



FULUM GROUP INTERIM REPORT

2024
中期報告



CONTENTS

Corporate Information	2
Highlights	3
Management Discussion and Analysis	4
Corporate Governance and Other Information	11
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	18
Condensed Consolidated Statement of Financial Position	20
Condensed Consolidated Statement of Changes in Equity	22
Condensed Consolidated Statement of Cash Flows	23
Notes to the Condensed Consolidated Financial Statements	24

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. YEUNG Wai (*Chairman*)
Mr. YEUNG Ho Wang (*Chief Executive Officer*)
Mr. YEUNG Yun Kei
Mr. LEUNG Siu Sun
Mr. YEUNG Chun Nin

Non-executive Director

Mr. WU Kam On Keith (*Vice Chairman*)

Independent Non-executive Directors

Mr. NG Ngai Man Raymond
Mr. WONG Wai Leung Joseph
Mr. CHAN Chun Bong Junbon

COMPANY SECRETARY

Mr. Chan Yiu Kwong

AUTHORISED REPRESENTATIVES

Mr. YEUNG Wai
Mr. YEUNG Ho Wang

MEMBERS OF AUDIT COMMITTEE

Mr. WONG Wai Leung Joseph (*Chairman*)
Mr. NG Ngai Man Raymond
Mr. CHAN Chun Bong Junbon

MEMBERS OF NOMINATION COMMITTEE

Mr. CHAN Chun Bong Junbon (*Chairman*)
Mr. NG Ngai Man Raymond
Mr. YEUNG Wai

MEMBERS OF REMUNERATION COMMITTEE

Mr. NG Ngai Man Raymond (*Chairman*)
Mr. WONG Wai Leung Joseph
Mr. YEUNG Wai

MEMBERS OF EXECUTIVE COMMITTEE

Mr. YEUNG Wai (*Chairman*)
Mr. YEUNG Ho Wang
Mr. YEUNG Yun Kei
Mr. LEUNG Siu Sun
Mr. YEUNG Chun Nin

REGISTERED OFFICE

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

CORPORATE HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

26/F, Capital Tower, 38 Wai Yip Street,
Kowloon Bay, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKERS

Hang Seng Bank Limited
Standard Chartered Bank (Hong Kong) Limited
The Bank of East Asia, Limited
Bank of China (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited

AUDITOR

ZHONGHUI ANDA CPA Limited

STOCK CODE

01443

WEBSITE

www.fulumgroup.com

HIGHLIGHTS

- Revenue was approximately HK\$893.8 million (corresponding period in 2022: approximately HK\$764.6 million), representing an increase of approximately 16.9%
- Gross profit margin¹ was at approximately 72.1% (corresponding period in 2022: approximately 69.6%), representing an increase of approximately 2.5 percentage point
- Profit attributable to owners of the Company was approximately HK\$2.1 million (corresponding period in 2022: approximately HK\$8.7 million)
- Profit for the period excluding government subsidies² was approximately HK\$2.1 million (corresponding period in 2022: Loss for the period excluding government subsidies² of approximately HK\$44.8 million)
- Basic earning per share³ was HK0.16 cents (corresponding period in 2022: HK0.67 cents)
- The Board has resolved not to declare the payment of any interim dividend

¹ Gross profit equals revenue minus cost of inventories sold. Gross profit margin is calculated by dividing gross profit by revenue and multiplying the resulting value by 100%.

² This is a non-HKFRS measure, defined as profit/(loss) for the relevant period deducting government subsidies, which are non-recurring income.

³ The calculation of the basic earning per share amounts is based on profit for the period attributable to owners of the Company of approximately HK\$2,111,000 (corresponding period in 2022: approximately HK\$8,668,000) and the weighted average number of ordinary shares of 1,300,000,000 (corresponding period in 2022: 1,300,000,000) in issue during the Reporting Period.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

During the period under review, the Hong Kong SAR government eased the entry restrictions of overseas visitors and withdrew the pandemic control policies to stimulate the recovery of social and economic activities and boost consumer sentiment. However, the external economic environment was weak, resulting in a slower recovery than expected in local exports, capital formation and private consumption after the pandemic, and as such Hong Kong's economic growth rate was lower than market expectations. In addition, supply and transportation chains were under pressure due to the continuous geopolitical tension, and the prices of raw materials, logistics costs, food and energy have all increased, putting pressure on corporate operations.

According to the Hong Kong Census and Statistics Department, Hong Kong's composite consumer price index (CPI) increased by 2.0% in the second quarter compared with the same period last year; the composite consumer price index in the third quarter increased by 1.9% compared with the same period last year. During the period, the inflation level increased slightly, and local business costs still need to face upward pressure. In terms of Hong Kong's economy, the gross domestic product (GDP) in the second quarter increased by 1.5% in real terms compared with the same period last year, and increased by approximately 2.9% compared to the first quarter, representing a slowing down of growth rate; in particular, private consumption expenditure increased by 8.2% in real terms compared with the same period last year. The seasonally adjusted GDP in consecutive quarters changed from increase to decline, decreasing in real terms by 1.3% year-on-year in the second quarter, while rising by 5.4% in the first quarter; in the third quarter, GDP increased by 0.1% in real terms quarter-on-quarter, which is lower than market expectations.

Since the Hong Kong SAR government fully relaxed its border restrictions, Hong Kong has experienced a "retaliatory" tourism boom. While many citizens choose to travel abroad during the long holidays, the return of tourists to Hong Kong has brought certain support to the overall business environment and consumption atmosphere. Data from the Census and Statistics Department shows that the value of total restaurant receipts in the second quarter is provisionally estimated at \$27.4 billion, a year-on-year increase of 24.3%. After deducting the impact of price changes during the period, total restaurant receipts in the second quarter are provisionally estimated to increase by 19.4% in volume terms compared with the same quarter last year. In particular, the total revenue of Chinese restaurants increased by 29.2% and 24.4% respectively in terms of value and volume, and the total revenue of non-Chinese restaurants increased by 20.5% and 15.9% in terms of value and volume respectively. As for the value of total restaurant revenue in the third quarter, the provisional estimate is \$27.1 billion, an increase of 12.5% year-on-year. In terms of total revenue of Chinese restaurants, the value and volume of total revenue of Chinese restaurants increased by 18.3% and 14.0% respectively year-on-year; however, after seasonal adjustment, the provisional estimate of total restaurant receipts in the third quarter fell by 2.0% and 6.4% quarter-on-quarter in terms of value and volume respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Although the pandemic has passed and Hong Kong society has fully returned to normal, the pandemic has brought about huge and long-term changes in consumption and dining patterns. During the Reporting Period, in the face of structural changes in the catering market, the Group continued to respond to the challenges by adopting a full-time regional catering branding strategy. By increasing the number of brands and categories under its “Concept Line”, the Group’s catering business became more diversified, covering consumers’ catering needs at different times of the day, so that customers can enjoy a wide range of the Group’s restaurants at any time and any place.

The Group has been expanding its restaurant brands in residential areas at a moderate and prudent pace. As at 30 September 2023, the Group operated a total of 104 restaurants in Hong Kong, including 15 restaurants under the “Fulum (富臨)” main brand, 7 restaurants under the “Sportful Garden (陶源)” main brand, 82 restaurants under the “Concept Line (概念線)” main line as well as 5 food courts, 6 supermarkets, and 3 restaurants in the Mainland China.

During the Reporting Period, the Group offered customers with a traditional Chinese dining experience under the “Fulum (富臨)” main brand and “Sportful Garden (陶源)” main brand. The “Fulum (富臨)” main brand offers a wide variety of Cantonese delicacies to mass market customers, including seafood, dim sum and hotpot, as well as luxurious venues with unique decorations and sophisticated catering experience for wedding banquets and events. Restaurants under the “Sportful Garden (陶源)” main brand focus on mid-to-high-end Cantonese cuisine and attract customers who put a high value on quality with luxurious decorations. In the post-pandemic era, there is a change in people’s dining habits, as more people choose to cook at home or purchase takeaway. The Group has adjusted its business strategy in a timely manner and continued to optimize the online shopping platform under Fulum (富臨) to cater to the needs of the market. In addition to regularly launching selected takeout packages, we also launch dine-in reservation discounts on the online platform to attract customers through online and offline interactions.

