which was mainly because less tenancy agreements were entered by the Group during the six months ended 30 September 2022 since certain lease contract was terminated and a restaurant was closed during the financial year 2022.

DEPRECIATION EXPENSES

Depreciation expenses for the six months ended 30 September 2022 represents depreciation charge for (i) leasehold improvements, (ii) fixtures and equipment and (iii) right-of-use assets of the Group. For the six months ended 30 September 2022, the Group has recorded depreciation of right-of-use assets amounted to approximately HK\$1.1 million (2021: approximately HK\$2.2 million) and depreciation charges for property and equipment amounted to approximately HK\$0.2 million (2021: approximately HK\$0.8 million). The decrease of depreciation expenses amounted to approximately HK\$1.6 million or 55.7% owing to the impairment losses recognised for certain of the Group's property and equipment and right-of-use assets as at 31 March 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

OTHER EXPENSES

Other expenses mainly consist of water, electricity, gas and other utilities expenses, repair and maintenance fee, audit and professional fees, business and product development expenses, cleaning expenses and motor vehicle and logistics expenses. Other expenses slightly decreased by approximately 0.1% from the six months ended 30 September 2021 to 2022. The decrease was mainly attributed to variable operating expenses decreased following with the drop in revenue as well as various cost control measures implemented by the Group. Other expenses mainly comprised of utilities expenses of approximately HK\$1.2 million and audit and professional fees of approximately HK\$1.2 million.

FINANCE COSTS

Finance costs for the six months ended 30 September 2022 represents (i) interests on lease liabilities amounted to approximately HK\$0.3 million (2021: approximately HK\$0.3 million), and (ii) interests on bank borrowings amounted to approximately HK\$19,000 (2021: approximately HK\$38,000).

TAXATION

Income tax expense amounted to approximately HK\$0.1 million for the six months ended 30 September 2022 (2021: income tax credit of approximately HK\$0.6 million), which is representing the deferred tax charged to profit or loss resulting from the tax impact in temporary difference between the tax base and the carrying amounts of the Group's property and equipment and right-of-use assets.

(LOSS) PROFIT FOR THE PERIOD

The Group recorded a loss attributable to owners of the Company of approximately HK\$5.3 million for the six months ended 30 September 2022 (2021: approximately HK\$2.8 million). The increase in loss was primarily due to (i) the decrease in revenue due to closure of a restaurant and strict pandemic prevention measures among restaurants implemented by the Hong Kong Government during certain period of the second quarter of year 2022; and (ii) the recognition of equity-settled share-based payments.



MANAGEMENT DISCUSSION AND ANALYSIS

USE OF NET PROCEEDS FROM THE LISTING

The Company successfully listed its shares on GEM of the Stock Exchange on 15 March 2019 (the "Listing Date") by way of public offer and placing and the net proceeds from the Listing of the Company were approximately HK\$46.1 million (after deducting underwriting fees and related listing expenses). The Company intends to apply the net proceeds in the same proportion and in the same manner as shown in the prospectus of the Company date 27 February 2019 (the "Prospectus"). An analysis of the utilisation of the net proceeds is set out below:

Business objective and strategy	Approximately % of net proceeds %	Planned amount in total HK\$'000	Actual amount utilised as at 31 March 2022 HK\$'000	Unutilised net proceeds as at 31 March 2022 HK\$'000	Actual amount utilised as at 30 September 2022 HK\$'000	Unutilised net proceeds as at 30 September 2022 HK\$'000	Notes
Setting up of new outlets in Hong Kong	30.3	13,983	13,983	-	13,983	-	The outlet located in Nam Cheong and Tseung Kwan O were opened in August 2020 and September 2019 respectively.
Expansion of existing central kitchen in Hong Kong	20.0	9,229	9,229	-	9,229	-	Expansion of existing central kitchen by renting extra premises in June 2019. Certain leasehold improvement constructions in central kitchen like expansion of storage areas, upgrading the electrical connection systems were completed and put into production since February 2020 while some other constructions such as renovation and upgrading of the freezing system, enhancement of waterproof works were finished and ready for use in June 2021. Additional equipments such as, water filter system, food depositing machine and food transfer pump, were acquired and put into production during the financial year of 2020, 2021 and 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

