



G-Vision International (Holdings) Limited
環 科 國 際 集 團 有 限 公 司

Stock Code : 657

INTERIM REPORT
2024/25

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CORPORATE INFORMATION

DIRECTORS

Executive Directors

Cheng Hop Fai

(Chairman and Managing Director)
(retired on 16 August 2024)

Cheng Pak Man, Anita *(Chairperson)*

Cheng Pak Lai, Lily *(Managing Director)*

Cheng Pak Ming, Judy

Independent Non-Executive Directors

Law Toe Ming

(retired on 16 August 2024)

Hung Chi Yuen, Andrew

Yuen Shiu Cheong, Johnny

Law Kwok Tai

(appointed on 19 June 2024)

COMPANY SECRETARY

Cheng Pak Ming, Judy

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking
Corporation Limited

Hang Seng Bank Limited

Fubon Bank (Hong Kong) Limited

AUDITOR

PKF Hong Kong Limited

HONG KONG LEGAL ADVISERS

MinterEllison LLP

BERMUDA LEGAL ADVISERS

Conyers Dill & Pearman

REGISTERED OFFICE

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Hamilton HM 11

Bermuda

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Tsimshatsui East

Kowloon

Hong Kong

PRINCIPAL SHARE REGISTRAR

MUFG Fund Services (Bermuda) Limited

4th Floor North

Cedar House

41 Cedar Avenue

Hamilton HM 12

Bermuda

BRANCH SHARE REGISTRAR

Computershare Hong Kong

Investor Services Limited

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CORPORATE WEBSITE

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STOCK CODE

00657

The board of directors (the “**Broad**”) of G-Vision International (Holdings) Limited (the “**Company**”) announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 September 2024, together with the comparative results. The condensed consolidated interim results have not been audited, but have been reviewed by the audit committee of the Company (the “**Audit Committee**”).

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2024

		Six months ended 30 September	
		2024	2023
		HK\$'000	HK\$'000
	Note	(Unaudited)	(Unaudited)
Revenue	5	24,232	24,422
Cost of sales		(6,869)	(6,743)
Gross profit		17,363	17,679
Other income and other losses		860	415
Staff costs		(11,628)	(11,497)
Short-term lease rentals		(2,770)	(2,783)
Depreciation		(204)	(98)
Building management fees and rates		(2,080)	(2,060)
Utilities and cleaning expenses		(2,246)	(2,319)
Other operating expenses		(2,496)	(2,703)
Loss from operations		(3,201)	(3,366)
Finance costs		(197)	(268)
Loss before tax		(3,398)	(3,634)
Income tax expense	6	–	–
Loss for the period attributable to owners of the Company	7	(3,398)	(3,634)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME *(Continued)*

For the six months ended 30 September 2024

		Six months ended 30 September	
		2024	2023
		HK\$'000	HK\$'000
Note		(Unaudited)	(Unaudited)
Other comprehensive income:			
<i>Items that will not be reclassified to profit or loss:</i>			
	Fair value changes of equity investments at fair value through other comprehensive income (“FVTOCI”)	205	(140)
<i>Items that may be reclassified subsequently to profit or loss:</i>			
	Exchange differences arising on translating foreign operations	—	(7)
	Other comprehensive income/(loss) for the period, net of tax	205	(147)
	Total comprehensive loss for the period attributable to owners of the Company	(3,193)	(3,781)
		HK cents	HK cents
	Loss per share attributable to owners of the Company		
	– basic and diluted	9 (0.17)	(0.19)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

	Note	As at 30 September 2024 HK\$'000 (Unaudited)	As at 31 March 2024 HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment	10	1,573	1,777
Right-of-use assets	11	–	–
Property rental deposits		1,427	1,408
		<u>3,000</u>	<u>3,185</u>
Current assets			
Inventories		535	519
Trade receivables, prepayments and other receivables	12	1,362	2,338
Property rental deposits		1,471	1,481
Equity instruments as at FVTOCI	13	1,129	924
Fixed deposits		–	25,500
Bank and cash balances		41,745	15,848
		<u>46,242</u>	<u>46,610</u>
Current liabilities			
Trade and other payables	15	9,195	9,045
Amount due to a director		30,500	26,500
Lease liabilities		3,246	3,108
		<u>42,941</u>	<u>38,653</u>
Net current assets		<u>3,301</u>	<u>7,957</u>
Total assets less current liabilities		<u>6,301</u>	<u>11,142</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

As at 30 September 2024

	Note	As at 30 September 2024 HK\$'000 (Unaudited)	As at 31 March 2024 HK\$'000 (Audited)
Non-current liabilities			
Lease liabilities		3,221	4,869
NET ASSETS		3,080	6,273
Capital and reserves			
Share capital	14	194,631	194,631
Reserves		(191,551)	(188,358)
TOTAL EQUITY		3,080	6,273

Approved by the Board on 22 November 2024:

Cheng Pak Man, Anita
Director

Cheng Pak Lai, Lily
Director

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2024

	Unaudited Attributable to owners of the Company							
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Investment revaluation reserve HK\$'000	Share options reserve HK\$'000	Translation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 April 2023 (audited)	194,631	88,794	84,123	(321)	2,534	(1)	(357,195)	12,565
Total comprehensive loss for the period	-	-	-	-	-	-	(3,634)	(3,634)
Change in fair value of equity instruments at FVTOCI	-	-	-	(140)	-	-	-	(140)
Foreign exchange differences arising on translation	-	-	-	-	-	(7)	-	(7)
Changes in equity for the period	-	-	-	(140)	-	(7)	(3,634)	(3,781)
At 30 September 2023 (unaudited)	<u>194,631</u>	<u>88,794</u>	<u>84,123</u>	<u>(461)</u>	<u>2,534</u>	<u>(8)</u>	<u>(360,829)</u>	<u>8,784</u>
At 1 April 2024 (audited)	<u>194,631</u>	<u>88,794</u>	<u>84,123</u>	<u>(374)</u>	<u>2,534</u>	<u>(8)</u>	<u>(363,427)</u>	<u>6,273</u>
Total comprehensive loss for the period	-	-	-	-	-	-	(3,398)	(3,398)
Change in fair value of equity instruments at FVTOCI	-	-	-	205	-	-	-	205
Lapse of share options	-	-	-	-	(186)	-	186	-
Changes in equity for the period	-	-	-	205	(186)	-	(3,212)	(3,193)
At 30 September 2024 (unaudited)	<u>194,631</u>	<u>88,794</u>	<u>84,123</u>	<u>(169)</u>	<u>2,348</u>	<u>(8)</u>	<u>(366,639)</u>	<u>3,080</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2024

	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Net cash used in operating activities	(2,933)	(4,647)
Withdrawal of fixed deposits	25,500	–
Purchases of property, plant and equipment	–	(10)
Interest and dividend received	840	383
Net cash generated from investing activities	26,340	373
Principal elements of lease payment	(1,510)	(1,379)
Increase in amount due to a director	4,000	–
Net cash generated from/(used in) financing activities	2,490	(1,379)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	25,897	(5,653)
Effect of foreign exchange rate changes	–	(9)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	15,848	24,523
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	41,745	18,861
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank and cash balances	41,745	18,861

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

1. GENERAL INFORMATION

The Company was incorporated in Bermuda as an exempted company with limited liability. The address of its registered office and its principal place of business are disclosed in the corporate information section of the interim report. The ordinary shares of the Company (the “**Shares**”) are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Company is an investment holding company. The principal activities of its subsidiaries are the operation of Chinese restaurants in Hong Kong which specialise in Chiu Chow cuisine.

In the opinion of the directors of the Company (the “**Directors**”), Kong Fai International Limited (“**Kong Fai**”), a company incorporated in the British Virgin Islands, is the ultimate parent. Mr. Cheng Hop Fai and his family members are the ultimate controlling parties of the Company.

2. BASIS OF PREPARATION

The condensed consolidated interim 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 (the “**Listing Rules**”).

The condensed consolidated interim financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair values.

The condensed consolidated interim financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company.

3. ACCOUNTING POLICIES

The condensed consolidated interim financial statements should be read in conjunction with the 2023/24 annual consolidated financial statements. The adoption of the new or revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA which are relevant to the Group’s operations and mandatorily effective for accounting periods beginning on or after 1 January 2024, the accounting policies (including the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty) and methods of computation used in the preparation of these condensed consolidated interim financial statements are consistent with those used in the annual consolidated financial statements for the year ended 31 March 2024.

3. ACCOUNTING POLICIES *(Continued)*

The adoption of the new and revised HKFRSs did not have any material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated interim financial statements. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

4. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer. During the six months ended 30 September 2024 and 2023, there was no transfer between Level 1, Level 2 and Level 3.

Disclosures of level in fair value hierarchy:

Description	Fair value measurements as at 30 September 2024 (Unaudited) Level 1 HK\$'000	Fair value measurements as at 31 March 2024 (Audited) Level 1 HK\$'000
Recurring fair value measurements:		
Equity instruments at FVTOCI		
– Listed equity securities	<u>1,129</u>	<u>924</u>

The carrying amounts of the Group's financial assets and financial liabilities carried at cost or at amortised cost as reflected in the condensed consolidated statement of financial position approximate their respective fair values.

5. REVENUE AND SEGMENT INFORMATION

Revenue represents the net amounts received or receivable for goods sold and services rendered by the Group, net of discounts and sales related taxes, during the period.

