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HONG KONG FOOD INVESTMENT HOLDINGS LIMITED

香港食品投資控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code : 60)

**ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023**

INTERIM RESULTS

The board of directors (the “Board”) of Hong Kong Food Investment Holdings Limited (the “Company”) announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 September 2023, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		Six months ended	
		30 September	
		2023	2022
	<i>Notes</i>	Unaudited	Unaudited
		HK\$'000	HK\$'000
REVENUE	3	110,582	113,536
Cost of sales		<u>(87,651)</u>	<u>(90,697)</u>
Gross profit		22,931	22,839
Other income and gains/(losses), net	3	(3,465)	1,072
Selling and distribution expenses		(21,303)	(19,229)
Administrative expenses		(13,423)	(11,227)
Finance costs	4	(1,235)	(418)
Share of profits and losses of associates		<u>9,077</u>	<u>17,507</u>
PROFIT/(LOSS) BEFORE TAX	5	(7,418)	10,544
Income tax credit/(expense)	6	<u>394</u>	<u>(89)</u>
PROFIT/(LOSS) FOR THE PERIOD		<u>(7,024)</u>	<u>10,455</u>
Attributable to :			
Equity holders of the Company		(7,160)	9,415
Non-controlling interests		<u>136</u>	<u>1,040</u>
		<u>(7,024)</u>	<u>10,455</u>
		<i>HK cents</i>	<i>HK cents</i>
EARNINGS/(LOSS) PER SHARE			
ATTRIBUTABLE TO ORDINARY EQUITY			
HOLDERS OF THE COMPANY			
– Basic and diluted	7	<u>(2.76)</u>	<u>3.63</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended	
	30 September	
	2023	2022
	Unaudited	Unaudited
	<i>HK\$'000</i>	<i>HK\$'000</i>
PROFIT/(LOSS) FOR THE PERIOD	(7,024)	10,455
OTHER COMPREHENSIVE LOSS FOR THE PERIOD		
<i>Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:</i>		
Share of other comprehensive loss of associates, net of tax	(18,249)	(32,612)
Exchange differences on translation of foreign operations	(4,039)	(4,652)
<i>Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods</i>	(22,288)	(37,264)
<i>Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:</i>		
Share of other comprehensive income/(loss) of associates, net of tax	554	(239)
<i>Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods</i>	554	(239)
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX	(21,734)	(37,503)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(28,758)	(27,048)
Attributable to:		
Equity holders of the Company	(28,894)	(28,088)
Non-controlling interests	136	1,040
	(28,758)	(27,048)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30 September 2023	31 March 2023
	Unaudited	Audited
<i>Notes</i>	HK\$'000	HK\$'000
NON-CURRENT ASSETS		
Property, plant and equipment	42,176	46,930
Right-of-use assets	18,544	23,674
Investment property	9,275	10,461
Investments in associates	380,381	396,489
Deposits	5,768	5,597
Goodwill	2,103	2,103
Financial assets at fair value through profit or loss	12,048	16,054
Deferred tax assets	2,283	1,713
Total non-current assets	472,578	503,021
CURRENT ASSETS		
Inventories	32,453	39,265
Trade receivables	8 18,686	18,760
Prepayments, deposits and other receivables	3,350	2,494
Due from associates	2,850	2,132
Financial assets at fair value through profit or loss	5,722	6,384
Cash and cash equivalents	79,827	81,505
Total current assets	142,888	150,540
CURRENT LIABILITIES		
Trade and bills payables	9 4,983	11,018
Other payables and accruals	8,806	7,307
Due to associates	64	109
Due to a non-controlling shareholder	1,242	3,452
Tax payable	221	43
Interest-bearing bank borrowings	24,855	22,412
Lease liabilities	10,620	10,439
Total current liabilities	50,791	54,780
NET CURRENT ASSETS	92,097	95,760
TOTAL ASSETS LESS CURRENT LIABILITIES	564,675	598,781
NON-CURRENT LIABILITIES		
Provision	400	400
Lease liabilities	8,717	14,063
Deferred tax liabilities	148	150
Total non-current liabilities	9,265	14,613
Net assets	555,410	584,168