Business objective and strategy	Approximately % of net proceeds	Planned amount in total HK\$'000	Actual amount utilised as at 31 March 2022 HK\$'000	Unutilised net proceeds as at 31 March 2022 HK\$'000	Actual amount utilised as at 30 September 2022 HK\$'000	Unutilised net proceeds as at 30 September 2022 HK\$'000	Notes
Further enhancement of brand recognition	4.7	2,147	2,147	-	2,147	-	Promotion campaigns and other marketing activities launched throughout the financial year of 2020 and 2021.
Enhancement of operational capability and efficiency	4.4	2,030	2,030	-	2,030	-	Upgraded the equipment and systems at back office in August 2019. Recruited potential and capable staffs including, industrial experts/consultants, district managers and human resources assistant etc. to strengthen the operational capability and efficiency.
General working capital	40.6	18,757	7,138	11,619	14,462	4,295	The unutilised net proceeds are expected to be fully utilised by December 2023.
	100.0	46,146	34,527	11,619	41,851	4,295	

At 30 September 2022, approximately HK\$41.9 million out of the net proceeds from the Listing had been used. The Directors will continuously examine the Group's business objective and will change or modify the plans against the changing market conditions to pursuit the business growth of the Group. The plan for use of net proceeds detailed above is from time to time being reviewed by the management by reference to the actual economic conditions and the development of the market environment, and in case of any changes in plan subsequently, the Board will make further announcement for explanation immediately.

All the unutilised balances have been placed in licensed banks in Hong Kong.

OUTLOOK

The Group's objective is to provide premium quality "Hakata-Style" Japanese ramen and unforgettable excellent service to the customers. The Group always strive for every possible opportunity to enhance the operation efficiency and profitability of its business.

MANAGEMENT DISCUSSION AND ANALYSIS

Although the peak of 5th wave local COVID-19 pandemic in Hong Kong had been over in May 2022, the risk of explosive community outbreak is still considered at high level as advised by experts. After a short period of alleviation of the local pandemic during May and June 2022, the local number of confirmed COVID-19 cases has a trend to edge up since July 2022. It is difficult to predict the timeframe for the next massive community outbreak and when the prevention measures will be tightened by the Hong Kong Government again, difficulties and challenges for catering industry are still foreseeable ahead.

However, people around the world are gradually adapting the new normal, instead of seeking “Zero-COVID”, most people would go for “Coexist with the virus”. Since early 2022, more and more countries and cities have loosened the inbound travelling restriction measures and the requirement of quarantine duration have been shortened, hopefully the global travel can be resumed to a certain level and stimulate the economic growth.

The management will keep on monitor the market development and to react in a timely basis. Meanwhile, we will be endeavoring to enhance the quality of the food and providing excellent services to our customers.

The Group will also proactively seek potential business opportunities or cooperation with different potential parties to broaden the sources of income and bringing better return on investment for the shareholders.

LIQUIDITY AND FINANCIAL RESOURCES, CAPITAL STRUCTURE AND GEARING RATIO

The Group financed its business with internally generated cash flows, borrowings and the proceeds received from the Listing. As at 30 September 2022, the Group’s bank balances and cash amounted to approximately HK\$8.4 million, representing a decrease of approximately HK\$3.2 million from approximately HK\$11.6 million as at 31 March 2022. Most of the Group’s bank deposits and cash were denominated in HK\$ and Renminbi.

As at 30 September 2022, the Group had interest-bearing bank borrowings of approximately HK\$0.6 million (31 March 2022: approximately HK\$1.0 million) and lease obligation of approximately HK\$14.9 million (31 March 2022: approximately HK\$9.7 million). The interest-bearing bank borrowings were unsecured, repayable on demand and denominated in Hong Kong dollar and bore variable interest rate at HK\$ Best Lending Rate minus 0.5% per annum. The Group did not use any financial instrument for hedging purpose.

As at 30 September 2022, the Group’s total current assets and current liabilities were approximately HK\$16.4 million (31 March 2022: approximately HK\$18.1 million) and approximately HK\$12.8 million (31 March 2022: approximately HK\$13.1 million) respectively. The Group’s current ratio, calculated by dividing the total current assets over the total current liabilities, was approximately 1.3 times (31 March 2022: approximately 1.4 times). The Group’s gearing ratio, calculated as percentage of sum of bank borrowings to the total equity attributable to owners of the Company, was approximately 7.3% as at 30 September 2022 (31 March 2022: approximately 13.6%).

TREASURY POLICY

The Directors will continue to follow a prudent policy in managing the Group’s bank balances and maintain a strong and healthy liquidity to ensure that the Group is well placed to take advantage of future growth opportunities.