The Group actively introduces multi-national dishes into the “Concept Line” series and is committed to creating a full-time catering ecosphere to cater to the catering needs of consumers of different age groups. In recent years, local consumers’ demand for new style dishes has increased significantly, with a variety of tastes. When introducing multi-national dishes, the Group adopts the concept of “small shop model, group management”, while providing consumers with Korean barbecue restaurants combining authentic Korean izakaya food and traditional culture, classy and casual cafes, authentic Thai food and fine dining restaurants, with different price ranges and different cuisines to cater to the needs of our customers.

During the Reporting Period, the Group continued to expand our food court footprint by opening new food courts under new brand names at the new shopping mall in Kai Tak, introducing different restaurant brands from different locations to bring more culinary choices to the local residents. Currently, the Group’s food courts cover residential areas in Yuen Long, Tuen Mun, Mong Kok, Telford and Kai Tak. In the future, the Group will continue to look for suitable locations in residential areas and open more supermarkets and food courts.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The total revenue of the Group increased by approximately 16.9%, or approximately HK\$129.2 million, from approximately HK\$764.6 million for the Previous Reporting Period to approximately HK\$893.8 million for the Reporting Period. The increase was mainly due to the rebound of Hong Kong business as a result of the recovery from the negative impact of COVID-19 pandemic. The Group's businesses are mainly restaurant operations, sales of food and other operating items and foodcourt operation.

Revenue from restaurant operations increased by approximately 18.8%, or approximately HK\$133.0 million, from approximately HK\$705.9 million for the Previous Reporting Period to approximately HK\$838.9 million for the Reporting Period. The following table sets forth the breakdown of our revenue and percentage change from restaurant operations by line of business for the periods indicated.

	Six months ended 30 September		
	2023	2022	% Change
	HK\$'000	HK\$'000	
	(unaudited)	(unaudited)	
Restaurant operations			
"Fulum (富臨)" main brand	355,811	290,432	22.5
"Sportful Garden (陶源)" main brand	100,110	83,896	19.3
"Concept Line (概念線)" main line	382,999	331,543	15.5

Revenue from sales of food and other operating items decreased by approximately 14.8%, or approximately HK\$5.6 million from approximately HK\$37.9 million for the Previous Reporting Period to approximately HK\$32.3 million for the Reporting Period.

Revenue from food court operations increased by approximately 8.7%, or approximately HK\$1.8 million from approximately HK\$20.8 million for the Previous Reporting Period to approximately HK\$22.6 million for the Reporting Period. The increase was mainly due to the increase in rental income from food court operations.

Other Income and Gains, Net

Other income and gains, net increased by approximately 13.6%, or approximately HK\$1.2 million from approximately HK\$8.8 million for the Previous Reporting Period to approximately HK\$10.0 million for the Reporting Period.

Cost of Inventories Sold

The cost of inventories sold by the Group increased by approximately 7.2%, or approximately HK\$16.8 million from approximately HK\$232.6 million for the Previous Reporting Period to approximately HK\$249.4 million for the Reporting Period. The increase was mainly due to the increase in revenue during the Reporting Period.

MANAGEMENT DISCUSSION AND ANALYSIS

Gross Profit

Gross profit (gross profit equals revenue minus cost of inventories sold) increased by approximately 21.2%, or approximately HK\$112.6 million from approximately HK\$531.9 million for the Previous Reporting Period to approximately HK\$644.5 million for the Reporting Period. The increase was mainly due to the number of Chinese restaurants, with lower average gross profit margin, decreased from 26 stores to 25 stores while the number of “Concept Line” restaurants, with higher average gross profit margin, increased from 73 stores to 87 stores during the Reporting Period.

Gross Profit Margin

The gross profit margin (gross profit margin equals gross profit divided by revenue multiplied by 100%) of the Group for the Reporting Period and the Previous Reporting Period were approximately 72.1% and 69.6%, respectively. The increase was mainly due to the number of Chinese restaurants, with lower average gross profit margin, decreased from 26 stores to 25 stores while the number of “Concept Line” restaurants, with higher average gross profit margin, increased from 73 stores to 87 stores during the Reporting Period.

Staff Costs

The staff costs for the Reporting Period and the Previous Reporting Period were approximately HK\$304.0 million and HK\$258.3 million, respectively, representing approximately 34.0% and 33.8% of the respective periods’ revenues. The increase in staff costs was mainly because more frontline staffs were employed to cope with the expansion of the Group during the Reporting Period.

Property Rentals and Related Expenses

The property rentals and related expenses decreased by approximately 26.9%, or approximately HK\$12.0 million, from approximately HK\$44.6 million for the Previous Reporting Period to approximately HK\$32.6 million for the Reporting Period. The decrease was mainly due to the decrease of short-term lease payment in the Reporting Period.

Depreciation expenses

Depreciation expenses slightly increased by approximately 9.9%, or approximately HK\$14.0 million, from approximately HK\$141.2 million for the Previous Reporting Period to approximately HK\$155.2 million for the Reporting Period. No material fluctuation was noted in the Reporting Period.

Other Expenses

Other expenses slightly increased by approximately 4.2%, or approximately HK\$3.9 million, from approximately HK\$92.4 million for the Previous Reporting Period to approximately HK\$96.3 million for the Reporting Period. No material fluctuation was noted in the Reporting Period.

MANAGEMENT DISCUSSION AND ANALYSIS

Finance Costs

The finance costs amounted to approximately HK\$15.3 million for the Reporting Period and approximately HK\$9.2 million for the Previous Reporting Period. The increase in finance costs was primarily due to rapidly increasing global interest rates.

Profit attributable to Owners of the Company

As a result of the factors discussed above, the Group recorded a profit attributable to owners of the Company of approximately HK\$2.1 million for the Reporting Period when compared with a profit attributable to owners of the Company of approximately HK\$8.7 million for the Previous Reporting Period.

Liquidity and financial resources

The Group generally finances its operations with internally generated cash flows and facilities provided by its principal bankers in Hong Kong. The Group had cash and cash equivalent of approximately HK\$134.9 million as at 30 September 2023 (31 March 2023: approximately HK\$169.8 million). The Group had cash and bank balances which were mostly held in Hong Kong dollar and Renminbi. As at 30 September 2023, the Group's outstanding bank borrowings were approximately HK\$297.6 million (31 March 2023: HK\$308.9 million), while total assets were approximately HK\$1,262.4 million (31 March 2023: HK\$991.2 million).

As at 30 September 2023, the Group's current assets were kept at approximately HK\$353.7 million (31 March 2023: approximately HK\$358.8 million) whilst current liabilities were approximately HK\$759.9 million (31 March 2023: approximately HK\$643.1 million). The increase in current liabilities was mainly due to certain leases renewed during the Reporting Period has increased the lease liabilities under current liabilities of HK\$96.8 million. The Directors consider that the current working capital level is conservatively sufficient to meet the upcoming operating needs.

The gearing ratio, calculated as total interest-bearing borrowings divided by total assets, was approximately 23.6% at 30 September 2023 (31 March 2023: approximately 31.2%). The decrease was mainly due to the decrease in interest-bearing bank borrowings.

Pledge of assets

As at 30 September 2023, the Group pledged its property, plant and equipment of approximately HK\$36.6 million and right-of-use assets of approximately HK\$129.6 million to secure the banking facilities granted to the Group.

CONTINGENT LIABILITIES

As at 30 September 2023, the Group had contingent liabilities not provided for in the condensed consolidated financial statements in the amount of approximately HK\$21.7 million in relation to bank guarantees given in lieu of rental and utility deposits (31 March 2023: approximately HK\$16.7 million).

MANAGEMENT DISCUSSION AND ANALYSIS

FOREIGN CURRENCY EXPOSURE

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (to the extent that revenue or expenses are denominated in a currency that is different from the functional currency of the relevant subsidiaries of the Group). Majority of the Group's purchase during the Reporting Period was denominated in the functional currency of the relevant subsidiaries. The Group's assets, liabilities and transactions are mainly denominated in Hong Kong dollars. Certain of the Group's bank balances are denominated in RMB which is not freely convertible into other currencies. However, under the Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations of the PRC, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business. The Directors are of the view that the Group's operating cash flow and liquidity are not subject to significant foreign exchange rate risks and therefore no hedging arrangements were made. However, the Group will review and monitor the relevant foreign exchange exposure from time to time based on its business development requirements and may enter into foreign exchange hedging arrangements when appropriate.