As the Group was principally engaged in the operation of Chinese restaurants in Hong Kong for the six months ended 30 September 2024, the financial information provided to the chief operating decision makers, being the executive Directors, for performance assessment and resources allocation has been based on the overall operating results and financial position of the Group which constitutes the condensed consolidated statement of profit or loss and other comprehensive income and the condensed consolidated statement of financial position. The segment information for the six months ended 30 September 2024, together with comparative results, refers to the results as set out in the condensed consolidated statement of profit or loss and other comprehensive income.

As all external revenue for both periods and non-current assets are either derived from or located in Hong Kong, an analysis of the consolidated revenue and non-current assets by geographical location is not presented.

Revenue from contracts with customers recognised at a point in time in Hong Kong – Operation of Chinese restaurants

For operation of Chinese restaurants, revenue is recognised when food and beverages are served to the customers.

The following table provides information about receivables from contracts with customers:

	As at 30 September 2024 HK\$'000 (Unaudited)	As at 31 March 2024 HK\$'000 (Audited)
Trade receivables, which are included in “trade receivables, prepayments and other receivables”	141	510

During both periods, there was no customer contributing more than 10% of the total revenue of the Group.

6. INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made in the condensed consolidated interim financial statements as the Group did not have assessable profit for both periods.

The Group's subsidiary incorporated in Australia is subject to Australian income tax rate of 25% (six months ended 30 September 2023: 25%).

7. LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY

The Group's loss for the period is stated after charging/(crediting) the following:

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Depreciation		
– property, plant and equipment	204	98
– right-of-use assets	–	–
	204	98
Finance costs		
– interest on lease liabilities	180	251
– imputed interest expense	17	17
	197	268
Interest income	(765)	(310)
Net exchange loss	–	446
Rental concessions	–	(459)
	–	–

8. DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the six months ended 30 September 2024 (six months ended 30 September 2023: HK\$ Nil).

9. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic and diluted loss per Share is based on the following:

	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Loss		
Loss attributable to owners of the Company	<u>3,398</u>	<u>3,634</u>
Number of Shares		
Weighted average number of Shares for the purpose of calculating basic loss per Share (Note)	<u>1,946,314,108</u>	<u>1,946,314,108</u>

Note:

There was no dilutive potential Share for the Company's share options for the six months ended 30 September 2023 and 2024.

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2024, there was no further investment (six months ended 30 September 2023: HK\$10,000) on restaurant equipment and fittings for the Group's restaurant operations.

11. RIGHT-OF-USE ASSETS

During the six months ended 30 September 2024 and 2023, the Group did not enter into any new lease arrangement. The right-of-use asset relating to the restaurant lease in Kwun Tong was fully impaired during the year ended 31 March 2023.

12. TRADE RECEIVABLES, PREPAYMENTS AND OTHER RECEIVABLES

The ageing analysis of trade receivables, based on the invoice date, and net of allowance, is as follows:

	As at 30 September 2024 HK\$'000 (Unaudited)	As at 31 March 2024 HK\$'000 (Audited)
0 to 30 days	141	510

13. EQUITY INSTRUMENTS AS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 30 September 2024 HK\$'000 (Unaudited)	As at 31 March 2024 HK\$'000 (Audited)
Listed equity securities in Hong Kong	1,129	924

All of the equity instruments as at FVTOCI are denominated in HK\$.

14. SHARE CAPITAL

	As at 30 September 2024 HK\$'000 (Unaudited)	As at 31 March 2024 HK\$'000 (Audited)
Authorised: 5,000,000,000 Shares of HK\$0.1 each	500,000	500,000
Issued and fully paid: 1,946,314,108 Shares of HK\$0.1 each	194,631	194,631

15. TRADE AND OTHER PAYABLES

The ageing analysis of trade payables, based on the date of receipt of goods, is as follows:

	As at 30 September 2024 HK\$'000 (Unaudited)	As at 31 March 2024 HK\$'000 (Audited)
0 to 60 days	2,525	2,399
Over 60 days	8	54
	<u>2,533</u>	<u>2,453</u>

16. SHARE OPTION SCHEMES

The Company adopted a share option scheme on 10 May 2010 (the “**2010 Scheme**”) which expired on 8 May 2020. By shareholders’ resolutions passed at the annual general meeting held on 3 August 2020, the Company adopted a new share option scheme (the “**2020 Scheme**”, and, together with the 2010 Scheme, the “**Schemes**”). No further share options may be offered under the 2010 Scheme. However, any outstanding share options granted under the 2010 Scheme shall continue to be exercisable subject to the rules of the 2010 Scheme and the provisions of Chapter 17 of the Listing Rules. Unless terminated earlier in accordance with the rules of the 2020 Scheme, the 2020 Scheme shall be valid and effective until 3 August 2030.