MANAGEMENT DISCUSSION AND ANALYSIS

FOREIGN CURRENCY RISK

During the six months ended 30 September 2022, most of the transactions of the Group were denominated and settled in HK\$ and Renminbi. The Renminbi is not a freely convertible currency. Future exchange rates of the Renminbi could vary significantly from the current or historical exchange rates as a result of the capital controls that could be imposed by the PRC government. The exchange rates may also be affected by economic developments and political changes both domestically and internationally, and also from the demand and supply of the Renminbi. The appreciation or devaluation of the Renminbi against HK\$ may have an impact on the Group's results. The Group has currently not implemented any foreign currency hedging policy but the management will closely monitor the exposure and consider hedging against significant foreign exchange exposure should the need arise.

CONTINGENT LIABILITIES

The Group has been served a number of litigations and claims during the year ended 31 March 2022 and 2021. These claims and litigations are arisen from arrears rental and other related expenses of the Group and has been recognised in the other payables and accruals, lease liabilities and provisions. Additional interest, surcharge and penalty might be incurred due to the delay in settlement of such payables.

Nevertheless, the management of the Company obtained legal advice, and considered no additional interest, surcharge and penalty required apart from the amounts stated in the other payables and accruals, lease liabilities and provisions. As at 30 September 2022, the related amounts included in other payables and accruals and provisions are HK\$1,867,000 and HK\$104,000 (31 March 2022: HK\$1,867,000 and HK\$104,000) respectively.

The management and the legal advisor of the Company have taken collective efforts to resolve these cases. As at the reporting date, the corresponding cases are open and might affect the Group in future.

Except as disclosed elsewhere in this report, the Group did not have any material contingent liabilities, guarantees or any litigations or claims of material importance, pending or threatened against any member of the Group that is likely to have a material and adverse effect on the Group's business, financial condition or results of operations as at 30 September 2022.

CHARGE OF ASSETS

As at 30 September 2022, motor vehicles with carrying amount of approximately HK\$1.1 million (31 March 2022: approximately HK\$1.4 million) was acquired under lease arrangements of which the rights to the leased assets are reverted to the lessors in the event of default of lease liabilities by the Group.

DIVIDEND

The Board does not recommend the payment of interim dividend for the six months ended 30 September 2022 (2021: nil).

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not have any significant investments, material acquisitions and disposals of subsidiaries and associated companies during the six months ended 30 September 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

MAJOR TRANSACTIONS

On 22 July 2022, the Group has entered into the tenancy agreement and the premises leased under the tenancy agreement is recognised as right-of-use asset for an amount of approximately HK\$6.6 million pursuant to HKFRS 16. Please refer to the announcements of the Company dated 23 August 2022, 14 September 2022, 22 September 2022, 30 September 2022, 14 October 2022, 28 October 2022 and 14 November 2022 for further details of the major transaction.

SHARE OPTIONS

The Company has conditionally adopted by the resolutions in writing of all the shareholders passed on 21 February 2019 a share option scheme (the “**Share Option Scheme**”). The Share Option Scheme became effective on the Listing Date. The Share Option Scheme enables the Company to grant share options to any Director, employee or other stakeholders to the Company or any of its subsidiaries, as incentives or rewards for their contributions to the Group. As at the date of this report, there was no outstanding share option granted under the Share Option Scheme.

The Share Option Scheme will remain in force for a period of 10 years commencing on the date on which the Share Option Scheme is adopted (i.e. 21 February 2019).

On 26 April 2022, the Company has granted a total of 50,000,000 share options to the eligible employees of the Group. The following table discloses movements in the Company’s share options during the six months ended 30 September 2022:

Name or category of participants	Date of grant	Number of share options					At		Exercise price HK\$
		At 1 April 2022	Granted	Exercised	Cancelled	Lapsed	30 September 2022	Exercise period	
Employees (in aggregate)	26 April 2022	-	50,000,000	(50,000,000)	-	-	-	26 April 2022- 25 April 2024	0.0758

The closing price of the Company’s shares immediately before the date on which the share options were granted was HK\$0.076. The share options are vested immediately on the date of grant.