HUMAN RESOURCES AND REMUNERATION POLICY

As at 30 September 2023, the Group had approximately 1,997 employees. The Group believes that hiring, motivating and retaining qualified employees are crucial to the Group's success as a restaurant operator. During the Reporting Period, the Group conducted a series of standardised training and advancement programs for all the Group's staff, from serving staff, cashiers, floor managers, chefs, restaurant managers to district managers. These training programs intend to ensure that all new staff are equipped with the skills required for their positions. The Group's internal advancement programs can provide its staff with clear advancement guidelines and promote employee satisfaction. The Group offers competitive remuneration packages to its employees, including basic salary, allowances, insurance and commission/bonuses.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

During the Reporting Period, there was no material acquisition or disposal of subsidiaries, associated companies and joint ventures by the Group.

SIGNIFICANT INVESTMENTS HELD BY THE GROUP

The Group had no significant investments with a value of 5% or above of the Group's total assets as at 30 September 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

FUTURE PLANS FOR MATERIAL INVESTMENTS

The Group has no concrete plan for future investments or acquisition of capital assets in place as at the date of this interim report.

PROSPECTS AND OUTLOOK

Affected by factors such as the high interest rate environment and geopolitical tensions, the pace of global and local economic recovery has been slow. The Group will pay close attention to the development of various factors, take timely optimization measures to improve operation and production efficiency, and adjust the menu portfolio of each of its brands to cope with the unpredictable market environment. We believe that the full-time dining brand strategy and the adjustment of the menu portfolio of each brand in response to the market environment will bring us sustainable and stable growth momentum. We will continue to pay attention to consumers' tastes, expand the "Concept Line" brand series, and enhance the leisure dining portfolio. At the same time, we will continue to review our operation strategy, restaurant traffic and business turnover in a timely manner in order to adjust our restaurant portfolio and turn the Group into a diversified food and beverage empire to meet customer needs and bring returns to our shareholders.

DIVIDEND

The Board has resolved not to declare the payment of any interim dividend for the Reporting Period (corresponding period in 2022: Nil).

CORPORATE GOVERNANCE AND OTHER INFORMATION

CORPORATE GOVERNANCE PRACTICES

Compliance with the Corporate Governance Code

The Company periodically reviews its corporate governance practices to ensure its continuous compliance with the code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 14 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). For the Reporting Period, the Board considered that the Company has complied with the code provisions set out in the CG Code.

The Board is committed to maintaining a high standard of corporate governance practices to safeguard the interests of the Company’s shareholders, and to enhance corporate value and accountability. These objectives can be achieved by an effective Board, segregation of duties with clear responsibility, sound internal controls, appropriate risk assessment procedures and transparency to all the Company’s shareholders.

MODEL CODE OF SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct (the “**Code of Conduct**”) regarding Directors’ securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules. Based on responses of specific enquiries made with the Directors, all of the Directors have confirmed that they have complied with required standards as set out in the Model Code and Code of Conduct throughout the Reporting Period.

AUDIT COMMITTEE

The Company established the Audit Committee on 28 October 2014 with the revised written terms of reference adopted on 28 December 2018. The primary duties of the Audit Committee are to make recommendations to the Board on the appointment and removal of the external auditor, to review the financial statements and material advice in respect of financial reporting and to oversee the audit process, risk management system and internal control procedures of the Group. Mr. Ng Ngai Man Raymond, Mr. Wong Wai Leung Joseph and Mr. Chan Chun Bong Junbon, all being independent non-executive Directors, are members of the Audit Committee with Mr. Wong Wai Leung Joseph acting as the chairman.

The Group’s unaudited condensed consolidated interim financial statements for the Reporting Period have not been audited, but have been reviewed by the Audit Committee. Based on this review and discussions with the management, the Audit Committee was satisfied that the unaudited condensed consolidated interim financial statements were prepared in accordance with applicable accounting standards and fairly presented the Group’s financial position and results for the six months ended 30 September 2023.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 September 2023, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were deemed or taken to have under such provisions of the SFO), or as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Name of Director	The Company/ name of associated corporation	Capacity/ nature of interest	Number and class of securities (Note 1)	Approximate percentage of shareholding
Mr. Yeung Wai	The Company	Interest held jointly with another person; interest in a controlled corporation; beneficial owner (Note 2)	915,375,000 Shares (L) (Note 3)	70.41%
Mr. Yeung Yun Kei	The Company	Interest held jointly with another person; beneficial owner (Note 2)	915,375,000 Shares (L) (Note 4)	70.41%
Mr. Leung Siu Sun	The Company	Beneficial owner	73,625,000 Shares (L)	5.66%
Mr. Wu Kam On Keith	The Company	Beneficial Owner (Note 5)	4,000,000 Shares (L)	0.31%
Mr. Yeung Ho Wang	The Company	Beneficial Owner (Note 5)	4,000,000 Shares (L)	0.31%
Mr. Yeung Chun Nin	The Company	Beneficial Owner (Note 5)	1,087,500 Shares (L)	0.10%
Mr. Ng Ngai Man Raymond	The Company	Beneficial Owner (Note 5)	1,360,000 Shares (L)	0.10%
Mr. Wong Wai Leung Joseph	The Company	Beneficial Owner (Note 5)	1,360,000 Shares (L)	0.10%
Mr. Chan Chun Bong Junbon	The Company	Beneficial Owner (Note 5)	1,360,000 Shares (L)	0.10%

Notes:

- The letter "L" denotes the person's long position in the shares and underlying shares of the Company or the relevant associated corporation.
- Mr. Yeung Wai and Mr. Yeung Yun Kei, being our executive Directors, and Mr. Yeung Yun Chuen, are siblings, associates of each other under the Listing Rules and are deemed to be persons acting in concert under The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong. As such, each of Mr. Yeung Wai, Mr. Yeung Yun Chuen and Mr. Yeung Yun Kei is deemed to be interested in all the shares of the Company (the "Shares") in which the others are interested.

CORPORATE GOVERNANCE AND OTHER INFORMATION

- In respect of the 915,375,000 Shares, 272,025,000 Shares were held by Mr. Yeung Yun Chuen, 184,275,000 Shares were held by Mr. Yeung Yun Kei, 452,075,000 Shares were held by China Sage International Limited, a company incorporated in the British Virgin Islands, the entire issued share capital of which is beneficially owned by Mr. Yeung Wai, and 7,000,000 Shares are underlying shares of the same number of options granted to Mr. Yeung Wai on 18 August 2021 under the Share Option Scheme.
- In respect of the 915,375,000 Shares, 272,025,000 Shares were held by Mr. Yeung Yun Chuen, 184,275,000 Shares were held by Mr. Yeung Yun Kei, 452,075,000 Shares were held by China Sage International Limited, a company incorporated in the British Virgin Islands, the entire issued share capital of which is beneficially owned by Mr. Yeung Wai, and 7,000,000 Shares are underlying shares of the same number of options granted to Mr. Yeung Yun Kei on 18 August 2021 under the Share Option Scheme.
- The relevant Directors were granted options to subscribe for such number of Shares under the Share Option Scheme. Details of the Directors' Interests in Share options are set out in the paragraph headed "Share Option Scheme" in the interim report.

Save as disclosed above, as at 30 September 2023, none of the Directors or chief executive of the Company had any interest or short position in the shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) as recorded in the register that was required to be kept pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 September 2023, the interests or short positions of the persons, other than Directors or chief executive of the Company, in the Shares and underlying Shares of the Company, as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO, were as follows:

Name of Shareholder	Capacity/nature of interest	Number and class of securities (Note 1)	Approximate percentage of shareholding in the Company
Ms. Lam Man Ki, Elane	Interest of spouse (Note 2)	915,375,000 Shares (L)	70.41%
Mr. Yeung Yun Chuen	Interest held jointly with another person; beneficial owner (Note 3)	915,375,000 Shares (L) (Note 4)	70.41%
Ms. Yung Yuk Ling	Interest of spouse (Note 5)	915,375,000 Shares (L)	70.41%
Ms. Hui Lin Na	Interest of spouse (Note 6)	915,375,000 Shares (L)	70.41%
China Sage International Limited	Beneficial owner (Note 7)	452,075,000 Shares (L)	34.78%
Ms. Leung Siu Kuen	Interest of spouse (Note 8)	73,625,000 Shares (L)	5.66%

Notes:

- The letter "L" denotes the person or entity's long position in the shares and underlying shares of the Company.
- Ms. Lam Man Ki, Elane was deemed to be interested in all the Shares in which Mr. Yeung Wai, her spouse, was interested by virtue of the SFO.