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

	30 September 2023 Unaudited HK\$'000	31 March 2023 Audited HK\$'000
EQUITY		
Equity attributable to equity holders of the Company		
Share capital	117,095	117,095
Reserves	<u>430,637</u>	<u>459,531</u>
	547,732	576,626
Non-controlling interests	<u>7,678</u>	<u>7,542</u>
Total equity	<u><u>555,410</u></u>	<u><u>584,168</u></u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements are prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) and the Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The accounting policies and basis of preparation adopted in the preparation of the unaudited condensed consolidated interim financial statements are consistent with those adopted in the preparation of the annual financial statements for the year ended 31 March 2023.

The financial information relating to the year ended 31 March 2023 that is included in the unaudited condensed consolidated interim financial statements for the six months ended 30 September 2023 as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those consolidated financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Company has delivered the consolidated financial statements for the year ended 31 March 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance. The Company’s auditor has reported on the consolidated financial statements. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

In the current period, the Group has adopted, for the first time, a number of revised Hong Kong Financial Reporting Standards (“HKFRSs”), which are effective for accounting periods beginning on or after 1 April 2023.

HKFRS 17	<i>Insurance Contracts</i>
Amendments to HKFRS 17	<i>Insurance Contracts</i>
Amendment to HKFRS 17	<i>Initial Application of HKFRS 17 and HKFRS 9 – Comparative Information</i>
Amendments to HKAS 1 and HKFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>
Amendments to HKAS 8	<i>Definition of Accounting Estimates</i>
Amendments to HKAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to HKAS 12	<i>International Tax Reform – Pillar Two Model</i>

The application of the above revised standards in the current period has had no material financial effect on these condensed consolidated financial statements.

2. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments for the period ended 30 September 2023 as follows:

- (a) the trading segment is engaged in the trading of frozen meats, seafood and vegetables in Hong Kong;
- (b) the catering segment is engaged in restaurants operation in Hong Kong; and
- (c) the “others” segment consists of communication and advertising design.

Management monitors the results of the Group’s operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group’s profit/loss before tax except that bank interest income, dividend income and unallocated gains/losses, non-lease-related finance costs, share of profits and losses of associates and corporate and other unallocated expenses are excluded from such measurement.

Segment assets exclude investments in associates, deferred tax assets, certain items of property, plant and equipment, an investment property, and corporate and other unallocated assets as these assets are managed on a group basis.

Segment liabilities exclude tax payables, deferred tax liabilities and corporate and other unallocated liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

2. OPERATING SEGMENT INFORMATION (continued)

Six months ended 30 September 2023

	Trading Unaudited HK\$'000	Catering Unaudited HK\$'000	Others Unaudited HK\$'000	Total Unaudited HK\$'000
Segment revenue				
Sales to external customers	81,726	27,310	1,546	110,582
Intersegment sales	4,192	–	39	4,231
	<u>85,918</u>	<u>27,310</u>	<u>1,585</u>	<u>114,813</u>
<i>Reconciliation:</i>				
Elimination of intersegment sales				<u>(4,231)</u>
				<u><u>110,582</u></u>
Segment results	(3,652)	(3,159)	901	(5,910)
<i>Reconciliation:</i>				
Bank interest income				758
Unallocated losses				(4,668)
Finance costs (other than interest on lease liabilities)				(958)
Share of profits and losses of associates				9,077
Corporate and other unallocated expenses				<u>(5,717)</u>
Loss before tax				<u><u>(7,418)</u></u>