Details of movements in the share options granted under the 2010 Scheme during the current interim period are set out below:

Participants	Date of grant	Exercisable period	Exercise price per Share HK\$	Outstanding as at 1 April 2023	Lapsed/ expired during the year	Outstanding as at 1 April 2024	Lapsed/ expired during the period	Outstanding as at 30 September 2024
Directors/Advisor	23 October 2017	23 October 2017 to 22 October 2025	0.177	26,000,000	-	26,000,000	(2,000,000)	24,000,000
				<u>26,000,000</u>	<u>-</u>	<u>26,000,000</u>	<u>(2,000,000)</u>	<u>24,000,000</u>

No share options were granted, or exercised during the current interim period (six months ended 30 September 2023: Nil).

16. SHARE OPTION SCHEMES (Continued)

With effect from the conclusion of the annual general meeting held on 16 August 2024, Mr. Cheng Hop Fai (“**Mr. Cheng**”) retired from his position as chairman and executive Director and Mr. Law Toe Ming (“**Mr. Law**”) retired from his position as an independent non-executive director of the Company (“**INED**”). Following Mr. Cheng’s retirement, he remains as an advisor to the Group. The 2,000,000 share options held by Mr. Law were lapsed during the six months ended 30 September 2024 (six months ended 30 September 2023: Nil).

Note: The total estimated fair value at the date of grant of the share options on 23 October 2017 was HK\$2,906,000. 30% of total number of the share options were vested immediately on the date of grant, 23 October 2017. 30% of total number of the share options were vested on 23 October 2018 and the remaining 40% were vested on 23 October 2019. The closing price of the Company’s Share immediately before the date of grant was HK\$0.177.

17. RELATED PARTY TRANSACTIONS

- (a) The Group leased certain properties for its restaurant operations from Homley Development Limited (“**Homley**”). Rentals charged by Homley during the current interim period amounted to HK\$2,160,000 (six months ended 30 September 2023: HK\$2,160,000). At 30 September 2024, rental deposit paid to Homley of HK\$1,080,000 was included in current property rental deposits (31 March 2024: HK\$1,080,000 included in current property rental deposits). As at 30 September 2024, accrued rental payable to Homley was HK\$360,000 (31 March 2024: HK\$360,000). The monthly rental was determined by both parties with reference to market rent.

Certain Directors who are also the key management personnel of the Company and beneficial owners of the ultimate holding company of the Group are beneficially interested in Homley.

- (b) The Group leased a unit of residential building from Hover City Industrial Limited (“**Hover City**”). Rental charged by Hover City during the current interim period amounted to HK\$450,000 (six months ended 30 September 2023: HK\$450,000). At 30 September 2024, rental deposit paid to Hover City of HK\$150,000 was included in current property rental deposits (31 March 2024: HK\$150,000 included in current property rental deposits). As at 30 September 2024, no accrued rental was payable to Hover City (31 March 2024: HK\$ Nil). The monthly rental was determined by both parties with reference to market rent.

Certain Directors who are also the key management personnel of the Company and beneficial owners of the ultimate holding company of the Group are beneficially interested in Hover City.

17. RELATED PARTY TRANSACTIONS *(Continued)*

- (c) The Group leased an office from Sky Global Investments Limited (“**Sky Global**”). Rentals charged by Sky Global during the current interim period amounted to HK\$600,000 (six months ended 30 September 2023: HK\$600,000). At 30 September 2024, rental deposit paid to Sky Global of approximately HK\$240,854 was included in current property rental deposits (at 31 March 2024: HK\$240,854 included in current property rental deposits). As at 30 September 2024, no accrued rental was payable to Sky Global (31 March 2023: HK\$ Nil). The monthly rental was determined by both parties with reference to market rent.

Certain Directors who are also the key management personnel of the Company and beneficial owners of the ultimate holding company of the Group are beneficially interested in Sky Global.

- (d) During the current interim period, the Group has entered into transactions with Hung Yick Metal Company Limited (“**Hung Yick**”). Sales to Hung Yick during the period amounted to approximately HK\$197,000 (six months ended 30 September 2023: HK\$254,000). As at 30 September 2024, approximately HK\$36,000 were receivables from Hung Yick (31 March 2024: HK\$40,000).

Certain Directors who are also the key management personnel of the Company and beneficial owners of the ultimate holding company of the Group are beneficially interested in Hung Yick.

- (e) The remuneration of Directors, who are key management personnel of the Company during the period was as follows:

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Salaries and other benefits	1,280	1,330
Retirement benefits cost	27	27
	<u>1,307</u>	<u>1,357</u>

18. CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 30 September 2024 (As at 31 March 2024: HK\$ Nil).

19. APPROVAL OF FINANCIAL STATEMENTS

The condensed consolidated interim financial statements were approved and authorised for issue by the Board on 22 November 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

Revenue and Net Loss

For the six months ended 30 September 2024, the Group recorded a consolidated revenue of approximately HK\$24.2 million, representing a decrease of approximately 0.8% compared to the last corresponding period's revenue of approximately HK\$24.4 million. The net loss for the period under review amounted to approximately HK\$3.4 million compared to the net loss of approximately HK\$3.6 million in the last corresponding period.