CORPORATE GOVERNANCE AND OTHER INFORMATION

3. For details of the capacity/nature of interest of Mr. Yeung Yun Chuen, please refer to note 2 of the section headed "DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION" above.
4. In respect of the 915,375,000 Shares, 272,025,000 Shares were held by Mr. Yeung Yun Chuen, 184,275,000 Shares were held by Mr. Yeung Yun Kei, 452,075,000 Shares were held by China Sage International Limited, a company incorporated in the British Virgin Islands, the entire issued share capital of which is beneficially owned by Mr. Yeung Wai, and 7,000,000 Shares are underlying shares of the same number of options granted to Mr. Yeung Yun Chuen on 18 August 2021 under the Share Option Scheme.
5. Ms. Yung Yuk Ling was deemed to be interested in all the Shares in which Mr. Yeung Yun Chuen, her spouse, was interested by virtue of the SFO.
6. Ms. Hui Lin Na was deemed to be interested in all the Shares in which Mr. Yeung Yun Kei, her spouse, was interested by virtue of the SFO.
7. These Shares were held by China Sage International Limited. The entire issued shares of China Sage International Limited are owned by Mr. Yeung Wai.
8. Ms. Leung Siu Kuen was deemed to be interested in all the Shares in which Mr. Leung Siu Sun, her spouse, was interested by virtue of the SFO.

Save as disclosed above, as at 30 September 2023, no person, other than the Directors and chief executive of the Company, had registered an interest or short position in the shares or underlying shares of the Company that was recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

SHARE OPTION SCHEME

The Company operates a share option scheme (the "**Share Option Scheme**") for the purpose of motivating eligible participants to optimise their future contributions to the Group and to reward them for the past contributions and to attract and retain or otherwise maintain ongoing relationships with such eligible participants whose contributions are or will be beneficial to the performance, growth or success of the Group.

Eligible participants of the Share Option Scheme include the Company's Directors, including independent non-executive Directors, other employees of the Group and any consultants, business or joint venture partners, franchisees, contractors, agents, representatives or service providers of any member of the Group. The Share Option Scheme was adopted by the Company on 28 October 2014 and became effective on 13 November 2014, and, unless otherwise cancelled or amended, will remain in force for 10 years from the effective date.

The maximum number of shares in respect of which options may be granted under the Share Option and any other schemes by the Company shall not, in aggregate, exceed 10% of the issued share capital of the Company as at the Listing Date unless shareholders' approval has been obtained.

The maximum number of shares issuable under the share options to each eligible participant in the Share Option Scheme within any 12-month period is limited to 1% of the Shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in advance in a general meeting.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive Directors. In addition, any share options granted to a substantial shareholder or an independent non-executive Director of the Company, or to any of their associate, in excess of 0.1% of the Shares of the Company in issue at any time or with an aggregate value (based on the closing price of the Company's Shares at the date of grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the Directors, and may commence from the date of the offer of the share options and ends on a date which is not later than 10 years from the date of the offer of the share options or the expiry dates of the Share Option Scheme, if earlier.

During the six months ended 30 September 2023, no share options were granted and exercised and no shares were issued during the period. The total number of options available for grant under the Share Option Scheme was 9,912,500 Shares as at 1 April 2023 and 9,912,500 Shares as at 30 September 2023.

Particulars of the movement of options granted under the Share Option Scheme during the six months ended 30 September 2023 are as follows:

Directors

Name	Capacity	Date of Grant	Exercise Price	Outstanding as at 1 April 2023	Granted during the period	Exercised during the period	Lapsed during the period	Outstanding as at 30 September 2023
Mr. Yeung Wai	Beneficial Owner	18 August 2021	HK\$0.2056	7,000,000	-	-	-	7,000,000
Mr. Yeung Yun Kei	Beneficial Owner	18 August 2021	HK\$0.2056	7,000,000	-	-	-	7,000,000
Mr. Leung Siu Sun	Beneficial Owner	18 August 2021	HK\$0.2056	7,000,000	-	-	-	7,000,000
Mr. Wu Kam On Keith	Beneficial Owner	18 August 2021	HK\$0.2056	4,000,000	-	-	-	4,000,000
Mr. Yeung Ho Wang	Beneficial Owner	18 August 2021	HK\$0.2056	4,000,000	-	-	-	4,000,000
Mr. Yeung Chun Nin	Beneficial Owner	30 November 2022	HK\$0.216	1,087,500	-	-	-	1,087,500
Ex-Director (Note 4)	Beneficial Owner	18 August 2021	HK\$0.2056	7,000,000	-	-	-	7,000,000
Mr. Ng Ngai Man Raymond	Beneficial Owner	18 August 2021	HK\$0.2056	1,360,000	-	-	-	1,360,000
Mr. Wong Wai Leung Joseph	Beneficial Owner	18 August 2021	HK\$0.2056	1,360,000	-	-	-	1,360,000
Mr. Chan Chun Bong Junbon	Beneficial Owner	18 August 2021	HK\$0.2056	1,360,000	-	-	-	1,360,000

Employees

Date of Grant	Capacity	Exercise Price	Outstanding as at 1 April 2023	Granted during the period	Exercised during the period	Lapsed during the period	Outstanding as at 30 September 2023
18 August 2021	Beneficial Owner	HK\$0.2056	49,052,500	-	-	7,275,000	41,777,500
22 March 2023	Beneficial Owner	HK\$0.2280	15,000,000	-	-	-	15,000,000

CORPORATE GOVERNANCE AND OTHER INFORMATION

Notes:

1. As for the share options granted on 18 August 2021, the closing price of the shares quoted on the Stock Exchange immediately before the business day on which the options were granted i.e. 17 August 2021 was HK\$0.205. The options are exercisable in 3 tranches of 33%, 33% and 34%, respectively, during 18 August 2023 to 17 August 2026, 18 August 2024 to 17 August 2026 and 18 August 2025 to 17 August 2026, respectively, with no performance targets.
2. As for the share options granted on 30 November 2022, the closing price of the shares quoted on the Stock Exchange immediately before the business day on which the options were granted i.e. 29 November 2022 was HK\$0.203. The options are exercisable in 3 tranches of 33%, 33% and 34%, respectively, during 30 November 2023 to 29 November 2026, 30 November 2024 to 29 November 2026 and 30 November 2025 to 29 November 2026, respectively, with no performance targets.
3. As for the share options granted on 22 March 2023, the closing price of the shares quoted on the Stock Exchange immediately before the business day on which the options were granted i.e. 21 March 2023 was HK\$0.19. The options are exercisable in 3 tranches of 33%, 33% and 34%, respectively, during 22 March 2024 to 21 March 2027, 22 March 2025 to 21 March 2027 and 22 March 2026 to 21 March 2027, respectively, with no performance targets. Among the total of 15,000,000 shares options granted, a total of 5,000,000 share options were granted to Mr. Yeung Yun Leung. He is the brother of Mr. Yeung Wai, Mr. Yeung Yun Kei and Mr. Yeung Yun Chuen, and the uncle of Mr. Yeung Ho Wang and Mr. Yeung Chun Nin. Therefore, he is regarded as an associate of the respective Directors, chief executive and substantial shareholders of the Company.
4. Mr. Yeung Yun Chuen retired as an Executive Director with effect from 30 June 2022. In accordance with the Share Option Scheme, share options of 7,000,000 granted to him remain effective until the end of the exercise period.
5. The number of Shares that may be issued in respect of options granted under the Share Option Scheme during the six months ended 30 September 2023 divided by the weighted average number of the Shares in issue for the six months ended 30 September 2023 is 7.53%.
6. If as a result of the exercise of the share options, the public float as required under the Listing Rules cannot be maintained, then the share options may only be exercised by the grantees to the extent allowable under the Listing Rules so that after exercise of such share options, the public float requirements will not be violated.
7. Share options of 7,275,000 lapsed during the six months ended 30 September 2023.
8. No share options were cancelled during the six months ended 30 September 2023.