Six months ended 30 September 2022

	Trading Unaudited HK\$'000	Catering Unaudited HK\$'000	Others Unaudited HK\$'000	Total Unaudited HK\$'000
Segment revenue				
Sales to external customers	81,943	29,851	1,742	113,536
Intersegment sales	3,490	–	4	3,494
	<u>85,433</u>	<u>29,851</u>	<u>1,746</u>	<u>117,030</u>
<i>Reconciliation:</i>				
Elimination of intersegment sales				<u>(3,494)</u>
				<u><u>113,536</u></u>
Segment results	(2,317)	(451)	742	(2,026)
<i>Reconciliation:</i>				
Bank interest income				116
Dividend income and unallocated losses				(504)
Finance costs (other than interest on lease liabilities)				(243)
Share of profits and losses of associates				17,507
Corporate and other unallocated expenses				<u>(4,306)</u>
Profit before tax				<u><u>10,544</u></u>

2. OPERATING SEGMENT INFORMATION (continued)

As at 30 September 2023

	Trading Unaudited HK\$'000	Catering Unaudited HK\$'000	Others Unaudited HK\$'000	Total Unaudited HK\$'000
Segment assets	126,089	41,596	5,232	172,917
<i>Reconciliation:</i>				
Elimination of intersegment receivables				(418)
Investments in associates				380,381
Corporate and other unallocated assets				<u>62,586</u>
Total assets				<u><u>615,466</u></u>
Segment liabilities	34,285	18,871	111	53,267
<i>Reconciliation:</i>				
Elimination of intersegment payables				(418)
Corporate and other unallocated liabilities				<u>7,207</u>
Total liabilities				<u><u>60,056</u></u>

As at 31 March 2023

	Trading Audited HK\$'000	Catering Audited HK\$'000	Others Audited HK\$'000	Total Audited HK\$'000
Segment assets	133,525	47,131	4,720	185,376
<i>Reconciliation:</i>				
Elimination of intersegment receivables				(289)
Investments in associates				396,489
Corporate and other unallocated assets				<u>71,985</u>
Total assets				<u><u>653,561</u></u>
Segment liabilities	39,051	23,027	263	62,341
<i>Reconciliation:</i>				
Elimination of intersegment payables				(289)
Corporate and other unallocated liabilities				<u>7,341</u>
Total liabilities				<u><u>69,393</u></u>

3. REVENUE, OTHER INCOME AND GAINS/(LOSSES), NET

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts. An analysis of revenue, other income and gains/(losses), net is as follows:

	Six months ended 30 September	
	2023	2022
	Unaudited	Unaudited
	HK\$'000	HK\$'000
Disaggregation of revenue		
Sales of goods	81,726	81,943
Restaurants operation	27,310	29,851
Others	1,546	1,742
	<u>110,582</u>	<u>113,536</u>
Timing of revenue recognition		
At a point in time	<u>110,582</u>	<u>113,536</u>
Other income		
Bank interest income	758	116
Dividend income from financial assets at fair value through profit or loss	–	378
Gross rental income	957	1,227
Government subsidies*	–	300
Sundry income	–	41
	<u>1,715</u>	<u>2,062</u>
Gains/(losses), net		
Gain on disposal of items of property, plant and equipment	6	–
Fair value losses on financial assets at fair value through profit or loss	(4,668)	(882)
Foreign exchange difference, net	(518)	(108)
	<u>(5,180)</u>	<u>(990)</u>
	<u>(3,465)</u>	<u>1,072</u>

* Government subsidies were Covid-19 relief subsidies received. There were no unfulfilled conditions or other contingencies attaching to the government subsidies that had been recognised by the Group during the period ended 30 September 2022.

4. FINANCE COSTS

An analysis of finance costs is as follows:

	Six months ended 30 September	
	2023	2022
	Unaudited HK\$'000	Unaudited HK\$'000
Interest on bank and trust receipt loans	958	243
Interest on lease liabilities	277	175
	<u>1,235</u>	<u>418</u>

5. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

	Six months ended 30 September	
	2023	2022
	Unaudited HK\$'000	Unaudited HK\$'000
Cost of inventories sold	87,651	90,697
Depreciation of items of property, plant and equipment	2,181	2,538
Depreciation of right-of-use assets	5,130	4,590
Lease payments not included in the measurement of lease liabilities	4,520	5,436
Covid-19-related rent concessions from lessors	–	(170)
Government subsidies*	–	(1,260)
Impairment of trade receivables	205	84
	<u>205</u>	<u>84</u>

- * The government subsidies represented the grants from the Employment Support Scheme of the Hong Kong Government which aimed to retain employment and combat Covid-19. During the period ended 30 September 2022, there were no unfulfilled conditions or contingencies relating to these subsidies. Government subsidies of HK\$636,000 and HK\$624,000 were included in “Selling and distribution expenses” and “Administrative expenses”, respectively, in the condensed consolidated statement of profit or loss for the period ended 30 September 2022.

6. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2022: 16.5%) on the estimated assessable profits arising in Hong Kong during the period, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (2022: HK\$2,000,000) of assessable profits of this subsidiary is taxed at 8.25% (2022: 8.25%) and the remaining assessable profits are taxed at 16.5% (2022: 16.5%).

	Six months ended 30 September	
	2023	2022
	Unaudited	Unaudited
	HK\$'000	HK\$'000
Current charge for the period		
– Hong Kong	178	379
Deferred	<u>(572)</u>	<u>(290)</u>
Total tax charge/(credit) for the period	<u><u>(394)</u></u>	<u><u>89</u></u>

The share of tax charge attributable to associates amounting to HK\$3,005,000 (2022: Tax credit of HK\$4,222,000) is included in “Share of profits and losses of associates” in the unaudited condensed consolidated statement of profit or loss.

7. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings/(loss) per share amounts is based on the profit/(loss) for the period attributable to ordinary equity holders of the Company and the number of ordinary shares in issue during the period.

The calculation of the basic and diluted earnings/(loss) per share are based on:

	Six months ended 30 September	
	2023	2022
	Unaudited	Unaudited
	HK\$'000	HK\$'000
Earnings/(loss)		
Profit/(loss) attributable to ordinary equity holders of the Company, used in the basic and diluted earnings/(loss) per share calculation	<u><u>(7,160)</u></u>	<u><u>9,415</u></u>
	Number of shares	
	2023	2022
	Unaudited	Unaudited
Shares		
Number of ordinary shares in issue during the period used in the basic and diluted earnings/(loss) per share calculation	<u><u>259,586,000</u></u>	<u><u>259,586,000</u></u>

No adjustment has been made to the basic earnings/(loss) per share amounts presented for the six months ended 30 September 2023 and 2022 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during those periods.

8. TRADE RECEIVABLES

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally one to three months.

An ageing analysis of the trade receivables as at 30 September 2023 and 31 March 2023, based on the invoice date and net of loss allowance, is as follows:

	30 September 2023 Unaudited HK\$'000	31 March 2023 Audited HK\$'000
Within 1 month	11,818	9,428
1 to 2 months	2,159	5,605
Over 2 months	<u>4,709</u>	<u>3,727</u>
	<u>18,686</u>	<u>18,760</u>

9. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at 30 September 2023 and 31 March 2023, based on the invoice date, is as follows:

	30 September 2023 Unaudited HK\$'000	31 March 2023 Audited HK\$'000
Within 1 month	<u>4,983</u>	<u>11,018</u>

The trade payables are non-interest-bearing and are normally settled on terms of 30 to 60 days.

10. CAPITAL COMMITMENT

No material capital commitment was contracted but not provided for as at 30 September 2023 (31 March 2023: Nil).

11. EVENT AFTER REPORTING PERIOD

No material events have occurred after the end of the period under review and up to the date of this announcement.

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 September 2023 (2022: Nil).

BUSINESS REVIEW AND PROSPECTS

BUSINESS REVIEW

For the six months ended 30 September 2023, the Group's consolidated revenue was HK\$110,582,000, representing a decrease of 2.6% as compared with HK\$113,536,000 for the corresponding period ended 30 September 2022.

The Group recorded a loss attributable to the equity holders of the Company of HK\$7,160,000, representing a decrease of HK\$16,575,000 as compared with profit making of HK\$9,415,000 for the corresponding period last year. It was mainly attributable to the decrease in the contribution of share of profits from associates and increase in fair value loss arising from the Group's financial assets.