Gross Profit

The decrease in gross profit of approximately HK\$0.3 million from approximately HK\$17.7 million in the last corresponding period to approximately HK\$17.4 million for the period under review was partly due to the decrease in revenue and partly due to a drop in gross profit margin by approximately 0.7%.

Other Income and Other Losses

The increase in other income by approximately HK\$0.4 million from the last corresponding period was primarily due to approximately HK\$0.4 million foreign exchange difference from the revaluation of deposits denominated in Australian dollars and the increase in interest income by approximately HK\$0.5 million which was partially offset by a decrease in rental concession of approximately HK\$0.5 million.

Staff Costs

The total staff costs of the Group amounted to approximately HK\$11.6 million for the period under review compared to the last corresponding period's staff costs of approximately HK\$11.5 million. The increase in staff costs was mainly due to the hiring of more part-time staff for the period under review.

Short-term Lease Rentals, Finance Costs and Depreciation of Right-of-Use Assets

The application of HKFRS 16 on the Group's lease agreements resulted in the booking of related short-term lease rentals of approximately HK\$2.8 million (2023: HK\$2.8 million) and finance costs of approximately HK\$0.2 million (2023: HK\$0.3 million) for the period under review. There was no depreciation of right-of-use assets (2023: Nil) for the period under review as the right-of-use assets in relation to the restaurant lease in Kwun Tong had been fully impaired.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Financial Review (Continued)

Other Operating Expenses

The decrease in other operating expenses of the Group of approximately HK\$0.2 million from approximately HK\$2.7 million in the last corresponding period to approximately HK\$2.5 million for the period under review was mainly attributable to the decrease in insurance expenses.

Business Review

Restaurant Operation in Hong Kong

The Group is mainly engaged in the operation of Chinese restaurants in Hong Kong specialising in Chiu Chow cuisine, with the revenue generated by the Group's restaurant operations amounting to approximately HK\$24.2 million for the period under review, reflecting a decline of approximately HK\$0.2 million compared to the previous corresponding period.

The renovation of the City Chiu Chow Restaurant in Tsimshatsui, completed in early April 2024, positively impacted the Group's revenue. This restaurant experienced approximately 13% year-on-year revenue growth during the reviewed period. Such increase in revenue can be attributed not only to the restaurant's refreshed image, which has attracted more bookings for corporate functions and private events but also to the 40th-anniversary promotional campaign and heightened business from Southeast Asia tours during this timeframe.

Conversely, while there was an improvement in revenue for the Tsimshatsui restaurant, it was entirely offset by an approximate 16% year-on-year decline in revenue for the Kwun Tong restaurant. The operating environment at Yue Man Square, Kwun Tong remains challenging and unfavourable. The substantial revenue drop is linked to transformations in daily life and shifts in consumer behaviour among Hong Kong residents. The prevalence of work-from-home arrangements and a reduction in corporate events and social gatherings have adversely impacted lunchtime business. Additionally, a less vibrant nightlife has directly affected the restaurant's dining activities. Despite efforts to introduce a greater variety of dishes and offer discounted meal sets, customer loss has continued. This trend is particularly noticeable among the retired demographic during weekdays, as well as across all age groups in weekends and during school holidays, as residents increasingly travel to the Greater Bay Area and other countries. The Group has expressed concerns regarding the decline in customer traffic at Yue Man Square, Kwun Tong and is actively collaborating with the landlord and the management office of the Kwun Tong restaurant to explore various strategies to enhance sales and strive to negotiate further rental concessions to mitigate ongoing losses at this restaurant.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Liquidity and Financial Resources

The Group's bank and cash balances amounted to approximately HK\$42.5 million as at 30 September 2024. As the Group had no bank borrowings, the Group's gearing ratio was zero (defined as total bank borrowings divided by total assets) as at 30 September 2024 and 31 March 2024.

With the cash generated from the Group's operations in its ordinary course of business and the existing unutilised banking and other credit facilities, the Directors consider that the Group has sufficient working capital for its operations.

Foreign Exchange Exposure

Most of the Group's sales, purchases, bank and cash balances from the restaurant operation are denominated in Hong Kong dollars. The Group is exposed to foreign currency risk primarily through certain bank deposits which are denominated in Australian dollars, United States dollars and Renminbi. The management closely monitors such risk and will consider hedging significant foreign currency exposure should the need arise.

Contingent Liabilities

As at 30 September 2024, the Group did not have any significant contingent liabilities.

Employees and Remuneration Policies

As at 30 September 2024, the Group had approximately 90 staff. The Group's total staff costs were approximately HK\$11.6 million for the period under review. Review of the employees' remuneration packages is normally conducted annually and as required from time to time. The salary and benefit levels of the Group's employees are competitive and individual performance is rewarded through the Group's bonus scheme. Other benefits including medical coverage and mandatory provident fund scheme are also provided to the Group's employees.