STATUS UPDATE AS TO THE 34 BUILDING ORDERS

Reference is made to the 34 unreleased building orders registered against our leased premises in the section headed "Business – Building orders and fire safety directions registered against our leased premises" in the prospectus of the Company date 4 November 2014. Among those 34 unreleased building orders, 17 of them were no longer the leased premises of the Group as at the date of this report, 3 of them were released, 12 of them have been completed with rectification works and are subject to the release of the building orders while the remaining building orders are still being followed up, including those that we are unable to obtain co-operation from the relevant landlord(s) or incorporated owners to carry out the relevant rectification works.

CORPORATE GOVERNANCE AND OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

EVENTS AFTER THE REPORTING PERIOD

The Board is not aware of any material event affecting the Group since the end of the Reporting period and up to the date of this report.

PUBLICATION OF INTERIM REPORT

The electronic version of this interim report will be published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.fulumgroup.com).

APPRECIATION

The Board would like to thank the management and the staff of the Group for their hard work and dedication, as well as its shareholders, business partners and associates, bankers and auditor for their support to the Group throughout the Reporting Period.

By order of the Board of
Fulum Group Holdings Limited
YEUNG WAI
Chairman and Executive Director

Hong Kong, 28 November 2023

As at the date of this report, the Board comprises Mr. Yeung Wai (Chairman), Mr. Yeung Ho Wang (CEO), Mr. Yeung Yun Kei, Mr. Leung Siu Sun and Mr. Yeung Chun Nin as executive Directors; Mr. Wu Kam On Keith (Vice Chairman) as non-executive Director; and Mr. Ng Ngai Man Raymond, Mr. Wong Wai Leung Joseph and Mr. Chan Chun Bong Junbon as independent non-executive Directors.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Six months ended 30 September 2023

The board (the “**Board**”) of directors (the “**Directors**”) of Fulum Group Holdings Limited (the “**Company**”), together with its subsidiaries (collectively the “**Group**”), hereby announces the unaudited condensed consolidated interim results of the Group for the six months ended 30 September 2023 (the “**Reporting Period**”) together with comparative figures for the corresponding period in 2022 (the “**Previous Reporting Period**”). The condensed consolidated interim financial statements for the Reporting Period have not been audited, but have been reviewed by the audit committee of the Company (the “**Audit Committee**”).

	Notes	Six months ended 30 September	
		2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Restated) (Unaudited)
REVENUE	4	893,832	764,560
Other income and gains, net	5	10,060	8,744
Government subsidies		–	53,434
Cost of inventories sold		(249,367)	(232,632)
Staff costs	8	(303,987)	(258,281)
Property rentals and related expenses		(32,602)	(44,618)
Depreciation		(155,247)	(141,206)
Fuel and utility expenses		(48,871)	(39,040)
Other expenses		(96,344)	(92,422)
Finance costs	6	(15,316)	(9,173)
PROFIT BEFORE TAX		2,158	9,366
Income tax expense	7	(57)	(707)
PROFIT FOR THE PERIOD	8	2,101	8,659

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Six months ended 30 September 2023

	Notes	Six months ended 30 September	
		2023	2022
		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
OTHER COMPREHENSIVE LOSS			
<i>Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:</i>			
Exchange differences on translation of foreign operations		(210)	(1,681)
		(210)	(1,681)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		1,891	6,978
PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO:			
Owners of the Company		2,111	8,668
Non-controlling interests		(10)	(9)
		2,101	8,659
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO:			
Owners of the Company		1,901	6,987
Non-controlling interests		(10)	(9)
		1,891	6,978
EARNINGS PER SHARE			
– Basic (HK cents)	10	0.16	0.67
– Diluted (HK cents)		0.16	0.67

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 September 2023

	Notes	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	11	187,619	175,739
Right-of-use assets		664,670	400,280
Deposits and other receivables		52,239	52,186
Deferred tax assets		4,127	4,184
		908,655	632,389
CURRENT ASSETS			
Inventories	12	81,651	81,103
Trade receivables	13	27,332	11,077
Prepayments, deposits and other receivables		96,655	90,189
Amount due from a joint venture		11,421	4,941
Tax recoverable		1,799	1,774
Cash and cash equivalents		134,865	169,757
		353,723	358,841
CURRENT LIABILITIES			
Trade payables	14	77,172	63,663
Other payables, accruals and deferred income		124,463	110,765
Interest-bearing bank borrowings		297,599	308,926
Lease liabilities		244,934	148,179
Provision		4,242	5,246
Dividend payable	9	3,900	–
Tax payable		7,639	6,345
		759,949	643,124
		(406,226)	(284,283)
		502,429	348,106

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

30 September 2023

	Notes	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
NON-CURRENT LIABILITIES			
Accruals and deferred income		4,167	3,324
Lease liabilities		346,394	192,356
Provision		6,744	5,830
Deferred tax liabilities		1,334	1,315
		358,639	202,825
NET ASSETS			
		143,790	145,281
Capital and reserves			
Share capital	15	1,300	1,300
Reserves		145,070	146,551
Equity attributable to owners of the Company			
Non-controlling interests		(2,580)	(2,570)
TOTAL EQUITY			
		143,790	145,281

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Six months ended 30 September 2023

	Attributable to owners of the Company							Sub-total HK\$'000	Non- controlling interests HK\$'000	Total HK\$'000
	Share capital HK\$'000	Share premium account HK\$'000	Other reserves HK\$'000	Merger reserves HK\$'000	Share options reserve HK\$'000	Exchange fluctuation reserve HK\$'000	Accumulated losses HK\$'000			
At 1 April 2022 (audited)	1,300	540,140*	(5,372)*	31,073*	1,846*	(1,393)*	(445,907)*	121,687	-	121,687
Profit/(loss) for the period (unaudited)	-	-	-	-	-	-	8,668	8,668	(9)	8,659
Other comprehensive loss for the period (unaudited)	-	-	-	-	-	(1,681)	-	(1,681)	-	(1,681)
Total comprehensive (loss)/income for the period (unaudited)	-	-	-	-	-	(1,681)	8,668	6,987	(9)	6,978
Share-based payments (unaudited)	-	-	-	-	1,582	-	-	1,582	-	1,582
Share option forfeited (unaudited)	-	-	-	-	(426)	-	-	(426)	-	(426)
Equity transaction (unaudited) (#)	-	-	3,361	-	-	-	-	3,361	(2,561)	800
At 30 September 2022 (unaudited)	1,300	540,140*	(2,011)*	31,073*	3,002*	(3,074)*	(437,239)*	133,191	(2,570)	130,621
At 1 April 2023 (audited)	1,300	540,140	(2,011)	31,073	4,990	(2,872)	(424,769)	147,851	(2,570)	145,281
Profit/(loss) for the period (unaudited)	-	-	-	-	-	-	2,111	2,111	(10)	2,101
Other comprehensive loss for the period (unaudited)	-	-	-	-	-	(210)	-	(210)	-	(210)
Total comprehensive (loss)/income for the period (unaudited)	-	-	-	-	-	(210)	2,111	1,901	(10)	1,891
Share-based payments (unaudited)	-	-	-	-	1,957	-	-	1,957	-	1,957
Share option forfeited (unaudited)	-	-	-	-	(1,439)	-	-	(1,439)	-	(1,439)
Special dividend (unaudited)	-	-	-	-	-	-	(3,900)	(3,900)	-	(3,900)
At 30 September 2023 (unaudited)	1,300	540,140*	(2,011)*	31,073*	5,508*	(3,082)*	(426,558)*	146,370	(2,580)	143,790

* These reserve accounts comprise the consolidated reserves of HK\$145,070,000 (31 March 2023: HK\$146,551,000) in the condensed consolidated statement of financial position.