The fair values of the share options granted under the Share Options Scheme were determined using the Binomial Option Pricing Model. The fair values of the share options and the significant inputs into the model and assumption were as follows:

Number of share options	50,000,000
Share price on grant date	HK\$0.075
Exercise price	HK\$0.0758
Expected volatility	124.49%
Weighted average contractual life	2 years
Risk-free interest rate	2.109%
Fair value per share option	HK\$0.04038

MANAGEMENT DISCUSSION AND ANALYSIS

Where share options are awarded to employees and others providing similar services, the fair value of the services received is measured by reference to the fair value of the options at the date of grant. Such fair value is recognised in profit or loss as the equity-settled share-based payments over the vesting period with a corresponding increase in the share options reserve within equity, or in the case there is no vesting period required, equity-settled share-based payments are fully recognised in profit or loss on the grant date of the share options and record an increase of share options reserve in equity.

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information. Expected dividends are based on historical dividends. The assumptions used in computing the fair value of the share options are based on management's best estimate. Changes in the subjective input assumptions could materially affect the fair value estimate.

On 22 July 2022, 50,000,000 share options were exercised at the exercise price of HK\$0.0758. The weighted average closing price of the Company's shares immediately before the date on which the options were exercised was HK\$0.066.

(Note: The information disclosed above is not adjusted for share consolidation which became effective on 10 August 2022.)

SEGMENT INFORMATION

Segmental information is presented for the Group as disclosed on Note 4 to the condensed consolidated financial statements.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in the Prospectus and in this report, the Group did not have other plans for material investments or capital assets as of 30 September 2022.

CAPITAL COMMITMENT

As at 30 September 2022, the Group did not have any capital commitment (31 March 2022: nil).

HUMAN RESOURCES AND REMUNERATION POLICY

As at 30 September 2022, the Group had a total of 78 employees (2021: 99). The staff costs (included Directors' emoluments) were approximately HK\$10.4 million for the six months ended 30 September 2022 (2021: approximately HK\$10.6 million). The remuneration package of the employees is determined by various factors such as their working experience and job performance, the market condition, industry practice and applicable employment law. Discretionary bonus based on job performance will be paid to employees as recognition of and reward for their contributions. The employees of the Group's subsidiaries which operate in the PRC are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute certain percentage of employees' salaries to the central pension scheme. The Group also maintains the Mandatory Provident Fund Scheme and insurance for its employees in Hong Kong. Various types of trainings were provided to the employees. Share options may also be granted to eligible employees by reference to the Group's performance as well as individual employees' contribution.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2022, the interests and short positions of the Directors and chief executives 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 Rules 5.46 to 5.68 of the GEM Listing Rules, were as follows:

Long position in the shares

Name	Capacity/Nature	Number of Shares held/interested	Percentage of shareholding
Mr. Tang Chun Ho Chandler <i>(Note)</i>	Interested in a controlled corporation	3,001,000	5.46%

Note: Brilliant Trade is owned as to 35% by Mr. C Tang, whom by virtue of the SFO is deemed to be interested in 5.46% of the issued share capital of the Company in which Brilliant Trade is interested in.

Save as disclosed above, as at 30 September 2022, none of the Directors and chief executive of the Company has any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to Rules 5.46 to 5.68 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 September 2022, the following persons/entity (other than the Directors and chief executives of the Company) had or were deemed to have an interest or a short position in the shares or the underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under Section 336 of the SFO, or who were directly or indirectly, to be interests in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group:

OTHER INFORMATION

Long position in the shares

Name	Capacity/Nature	Number of Shares held/interested	Percentage of shareholding
Brilliant Trade	Beneficial owner	3,001,000	5.46%
Ms. Tang Hing Chee (Note 1)	Interested in a controlled corporation	3,001,000	5.46%
Ms. Tai Shiu Bun Mariana (Note 2)	Interest of spouse	3,001,000	5.46%
Ms. Lee Wai Yu Giselle (Note 3)	Interest of spouse	3,001,000	5.46%

Notes:

- (1) Brilliant Trade was 35%, 35%, 15% and 15% owned by Mr. C Tang, Mr. Tang Hing Chee ("Mr. HC Tang"), father of Mr. C Tang, Ms. Tai Shiu Bun Mariana, mother of Mr. C Tang, and Ms. Tang Wing Shan Ariel, sister of Mr. C Tang.
- (2) Ms. Tai is the spouse of Mr. HC Tang. Accordingly, Ms. Tai is deemed, or taken to be, interested in the shares in which Mr. HC Tang is interested for the purpose of the SFO.
- (3) Ms. Lee Wai Yu Giselle is the spouse of Mr. C Tang. Accordingly, Ms. Lee Wai Yu Giselle is deemed, or taken to be, interested in the shares in which Mr. C Tang is interested for the purpose of the SFO.