Interim Dividend

The Board has resolved not to declare any interim dividend for the six months ended 30 September 2024 (for the six months ended 30 September 2023: Nil).

PROSPECTS

The restaurant business will remain the Group's core operational focus. It is anticipated that the performance of the restaurant sector will improve in the second half of the financial year, as the approaching festive season has historically represented a peak season for the food and beverage industry. In the future, changes in the spending habits of local patrons and tourists are expected to continue influencing the business performance of the Group's restaurants. Additionally, rising food and service costs, alongside with a shortage of skilled labour within the Chinese restaurant industry, all suggest that the outlook will remain challenging. Nevertheless, improvements in the economic conditions in the mainland, bolstered by the recent introduction of a stimulus package and the initiation of interest rate reduction cycle in the United States, will support food and beverage consumption. Furthermore, various measures implemented by the HKSAR Government to boost market sentiment will also benefit the industry.

EVENTS AFTER THE REPORTING PERIOD

Subsequent to the reporting period ended 30 September 2024 and up to the date of this report there was no other significant event affecting the Company or any of its subsidiaries.

OTHER INFORMATION

SHARE OPTIONS

The Company adopted the 2010 Scheme which expired on 8 May 2020. By shareholders' resolution passed at the annual general meeting held on 3 August 2020, the Company adopted the 2020 Scheme. No further share options may be offered under the 2010 Scheme. However, any outstanding share options granted under the 2010 Scheme shall continue to be exercisable subject to the rules of the 2010 Scheme and the provisions of Chapter 17 of the Listing Rules. Unless terminated earlier in accordance with the rules of the 2020 Scheme, the 2020 Scheme shall be valid and effective until 3 August 2030.

The Board may offer an option to any eligible participant whom the Board may in its absolute discretion select and subject to such conditions (including, without limitation, any minimum period for which an option must be held before it can be exercised and/or any performance targets which must be achieved before an option can be exercised) as it may think fit. An eligible participant means any full-time or part-time employees, chief executives, officers or directors (including INEDs) of the Group, substantial shareholders (the “**Substantial Shareholders**”) and any professional advisers, consultants, suppliers, customers and distributors who, in the sole opinion of the Board, will contribute or have contributed to the business affairs, development and growth of the Group.

The Board considers that, in addition to the employees, chief executives, officers and directors of the Group, it is appropriate for the eligibility for participation in the 2020 Scheme to also be extended to persons who will contribute or have contributed to the business affairs, development and growth of the Group. This is consistent with the purpose of the 2020 Scheme, given that the long-term growth and development of the Group requires the collaborative contribution of and depends on the development of sustainable relationships with the employees and directors of the Group as well as persons who play a vital role in the business of the Group, including Substantial Shareholders, professional advisers, consultants, suppliers, customers and distributors of the Group.

SHARE OPTIONS (Continued)

As at 30 September 2024, no option has been granted under the 2020 Scheme. The number of options available for grant under the scheme mandate of the 2020 Scheme as at 1 April 2024 and 30 September 2024 was 194,631,410 Shares. The Company had 194,631,410 Shares available for issue under the 2020 Scheme, which represented 10% of the Shares in issue as at the date of this interim report.

As at 30 September 2024, the Company had 24,000,000 share options outstanding under the 2010 Scheme, which represented approximately 1.2% of the Shares in issue at that date. There were no options granted, exercised, cancelled during the period under review but 2,000,000 share options were lapsed following the retirement of Mr. Law as an INED on 16 August 2024. A summary of the share options movement is set out below:

Name of option holders	Date of grant	Exercisable period	Exercise price per Share HK\$	Number of share options		
				Outstanding as at 1.4.2024	Lapsed during the period	Outstanding as at 30.9.2024
Mr. Cheng	23.10.2017	23.10.2017 – 22.10.2025	0.177 ⁽¹⁾	6,000,000	–	6,000,000
Ms. Cheng Pak Ming, Judy	23.10.2017	23.10.2017 – 22.10.2025	0.177 ⁽¹⁾	6,000,000	–	6,000,000
Ms. Cheng Pak Man, Anita	23.10.2017	23.10.2017 – 22.10.2025	0.177 ⁽¹⁾	6,000,000	–	6,000,000
Ms. Cheng Pak Lai, Lily	23.10.2017	23.10.2017 – 22.10.2025	0.177 ⁽¹⁾	6,000,000	–	6,000,000
Mr. Law	23.10.2017	23.10.2017 – 22.10.2025	0.177 ⁽¹⁾	2,000,000	(2,000,000)	–
				<u>26,000,000</u>	<u>(2,000,000)</u>	<u>24,000,000</u>

Note:

- (1) The total estimated fair value at the date of grant of the share options on 23 October 2017 was HK\$2,906,000. 30% of total number of the share options were vested immediately on the date of grant, 23 October 2017. 30% of total number of the share options were vested on 23 October 2018 and the remaining 40% were vested on 23 October 2019. The closing price of the Company's Share immediately before the date of grant was HK\$0.177.