The Group's interest in Super Rich International Limited ("Super Rich") decreased from 100% to 70%. The decrease of the Group's equity interests in Super Rich of 30% does not result in any changes of the Group's control over Super Rich and is accordingly accounted for as equity transaction. The surplus of approximately HK\$3,361,000, representing the difference between the consideration of HK\$800,000 and the amount of non-controlling interests approximately HK\$2,561,000, is credited to the other reserves.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Six months ended 30 September 2023

	Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Net cash generated from operating activities	166,891	147,993
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of items of property, plant and equipment	(38,618)	(19,472)
Net cash used in investing activities	(38,618)	(19,472)
CASH FLOWS FROM FINANCING ACTIVITIES		
New bank loans	–	128,018
Repayment of bank loans	(11,327)	(1,387)
Interest paid	(15,316)	(9,173)
Principal portion of lease payments	(134,962)	(139,978)
Equity transaction	–	400
Net cash used in financing activities	(161,605)	(22,120)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(33,332)	106,401
Cash and cash equivalents at the beginning of the period	169,757	73,489
Effect of foreign exchange rate changes, net	(1,560)	(3,388)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	134,865	176,502
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank and cash	134,865	217,880
Bank overdraft	–	(41,378)
	134,865	176,502

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Six months ended 30 September 2023

1. CORPORATE INFORMATION

The Company is an exempted company with limited liability incorporated in the Cayman Islands on 24 February 2014. The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company is located at 26/F, Capital Tower, 38 Wai Yip Street, Kowloon Bay, Hong Kong.

The Company is an investment holding company and the Company's subsidiaries were principally engaged in restaurant operations in Hong Kong and the People's Republic of China (the "PRC" or "Mainland China"). The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 13 November 2014.

2. BASIS OF PRESENTATION AND PREPARATION

These unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

These unaudited condensed consolidated financial statements should be read in conjunction with the 2023 annual financial statements. The accounting policies and methods of computation used in the preparation of these unaudited condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 March 2023.

Going concern basis

As at 30 September 2023, the Group had net current liabilities of approximately HK\$406,226,000. This condition indicates the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The directors of the Company are of the opinion that the Group will have sufficient working capital to meet its financial liabilities as and when they fall due given that (i) the Group will be able to raise fund to meet a level sufficient to finance the working capital requirements of the Group; (ii) the Group is negotiating with the landlords of the Group's leased properties for rent concessions; and (iii) the Group is actively implementing cost-control measures to improve operating cash flows and its financial position and the directors of the Company believe that the performance of the Group will be significantly improved in the forthcoming year.

Accordingly, the directors of the Company are of the opinion that it is appropriate to prepare the consolidated financial statements on the going concern basis. Should the Group be unable to continue as a going concern, adjustments would have to be made to the consolidated financial statements, to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 April 2023. HKFRSs comprise Hong Kong Financial Reporting Standards (“**HKFRS**”); Hong Kong Accounting Standards (“**HKAS**”); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s consolidated financial statements and amounts reported for the current period and prior years.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The application of these new HKFRSs will not have material impact on the unaudited condensed consolidated financial statements of the Group.

4. REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in restaurant operations in Hong Kong and Mainland China. Information reported to the Group’s management for the purpose of resources allocation and performance assessment focuses on the operating results of the Group as a whole as the Group’s resources are integrated and no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.

Revenue represents the gross revenue from restaurant operations, net invoiced value of food and other operating items sold and income from food court operations, after allowances for returns and trade discounts. An analysis of revenue is as follows:

	Six months ended 30 September	
	2023	2022
	HK\$’000	HK\$’000
	(Unaudited)	(Unaudited)
Restaurant operations	838,920	705,871
Sale of food and other operating items	32,315	37,928
Food court operations	6,058	7,151
Revenue from contracts with customers	877,293	750,950
Rental income from food court operations	16,539	13,610
	893,832	764,560

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Six months ended 30 September 2023

4. REVENUE AND SEGMENT INFORMATION *(Continued)*

Information about Timing of Revenue Recognition

	Six months ended 30 September	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
At a point in time	872,021	746,377
Over time	5,272	4,573
Revenue from contracts with customers	877,293	750,950
Rental income from food court operations	16,539	13,610
	893,832	764,560

Information about Geographical Areas

The following tables present revenue from external customers for the six months ended 30 September 2023 and 2022, and certain non-current assets information as at 30 September 2023 and 31 March 2023, by geographical areas.

(a) *Revenue from external customers*

	Six months ended 30 September	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Hong Kong	854,771	729,080
Mainland China	39,061	35,480
	893,832	764,560

The revenue information above is based on the locations of the customers.

(b) *Non-current assets*

	30 September	31 March
	2023	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Hong Kong	826,965	536,132
Mainland China	25,324	39,887
	852,289	576,019

The non-current assets information above is based on the locations of the assets and excludes financial assets and deferred tax assets.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Six months ended 30 September 2023

4. REVENUE AND SEGMENT INFORMATION *(Continued)*

Information about Major Customers

Since no single customer of the Group has contributed over 10% of the Group's total revenue during the period, no information about major customers in accordance with HKFRS 8 Operating Segments is presented.

5. OTHER INCOME AND GAINS, NET

	Note	Six months ended 30 September	
		2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Restated) (Unaudited)
Interest income on bank deposits		141	28
Interest income on rental deposits		52	85
Licensing income		173	184
Rent concessions related to COVID-19	1	50	4,606
Gain on lease modification and termination		5,868	455
Sponsorship income		1,028	763
Reversal of impairment of right-of-use assets		–	1,132
Others		2,748	1,491
		10,060	8,744

Note 1: The Group has applied the practical expedient not to assess whether a rent concession occurring as a direct consequence of the COVID-19 pandemic is a lease modification.

6. FINANCE COSTS

	Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Interest on bank overdrafts and bank loans	6,159	3,115
Interest on lease liabilities	9,157	6,058
	15,316	9,173

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Six months ended 30 September 2023

7. INCOME TAX EXPENSE

	Six months ended 30 September	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Hong Kong Profits Tax:		
– Current tax	–	707
– Deferred tax	57	–
	57	707

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.

For the six months ended 30 September 2023 and 2022, Hong Kong Profit Tax is calculated under two-tier profit tax system where the first HK\$2 million of estimated assessable profit is taxed at rate of 8.25% and remaining estimated assessable profit is taxed at 16.5%. The Group should elect one of the Hong Kong subsidiaries to apply the two-tier profit tax rate.

The subsidiaries of the Company established in Mainland China are subject to the PRC corporate income tax at a standard rate of 25% (six months ended 30 September 2022: 25%) during the current period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Six months ended 30 September 2023

8. PROFIT FOR THE PERIOD

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

	Six months ended 30 September	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Lease payments not included in the measurement of lease liabilities	3,288	5,331
Foreign exchange differences, net	–	(72)
Impairment of right-of-use assets*	–	6,946
Depreciation of property, plant and equipment	26,738	28,769
Depreciation of right-of-use assets	128,509	112,437
Employee benefit expenses (including directors' remuneration):		
Salaries, bonuses and other allowances	293,848	248,127
Share-based payments	518	1,156
Retirement benefit scheme contributions (defined contribution scheme)	9,621	8,998
	303,987	258,281

* This item was included in "Other expenses" in the unaudited condensed consolidated statement of profit or loss and other comprehensive income.

9. DIVIDEND

A special dividend of HK\$0.3 cents per share, totalling approximately HK\$3,900,000, in substitution of the proposed final dividend for the year ended 31 March 2023 was approved by the Directors on 28 September 2023. For further details of the special dividend, please refer to the announcements of the Company dated 28 September 2023 and 3 October 2023.

The Directors do not recommend the payment of any interim dividends in respect of the period (six months ended 30 September 2022: Nil).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Six months ended 30 September 2023

10. EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earning per share attributable to owners of the Company is based on the profit for the period attributable to owners of the Company of approximately HK\$2,111,000 (six months ended 30 September 2022: approximately HK\$8,668,000) and the weighted average number of ordinary shares of 1,300,000,000 (six months ended 30 September 2022: 1,300,000,000) in issue during the period.

Diluted earnings per share

The calculation of diluted earnings per share attributable to owners of the Company is based on the profit for the period attributable to owners of the Company of approximately HK\$2,111,000 and the weighted average number of ordinary shares of 1,300,462,323, being the weighted average number of ordinary shares of 1,300,000,000 in issue during the period used in the basic earnings per share calculation plus the weighted average number of ordinary shares of 462,323 assumed to have been issued at no consideration on the deemed exercise of the share options outstanding at the end of the reporting period.

11. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group acquired items of property, plant and equipment of HK\$38,618,000 (six months ended 30 September 2022: HK\$19,822,000).