Frozen Meats Trading Business

During the period under review, the revenue of frozen meats trading business was HK\$81,726,000, representing a decrease of HK\$217,000, or 0.3%, as compared to the corresponding period last year.

During the period under review, facing the challenging market conditions, our frozen meats trading segment expanded our product portfolio to include a wider range of high-quality frozen meat products, catering to diverse customer preferences. We successfully introduced the "Hokkaido Snow Dream Pork" brand to the local market and became an exclusive selling agent in Hong Kong and Macau. In view of the increasing market demand for pork from Hokkaido, Japan, this strategic expansion is hope to contribute to increased sales and market penetration. We also explored hormone-free meat products in recent years and introduced hormone-free chicken products from suppliers that adopt international hygiene standards.

However, our segment result was affected by the adverse economic situation, the slowdown of market demand especially from the customers in the restaurant category, severe price competition and increase in finance costs due to rise in interest rates.

Maintaining a robust and reliable supply chain has been crucial to our operations. We closely monitored global supply and demand trends to ensure adequate inventory levels and minimize disruptions. We will continue to focus on diversifying our product offerings, enhancing customer experience, and expanding our market presence. Furthermore, we will closely monitor emerging consumer trends to capitalize on new market opportunities.

BUSINESS REVIEW AND PROSPECTS (continued)

Catering Business

During the period under review, we have one “Beefar’s” restaurant offering high-quality “Satsuma” brand of Japanese wagyu beef in Japanese BBQ style and three “Gyumai” restaurants offering supreme beef from Japan, Australia and USA in all-you-can-eat Japanese BBQ and hotpot style. The revenue of catering business was HK\$27,310,000, representing a decrease of HK\$2,541,000, or 8.5%, as compared to the corresponding period last year.

The outbreak of the global pandemic has had a profound impact on consumer behavior and overall market dynamics. As restrictions fluctuated and consumer behaviour shifted, our business adapted to the evolving landscape to sustain operations and achieve growth in the long run. After the reopening of Hong Kong’s border with other parts of the world and Mainland China, more and more people travelled around and it was very popular to go to Mainland China during weekends and holidays. Catering business in local market was deeply impacted that both the number of customers and average spending per head dropped significantly. Recently due to the market atmosphere, the demand for Japanese dining dropped. It was a tough period for the Japanese restaurants and our business was affected inevitably. On the other hand, the absence of government subsidies and labour shortage in Hong Kong during the period under review further increased our costs.

Facing the weak market sentiment and keen competitions, we did a lot of promotions in social and digital media, introduced discounted menus and offered new favorites from time to time to cope with. We also adopted tight cost control measures and flexible sales strategies to improve operation efficiency and gross profit margin.

Other Businesses

For the period under review, the revenue from the segment of communication and advertising design was HK\$1,546,000, down 11.3% from HK\$1,742,000 of previous period and the segment recorded a profit of approximately HK\$901,000 as compared to HK\$742,000, the corresponding period last year.

Other than supporting the Group’s own business, we also served customers from the banking and catering sectors and achieved stable growth in profit. Based on the reputation and client base we built throughout the years, we will extend our line of services to our existing and potential clients gradually in order to capture the market growth due to rebound in the economy.

BUSINESS REVIEW AND PROSPECTS (continued)

Food Business Investment

The Group continues to hold approximately 29.99% (as at 30 September 2022: 29.98%) equity interest of Four Seas Mercantile Holdings Limited (“FSMHL”) as a strategic investment in the food business. During the period under review, despite the overall weak consumer markets which led to a decline in FSMHL’s revenue, FSMHL still recorded an increase in profits even excluded the tax refunds and Hong Kong government’s pandemic relief subsidies. FSMHL successfully managed its operations effectively and leveraged the efficiency of sales and operating expenses. This demonstrated the resilience to with stand external challenges. FSMHL achieved a revenue of HK\$1.95 billion and profit of approximately HK\$28.0 million for the period under review. For the six months ended 30 September 2023, the Group’s share of profits from FSMHL was HK\$9,077,000, representing a decrease of HK\$8,430,000, or 48.2% as compared to the same period last year.