CHANGES IN INFORMATION IN RESPECT OF DIRECTORS

During the six months ended 30 September 2024 and up to the date of this report, there were changes in the Directors' information as follows:

1. With effect from 19 June 2024, Mr. Law ceased to act as a member and the chairman of the remuneration committee of the Company (the "**Remuneration Committee**") and a member of each of the Audit Committee and the nomination committee of the Company (the "**Nomination Committee**").
2. With effect from 19 June 2024, Mr. Law Kwok Tai was appointed as an INED and a member of each of the Audit Committee and the Remuneration Committee.
3. With effect from 19 June 2024, Mr. Yuen Shiu Cheong, Johnny was redesignated as the chairman of the Remuneration Committee and was appointed a member of the Nomination Committee.
4. With effect from the conclusion of the annual general meeting held on 16 August 2024, Mr. Cheng retired from his position as the chairman of the Board and executive Director and ceased to act as the managing Director, and Mr. Law retired from his position as an INED. Ms. Cheng Pak Man, Anita succeeded Mr. Cheng to act as the chairperson of the Board and the chairperson of the Nomination Committee and Ms. Cheng Pak Lai, Lily succeeded Mr. Cheng as the managing Director.

Other than the above disclosures, there is no other information required to be disclosed pursuant to rule 13.51B(1) of the Listing Rules.

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2024, the interests of the Directors and the chief executive and their associates in the shares, underlying shares or debentures of the Company or any associated corporations which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (the “SFO”); or (b) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) contained in Appendix C3 to the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Name of Director	Capacity and nature of interest		Number of issued Shares held	Approximate percentage of the issued share capital of the Company
Cheng Pak Ming, Judy	Beneficiary of trusts	(note 1)	1,450,037,841	74.50%
Cheng Pak Man, Anita	Beneficiary of trusts	(note 1)	1,450,037,841	74.50%
Cheng Pak Lai, Lily	Beneficiary of trusts	(note 1)	1,450,037,841	74.50%

Notes:

- (1) Golden Toy Investments Limited (“Golden Toy”) and Kong Fai International Limited (“Kong Fai”) held 172,869,780 Shares (or 8.88% interest) and 1,277,168,061 Shares (or 65.62% interest), respectively. Golden Toy and Kong Fai are wholly-owned by two discretionary trusts of which family members of Mr. Cheng, including Mr. Cheng, Ms. Cheng Pak Ming, Judy, Ms. Cheng Pak Man, Anita and Ms. Cheng Pak Lai, Lily, are the discretionary objects.

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES *(Continued)*

Save as disclosed above and in the section titled "Share Options", as at 30 September 2024, none of the Directors and the chief executive of the Company was, under Divisions 7 and 8 of Part XV of the SFO, taken to be interested or deemed to have any other interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporations which (a) would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or (b) which were required to be entered into the register referred to therein pursuant to Section 352 of the SFO, or (c) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS

Other than the interests disclosed above, as at 30 September 2024, the register of Substantial Shareholders maintained by the Company pursuant to Section 336 of the SFO indicated that the following persons had notified the Company of interests or short positions in the issued share capital of the Company which fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO:

Name	Capacity and nature of interest	Number of issued ordinary Shares held	Approximate percentage of the issued share capital of the Company
Mr. Cheng	Beneficial owner	6,900,000	0.35%
	Beneficiary of trusts <i>(note a)</i>	1,450,037,841 ^(a)	74.50%
Golden Toy	Beneficial owner	172,869,780 ^(b)	8.88%
Kong Fai	Beneficial owner	1,277,168,061 ^(b)	65.62%
Alpadis Trust (HK) Limited	Trustee of trusts	1,450,037,841 ^(b)	74.50%
Alpadis Group Holding AG	Interest of controlled corporation	1,450,037,841 ^(c)	74.50%
Alain Esseiva	Interest of controlled corporation	1,450,037,841 ^(d)	74.50%
Teo Wei Lee	Interest of spouse	1,450,037,841 ^(e)	74.50%

SUBSTANTIAL SHAREHOLDERS (Continued)

Notes:

- (a) Golden Toy and Kong Fai held 172,869,780 Shares (or 8.88% interest) and 1,277,168,061 Shares (or 65.62% interest), respectively. Golden Toy and Kong Fai are wholly-owned by two discretionary trusts of which family members of Mr. Cheng, including Mr. Cheng, Ms. Cheng Pak Ming, Judy, Ms. Cheng Pak Man, Anita and Ms. Cheng Pak Lai, Lily, are the discretionary objects.
- (b) Alpadis Trust (HK) Limited is deemed under the SFO to have an interest in the same 1,450,037,841 Shares, in aggregate, beneficially owned by Golden Toy and Kong Fai by virtue of it being the trustee of the two discretionary trusts which own 100% of the shares of Golden Toy and Kong Fai.
- (c) The corporate substantial shareholder notice filed by Alpadis Group Holding SA (now known as Alpadis Group Holding AG) indicated that it is deemed to be interested in 1,450,037,841 Shares under the SFO by virtue of its interest held in Alpadis Trust (HK) Limited.
- (d) The individual substantial shareholder notice filed by Mr. Alain Esseiva indicated that he is deemed to be interested in 1,450,037,841 Shares under the SFO by virtue of his interests held in Alpadis Group Holding AG.
- (e) The individual substantial shareholder notice filed by Ms. Teo Wei Lee indicated that her deemed interest in 1,450,037,841 Shares represents the interest of her spouse, Mr. Alain Esseiva.

Save as disclosed above and in the section titled “Share Options”, the Directors are not aware of any other persons who, as at 30 September 2024, had any interests or short positions in the Shares or underlying Shares that were required to be entered into the register kept by the Company pursuant to Section 336 of the SFO.

PURCHASE, SALE OR REDEMPTION OF SHARES

There was no purchase, sale or redemption of Shares (including sale of treasury shares) by the Company or any of its subsidiaries during the six months ended 30 September 2024.

CORPORATE GOVERNANCE CODE

The Company has adopted the Corporate Governance Code (the “**Code**”) contained in Part 2 of Appendix C1 to the Listing Rules as its own corporate governance code. The Company has complied with the code provisions set out in the Code throughout the six months ended 30 September 2024 except for code provision C.2.1 in respect of the role separation of the chairman and the chief executive and code provision C.3.3 in respect of the letters of appointment for Directors.

Code provision C.2.1 sets out that the roles of the chairman and the chief executive should be separate and should not be performed by the same individual. Mr. Cheng assumed the role of both the chairman and the managing Director (equivalent to the role of a chief executive) of the Company up to the conclusion of the annual general meeting held on 16 August 2024. The Board considered that such arrangement would not result in undue concentration of power and was, at that stage, conducive to the efficient formulation and implementation of the Group’s strategies, thus allowing the Group to develop its business more effectively. Following Mr. Cheng’s retirement as the chairman of the Board and Ms. Cheng Pak Man, Anita’s succession as the chairperson of the Board and Ms. Cheng Pak Lai, Lily’s succession as the managing Director, the Company has complied with code provision C.2.1.

Code provision C.3.3 sets out that issuers should have formal letters of appointment for directors setting out the key terms and conditions of their appointment. The Company did not have formal letters of appointment for certain Directors. All the Directors are, however, required to refer to the guidelines set out in “A Guide on Directors’ Duties” issued by the Companies Registry and “Guidelines for Directors” and “Guide for Independent Non-Executive Directors” published by The Hong Kong Institute of Directors in performing their duties and responsibilities as Directors. In the opinion of the Directors, this meets the objective of the code provision C.3.3.

AUDIT COMMITTEE

The Company has established an Audit Committee. As at the date of this report, the Audit Committee comprises the three INEDs, namely Mr. Hung Chi Yuen, Andrew (as the chairman), Mr. Yuen Shiu Cheong, Johnny and Mr. Law Kwok Tai. The terms of reference of the Audit Committee are consistent with the code provisions set out in the Code. The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed with the Board the internal control and financial reporting matters including the unaudited interim financial statements for the six months ended 30 September 2024.

REMUNERATION COMMITTEE

The Company has established a Remuneration Committee. As at the date of this report, the Remuneration Committee comprises the three INEDs, namely Mr. Yuen Shiu Cheong, Johnny (as the chairman), Mr. Hung Chi Yuen, Andrew and Mr. Law Kwok Tai. The terms of reference of the Remuneration Committee are consistent with the code provisions set out in the Code. The principal function of the Remuneration Committee is to make recommendation to the Board on the Group's policy and structure for the remuneration of Directors and senior management.

NOMINATION COMMITTEE

The Company has established a Nomination Committee. As at the date of this report, the Nomination Committee comprises Ms. Cheng Pak Man Anita, an executive Director (as the chairperson) and Mr. Hung Chi Yuen, Andrew and Mr. Yuen Shiu Cheong, Johnny, both of whom are INEDs. The terms of reference of the Nomination Committee are consistent with the code provisions set out in the Code. The principal function of the nomination committee is to review the structure, size, composition and diversity of the Board at least annually with reference to the business needs and development of the Company and make recommendations to the Board on any proposed changes to the Board to complement the Group's corporate strategy.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding securities transactions by the Directors. Following specific enquiry by the Company, all the Directors confirmed that they have complied with the required standards as set out in the Model Code during the six months ended 30 September 2024.

By order of the Board
Cheng Pak Man, Anita
Chairperson

Hong Kong, 22 November 2024