Save as disclosed above, as at 30 September 2022, none of the substantial or significant shareholders or other persons, other than the Directors and chief executives of the Company whose interests are set out in the section "Other information – Directors' and chief executives' interests and short positions in shares, underlying shares and debentures" above, had or were deemed to have an interest or a short position in the shares or the underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under Section 336 of the SFO, or who were directly or indirectly, to be interests in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the shares during the six months ended 30 September 2022.

COMPETITION AND CONFLICT OF INTERESTS

None of the Directors, the controlling shareholders or substantial shareholders of the Company or any of its respective close associates (as defined under the GEM Listing Rules) has engaged in any business that competes or may compete, either directly or indirectly, with the businesses of the Group or has any other conflict of interests with the Group during the six months ended 30 September 2022.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings, as set out in Rules 5.48 to 5.68 of the GEM Listing Rules as the code of conduct for securities transactions by the Directors in respect of the shares of the Company. Having made specific enquiry of all Directors, all Directors have confirmed that they have complied with the required standard of dealings and the code of conduct for securities transactions by the Directors during the six months ended 30 September 2022.

OTHER INFORMATION

INTERESTS OF THE COMPLIANCE ADVISER

As confirmed by the Company's compliance adviser, Frontpage Capital Limited (the "**Compliance Adviser**"), save as the compliance adviser agreement entered into between the Company and the Compliance Adviser, none of the Compliance Adviser or its directors, employees or associates (as defined under the GEM Listing Rules) had any interest in the Group or in the share capital of any member of the Group which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules. The Compliance Adviser has resigned with effect from 15 April 2022.

CORPORATE GOVERNANCE PRACTICE

The Directors are committed to the maintenance of good corporate governance practices and procedures. The Company believes that good corporate governance provides a framework that is essential for effective management, a healthy corporate culture, successful business growth and enhancing shareholders' value. The corporate governance principles of the Company emphasise a quality Board, sound internal controls, and transparency and accountability to all shareholders. The Company has applied the principles and complied with all code provisions of Corporate Governance Code as contained in part 2 of Appendix 15 to the GEM Listing Rules (the "**CG Code**").

During the six months ended 30 September 2022, to the best knowledge of the Board, the Company has complied with the code provisions set out in the CG Code except for the deviation from Code Provision C.2.1 of the CG Code as set out below.

Code Provision C.2.1 of CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. As Mr. C Tang performs the roles of chairman and chief executive officer of the Company, the Company has deviated from this Code Provision from 1 February 2022. However, the Board believes that it is appropriate and in the interests of the Company for Mr. C Tang to take up both roles at the present stage as it helps to ensure consistent leadership within the Group and enable more effective and efficient overall strategic planning for the Group. The Board also believes that the balance of power and authority for the present arrangement will not be impaired and is adequately ensured by the current Board which comprises experienced and high-calibre individuals with not less than half the number thereof being independent non-executive Directors. However, it is the long-term objective of the Company to have these two roles performed by separate individuals when suitable candidates are identified.

OTHER INFORMATION

AUDIT COMMITTEE

Pursuant to Rule 5.28 of the GEM Listing Rules, the Company established an audit committee (the “**Audit Committee**”) with written terms of reference aligned with the provision of the code provisions set out in Appendix 15 of the GEM Listing Rules. The written terms of reference of the Audit Committee are posted on the Stock Exchange’s website and on the Company’s website. 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. Lee Koon Tak (the chairman of the Audit Committee), Ms. So Siu Ying and Mr. Ho Lai Chuen, all of whom are independent non-executive Directors.

The Audit Committee has reviewed with the management of the Company on the accounting principles and practices adopted by the Group in preparation of this report and the interim results announcement of the Group for the six months ended 30 September 2022. The condensed consolidated financial results for six months ended 30 September 2022 are unaudited, but have been reviewed by the Audit Committee. Such results comply with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

By order of the Board
Tasty Concepts Holding Limited
Tang Chun Ho Chandler
Chairman and Executive Director

Hong Kong, 14 November 2022

As at the date of this report, the Board comprises Mr. Tang Chun Ho Chandler and Ms. Sung Kwan Wun as executive Directors; and Mr. Lai Man Hin, Ms. So Siu Ying and Mr. Lee Koon Tak as independent non-executive Directors.