12. INVENTORIES

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
Food and beverages	77,748	77,251
Other operating items for restaurant operations	3,903	3,852
	81,651	81,103

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Six months ended 30 September 2023

13. TRADE RECEIVABLES

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
Credit card receivables	10,991	3,343
Others	29,255	20,648
	40,246	23,991
Impairment	(12,914)	(12,914)
	27,332	11,077

The Group's trading terms with its customers are mainly on cash and credit card settlement while trading terms for sale of food are on credit with credit periods ranging from 30 to 60 days (31 March 2023: 30 to 60 days). The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of provision, is as follows:

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
Within 1 month	23,843	7,608
1 to 3 months	3,090	3,105
3 to 12 months	399	364
	27,332	11,077

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Six months ended 30 September 2023

14. TRADE PAYABLES

The trade payables are non-interest-bearing and generally have payment terms of 45 to 90 days (31 March 2023: 45 to 90 days). An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
Within 1 month	55,122	50,473
1 to 3 months	17,534	9,285
3 to 12 months	1,792	1,206
Over 12 months	2,724	2,699
	77,172	63,663

15. SHARE CAPITAL

	30 September 2023 HK\$'000 (unaudited)	31 March 2023 HK\$'000 (audited)
Authorised: 2,000,000,000 shares of HK\$0.001 each	2,000	2,000
Issued and fully paid: 1,300,000,000 shares of HK\$0.001 each	1,300	1,300

16. SHARE OPTION SCHEMES

The Company operates a share option scheme (the “Schemes”) for the purpose of motivating eligible participants to optimise their future contributions to the Group and to reward them for the past contributions and to attract and retain or otherwise maintain ongoing relationships with such eligible participants whose contributions are or will be beneficial to the performance, growth or success of the Group.

Eligible participants of the Schemes include the Company’s directors, including independent non-executive directors, other employees of the Group and any consultants, business or joint venture partners, franchisees, contractors, agents, representatives or service providers of any member of the Group. The share option scheme became effective on 13 November 2014, and, unless otherwise cancelled or amended, will remain in force for 10 years, from the respective effective dates.

16. SHARE OPTION SCHEMES *(Continued)*

The maximum number of shares in respect of which options may be granted under the Schemes and any other schemes by the Company shall not, in aggregate, exceed 10% of the issued share capital of the Company as at the listing date unless shareholders' approval has been obtained.

The maximum number of shares issuable under the share options to each eligible participant in the Schemes within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in advance in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associate, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the closing price of the Shares at the date of grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and may commence from the date of the offer of the share options and ends on a date which is not later than 10 years from the date of the offer of the share options or the expiry dates of the Schemes, if earlier.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Six months ended 30 September 2023

16. SHARE OPTION SCHEMES (Continued)

The following tables disclose the movements in the Company's number of share options during the periods ended 30 September 2023 and 2022:

2023

Name of grantee	Batch of Option	Date of grant	Exercisable period	Exercisable price	Outstanding as at 1 April 2023	Lapsed during the period (unaudited)	Outstanding as at 30 September 2023 (unaudited)
<i>Executive Director</i>							
Mr. Yeung Wai	2022 Option	18.8.2021	18.8.2023-17.8.2026	HK\$0.2056	2,310,000	–	2,310,000
Mr. Yeung Wai	2022 Option	18.8.2021	18.8.2024-17.8.2026	HK\$0.2056	2,310,000	–	2,310,000
Mr. Yeung Wai	2022 Option	18.8.2021	18.8.2025-17.8.2026	HK\$0.2056	2,380,000	–	2,380,000
Mr. Yeung Yun Kei	2022 Option	18.8.2021	18.8.2023-17.8.2026	HK\$0.2056	2,310,000	–	2,310,000
Mr. Yeung Yun Kei	2022 Option	18.8.2021	18.8.2024-17.8.2026	HK\$0.2056	2,310,000	–	2,310,000
Mr. Yeung Yun Kei	2022 Option	18.8.2021	18.8.2025-17.8.2026	HK\$0.2056	2,380,000	–	2,380,000
Mr. Leung Siu Sun	2022 Option	18.8.2021	18.8.2023-17.8.2026	HK\$0.2056	2,310,000	–	2,310,000
Mr. Leung Siu Sun	2022 Option	18.8.2021	18.8.2024-17.8.2026	HK\$0.2056	2,310,000	–	2,310,000
Mr. Leung Siu Sun	2022 Option	18.8.2021	18.8.2025-17.8.2026	HK\$0.2056	2,380,000	–	2,380,000
Mr. Wu Kam On Keith	2022 Option	18.8.2021	18.8.2023-17.8.2026	HK\$0.2056	1,320,000	–	1,320,000
Mr. Wu Kam On Keith	2022 Option	18.8.2021	18.8.2024-17.8.2026	HK\$0.2056	1,320,000	–	1,320,000
Mr. Wu Kam On Keith	2022 Option	18.8.2021	18.8.2025-17.8.2026	HK\$0.2056	1,360,000	–	1,360,000
Mr. Yeung Ho Wang	2022 Option	18.8.2021	18.8.2023-17.8.2026	HK\$0.2056	1,320,000	–	1,320,000
Mr. Yeung Ho Wang	2022 Option	18.8.2021	18.8.2024-17.8.2026	HK\$0.2056	1,320,000	–	1,320,000
Mr. Yeung Ho Wang	2022 Option	18.8.2021	18.8.2025-17.8.2026	HK\$0.2056	1,360,000	–	1,360,000
Mr. Yeung Chun Nin	2023 Option A	30.11.2022	30.11.2023-29.11.2026	HK\$0.216	358,875	–	358,875
Mr. Yeung Chun Nin	2023 Option A	30.11.2022	30.11.2024-29.11.2026	HK\$0.216	358,875	–	358,875
Mr. Yeung Chun Nin	2023 Option A	30.11.2022	30.11.2025-29.11.2026	HK\$0.216	369,750	–	369,750
Ex-Director (Note 1)	2022 Option	18.8.2021	18.8.2023-17.8.2026	HK\$0.2056	2,310,000	–	2,310,000
Ex-Director (Note 1)	2022 Option	18.8.2021	18.8.2024-17.8.2026	HK\$0.2056	2,310,000	–	2,310,000
Ex-Director (Note 1)	2022 Option	18.8.2021	18.8.2025-17.8.2026	HK\$0.2056	2,380,000	–	2,380,000
<i>Independent non-executive Director</i>							
Mr. Ng Ngai Man Raymond	2022 Option	18.8.2021	18.8.2023-17.8.2026	HK\$0.2056	448,800	–	448,800
Mr. Ng Ngai Man Raymond	2022 Option	18.8.2021	18.8.2024-17.8.2026	HK\$0.2056	448,800	–	448,800
Mr. Ng Ngai Man Raymond	2022 Option	18.8.2021	18.8.2025-17.8.2026	HK\$0.2056	462,400	–	462,400
Mr. Wong Wai Leung Joseph	2022 Option	18.8.2021	18.8.2023-17.8.2026	HK\$0.2056	448,800	–	448,800
Mr. Wong Wai Leung Joseph	2022 Option	18.8.2021	18.8.2024-17.8.2026	HK\$0.2056	448,800	–	448,800
Mr. Wong Wai Leung Joseph	2022 Option	18.8.2021	18.8.2025-17.8.2026	HK\$0.2056	462,400	–	462,400
Mr. Chan Chun Bong Junbon	2022 Option	18.8.2021	18.8.2023-17.8.2026	HK\$0.2056	448,800	–	448,800
Mr. Chan Chun Bong Junbon	2022 Option	18.8.2021	18.8.2024-17.8.2026	HK\$0.2056	448,800	–	448,800
Mr. Chan Chun Bong Junbon	2022 Option	18.8.2021	18.8.2025-17.8.2026	HK\$0.2056	462,400	–	462,400
Employees	2022 Option	18.8.2021	18.8.2023-17.8.2026	HK\$0.2056	16,187,325	(2,400,750)	13,786,575
Employees	2022 Option	18.8.2021	18.8.2024-17.8.2026	HK\$0.2056	16,187,325	(2,400,750)	13,786,575
Employees	2022 Option	18.8.2021	18.8.2025-17.8.2026	HK\$0.2056	16,677,850	(2,473,500)	14,204,350
Employees	2023 Option B	22.3.2023	22.3.2024-21.3.2027	HK\$0.228	4,950,000	–	4,950,000
Employees	2023 Option B	22.3.2023	22.3.2025-21.3.2027	HK\$0.228	4,950,000	–	4,950,000
Employees	2023 Option B	22.3.2023	22.3.2026-21.3.2027	HK\$0.228	5,100,000	–	5,100,000
					105,220,000	(7,275,000)	97,945,000
Exercisable at the end of the period							27,012,975
Weighted average exercise price							HK\$0.2067