PROSPECTS

Despite the challenges faced during the period, our frozen meats trading and catering businesses have demonstrated resilience and adaptability. We remain committed to delivering high-quality products and services to our customers while navigating the evolving market landscape. By leveraging our operational strengths and proactively addressing emerging trends, we are confident in our ability to achieve sustainable growth and maintain a competitive edge in both the frozen meat and catering sectors. Additionally, we actively monitored and managed financial risks, including currency fluctuations, commodity price volatility, and credit risks to ensure that our business operates properly.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its operations with internally generated cash flows and facilities granted by its principal bankers. As at 30 September 2023, the Group had banking facilities of HK\$200,753,000 of which 12% had been utilised. The Group had a gearing ratio of 5% as at 30 September 2023. This is expressed as the total interest-bearing bank borrowings to equity attributable to equity holders of the Company. Bank borrowings of the Group, denominated in Hong Kong dollars, are mainly trust receipt loans (the “Interest-Bearing Bank Borrowings”) at prevailing market interest rates. The Interest-Bearing Bank Borrowings which are classified as current liabilities are repayable within one year. As at 30 September 2023, the Group held cash and cash equivalents of HK\$79,827,000. The Group has no significant contingent liabilities and no charges on the Group’s assets during the period under review.

STAFF EMPLOYMENT

The total number of employees of the Group as at 30 September 2023 was 79. Remuneration packages are generally structured by reference to market terms and individual qualifications. Salaries and wages are normally reviewed annually based on performance appraisals and other relevant factors.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2023.

CORPORATE GOVERNANCE

The Company and management are committed to maintaining good corporate governance with an emphasis on the principles of transparency, accountability and independence to all shareholders of the Company. The Company believes that good corporate governance is essential to continuous growth and enhancement of shareholders' value. The Company periodically reviews its corporate governance practices with reference to the latest development of corporate governance. The Company has applied the principles of and complied with the code provisions of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules during the six months ended 30 September 2023.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as the Company's code of conduct regarding securities transactions by directors of the Company (the "Code of Conduct"). Having made specific enquiry of all directors of the Company, the directors have confirmed that they have complied with the required standard of dealings as set out in the Code of Conduct throughout the six months ended 30 September 2023.

The Company has also established the Code for Securities Transactions by the Relevant Employees (the "Employees Code") on no less exacting terms than the Model Code for securities transactions by the employees who are likely to be in possession of inside information of the Company. No incident of non-compliance of the Employees Code by the employees was noted by the Company throughout the six months ended 30 September 2023.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") comprises all the three independent non-executive directors, namely Mr. CHEUNG Wing Choi (Chairman of the Audit Committee), Mr. LAN Yee Fong, Steve John and Mr. WONG, Louis Chung Yin. The Audit Committee has reviewed the unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 September 2023 and discussed with the management on the accounting principles and practices adopted by the Group, internal controls and financial reporting matters.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the Company's website at www.hongkongfoodinvestment.com.hk.

The interim report of the Company for the six months ended 30 September 2023 containing information required by the Listing Rules will be despatched to the shareholders of the Company and published on the above websites in due course.

APPRECIATION

The Board would like to express its sincere appreciation to the shareholders, business partners and staff for their continuous support to the Group.

On behalf of the Board
Hong Kong Food Investment Holdings Limited
TAI Chun Kit
Chairman

Hong Kong, 29 November 2023

As at the date of this announcement, the executive directors of the Company are Mr. TAI Chun Kit and Mr. TSE Siu Wan, the non-executive director of the Company is Mr. TAI Tak Fung, Stephen, and the independent non-executive directors of the Company are Mr. LAN Yee Fong, Steve John, Mr. CHEUNG Wing Choi and Mr. WONG, Louis Chung Yin.