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Six months ended 30 September 2023

16. SHARE OPTION SCHEMES (Continued)

2022

Name of grantee	Batch of Option	Date of grant	Exercisable period	Exercisable price	Outstanding as at 1 April 2022	Lapsed during the period (unaudited)	Outstanding as at 30 September 2022 (unaudited)
<i>Executive and non-executive Director</i>							
Mr. Yeung Wai	2022 Option	18.8.2021	18.8.2023-17.8.2026	HK\$0.2056	2,310,000	–	2,310,000
Mr. Yeung Wai	2022 Option	18.8.2021	18.8.2024-17.8.2026	HK\$0.2056	2,310,000	–	2,310,000
Mr. Yeung Wai	2022 Option	18.8.2021	18.8.2025-17.8.2026	HK\$0.2056	2,380,000	–	2,380,000
Mr. Yeung Yun Kei	2022 Option	18.8.2021	18.8.2023-17.8.2026	HK\$0.2056	2,310,000	–	2,310,000
Mr. Yeung Yun Kei	2022 Option	18.8.2021	18.8.2024-17.8.2026	HK\$0.2056	2,310,000	–	2,310,000
Mr. Yeung Yun Kei	2022 Option	18.8.2021	18.8.2025-17.8.2026	HK\$0.2056	2,380,000	–	2,380,000
Mr. Leung Siu Sun	2022 Option	18.8.2021	18.8.2023-17.8.2026	HK\$0.2056	2,310,000	–	2,310,000
Mr. Leung Siu Sun	2022 Option	18.8.2021	18.8.2024-17.8.2026	HK\$0.2056	2,310,000	–	2,310,000
Mr. Leung Siu Sun	2022 Option	18.8.2021	18.8.2025-17.8.2026	HK\$0.2056	2,380,000	–	2,380,000
Mr. Wu Kam On Keith	2022 Option	18.8.2021	18.8.2023-17.8.2026	HK\$0.2056	1,320,000	–	1,320,000
Mr. Wu Kam On Keith	2022 Option	18.8.2021	18.8.2024-17.8.2026	HK\$0.2056	1,320,000	–	1,320,000
Mr. Wu Kam On Keith	2022 Option	18.8.2021	18.8.2025-17.8.2026	HK\$0.2056	1,360,000	–	1,360,000
Mr. Yeung Ho Wang	2022 Option	18.8.2021	18.8.2023-17.8.2026	HK\$0.2056	1,320,000	–	1,320,000
Mr. Yeung Ho Wang	2022 Option	18.8.2021	18.8.2024-17.8.2026	HK\$0.2056	1,320,000	–	1,320,000
Mr. Yeung Ho Wang	2022 Option	18.8.2021	18.8.2025-17.8.2026	HK\$0.2056	1,360,000	–	1,360,000
Ex-Director (Note 1)	2022 Option	18.8.2021	18.8.2023-17.8.2026	HK\$0.2056	2,310,000	–	2,310,000
Ex-Director (Note 1)	2022 Option	18.8.2021	18.8.2024-17.8.2026	HK\$0.2056	2,310,000	–	2,310,000
Ex-Director (Note 1)	2022 Option	18.8.2021	18.8.2025-17.8.2026	HK\$0.2056	2,380,000	–	2,380,000
<i>Independent non-executive Director</i>							
Mr. Ng Ngai Man Raymond	2022 Option	18.8.2021	18.8.2023-17.8.2026	HK\$0.2056	448,800	–	448,800
Mr. Ng Ngai Man Raymond	2022 Option	18.8.2021	18.8.2024-17.8.2026	HK\$0.2056	448,800	–	448,800
Mr. Ng Ngai Man Raymond	2022 Option	18.8.2021	18.8.2025-17.8.2026	HK\$0.2056	462,400	–	462,400
Mr. Wong Wai Leung Joseph	2022 Option	18.8.2021	18.8.2023-17.8.2026	HK\$0.2056	448,800	–	448,800
Mr. Wong Wai Leung Joseph	2022 Option	18.8.2021	18.8.2024-17.8.2026	HK\$0.2056	448,800	–	448,800
Mr. Wong Wai Leung Joseph	2022 Option	18.8.2021	18.8.2025-17.8.2026	HK\$0.2056	462,400	–	462,400
Mr. Chan Chun Bong Junbon	2022 Option	18.8.2021	18.8.2023-17.8.2026	HK\$0.2056	448,800	–	448,800
Mr. Chan Chun Bong Junbon	2022 Option	18.8.2021	18.8.2024-17.8.2026	HK\$0.2056	448,800	–	448,800
Mr. Chan Chun Bong Junbon	2022 Option	18.8.2021	18.8.2025-17.8.2026	HK\$0.2056	462,400	–	462,400
Employees	2022 Option	18.8.2021	18.8.2023-17.8.2026	HK\$0.2056	21,093,600	(4,324,650)	16,768,950
Employees	2022 Option	18.8.2021	18.8.2024-17.8.2026	HK\$0.2056	21,093,600	(4,324,650)	16,768,950
Employees	2022 Option	18.8.2021	18.8.2025-17.8.2026	HK\$0.2056	21,732,800	(4,455,700)	17,277,100
					104,000,000	(13,105,000)	90,895,000
Exercisable at the end of the period							–
Weighted average exercise price							HK\$0.2056

Note 1: Mr. Yeung Yun Chuen retired as an executive Director with effect from 30 June 2022. In accordance with the 2014 share option scheme, share options of 7,000,000 granted to him remain effective until the end of the exercise period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Six months ended 30 September 2023

17. CONTINGENT LIABILITIES

At the end of the reporting period, contingent liabilities not provided for in the condensed consolidated financial statements were as follows:

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
Bank guarantees given in lieu of rental and utility deposits	21,725	16,652

18. CAPITAL COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
Contracted, but not provided for: Property, plant and equipment	–	5,945

19. RELATED PARTY TRANSACTIONS

Related party transactions

In addition to the transactions and balances detailed elsewhere in these unaudited condensed consolidated interim financial statements, the Group had the following material transactions with related parties during the period:

	For the six months ended 30 September	
	2023	2022
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Purchase of food (note)	–	4,576

Note: These related companies were controlled by the controlling shareholders and/or their family members.

The transactions were conducted at terms and conditions mutually agreed between the relevant parties. The Directors are of the opinion that those related party transactions were conducted in the ordinary course of business of the Group.

As at 30 September 2023, the right-of-use assets related to certain restaurants leased from related companies controlled by the controlling shareholders and/or their family members amounted to HK\$260,577,000 (as at 31 March 2023: HK\$nil) and lease liabilities of HK\$262,627,000 (as at 31 March 2023: HK\$729,000) are due to these related companies of the Group. Depreciation and impairment of right-of-use assets related to these restaurants amounted to HK\$52,115,000 (for year ended 31 March 2023: HK\$94,703,000) and interest on lease liabilities to these related companies of the Group amounted to HK\$3,963,000 (for year ended 31 March 2023: HK\$1,683,000) during the six months ended 30 September 2023.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Six months ended 30 September 2023

19. RELATED PARTY TRANSACTIONS *(Continued)*

Compensation of key management personnel of the Group is as follows:

	For the six months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Short term employee benefits	3,570	3,930
Share-based payments	1,690	568
Post-employment benefits	81	59
	5,341	4,557

20. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation. The changes included the reclassification of government subsidies previously classified under other income and gains. The new classification of the accounting items was considered to provide a more appropriate presentation to the condensed consolidated financial statements of the Group.

21. APPROVAL OF INTERIM FINANCIAL STATEMENTS

The Interim Financial Statements were approved and authorised for issue by the Board of Directors on 28 November 2023.

富臨



Fulum Group Holdings Limited
富臨集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立之有限公司)

Stock Code 股份代號: 1443