ANNUAL REPORT 2023 / 2024

E-STATION GREEN TECHNOLOGY GROUP CO., LIMITED
易站綠色科技集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 8475

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Contents

Board of Directors

Executive Directors

Mr. Li Junjian *(Chairman)*
(appointed as Chairman on 13 December 2023)
Mr. Chiang Ming Chun *(Vice-Chairman)*
Mr. Yeap Wei Han, Melvyn *(Chief Financial Officer)*
Mr. Liang Qianyuan[1]
Ms. Wong Pui Kei Peggy[2]
Mr. Zhou Junqi *(Chairman)*[3]

Non-Executive Director

Mr. Su Shiyi[4]

Independent Non-Executive Directors

Mr. Chau Wing Nam
Ms. Huang Weiyan[5]
Mr. Lee Ming Yeung, Michael[6]
Mr. Lei Xiongpeng[7]

Compliance Officer

Mr. Yeap Wei Han, Melvyn

Authorised Representatives

Mr. Li Junjian[8]
Mr. Chu Pui Ki Dickson CPA
Mr. Zhou Junqi[3]

Company Secretary

Mr. Chu Pui Ki Dickson CPA

Board Committees

Audit Committee

Mr. Chau Wing Nam *(Chairman)*
Ms. Huang Weiyan[5]
Mr. Lee Ming Yeung, Michael[6]
Mr. Lei Xiongpeng[7]

Remuneration Committee

Ms. Huang Weiyan *(Chairman)*[5]
Mr. Chau Wing Nam
Mr. Lee Ming Yeung, Michael *(Chairman)*[6]
Mr. Lei Xiongpeng[7]

Nomination Committee

Mr. Chau Wing Nam *(Chairman)*
(redesigned as the Chairman on 15 October 2024)
Ms. Huang Weiyan[5]
Mr. Lee Ming Yeung, Michael[6]
Mr. Lei Xiongpeng *(Chairman)*[7]

Auditor

TARGET CPA LIMITED
Registered Public Interest Entity Auditor
Unit E, 22/F.
Tower A, Billion Centre
1 Wang Kwong Road
Kowloon, Hong Kong

Notes:

1. Appointed on 16 May 2024
2. Resigned on 11 June 2024
3. Resigned on 13 December 2023
4. Appointed on 27 October 2023
5. Appointed on 31 May 2024
6. Resigned on 31 May 2024
7. Appointed on 14 September 2023, resigned on 15 October 2024
8. Appointed on 13 December 2023

Principal Banker

United Overseas Bank
80 Raffles Place
UOB Plaza
Republic of Singapore 048624

Registered Office in the Cayman Islands

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

Headquarters and Principal Place of Business in Republic of Singapore

1 Pemimpin Drive
#03–04 One Pemimpin
Singapore 576151

Principal Place of Business in Hong Kong

21/F., Grand Millennium Plaza
181 Queen's Road Central
Sheung Wan, Hong Kong

Principal Share Registrar and Transfer Office

Ocorian Trust (Cayman) Limited
Windward 3, Regatta Office Park
P.O. Box 1350
Grand Cayman KY1–1108
Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

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

Stock Code

8475

Board Lot

5,000 Shares

Company's Website

www.kgroup.com.hk

Dear Shareholders,

On behalf of the board of Directors (the "**Board**"), I present the annual report of the Company for the year ended 31 August 2024 (the "**Year**").

Overview

During the Year, the Group's revenue was approximately HKD3,277,000 (2023: HKD34,291,000), representing a decrease of approximately 90.4% as compared with the year ended 31 August 2023 ("**2023**"). The Group recorded a profit of approximately HKD40,073,000 (2023: loss of HKD13,879,000) for the Year. The profit for the Year was mainly due to the disposal gain on the sale of the Singapore business.

Business Review and Prospect

The Group is headquartered in the Republic of Singapore ("**Singapore**") and used to have multi-brand restaurants that are operated under a franchise model. The Group mainly offers Chinese and Western cuisines and focuses on casual dining concepts, targeting the middle-income mass market in Singapore, Hong Kong and Mainland China. Meanwhile, the Group is also developing its food supply chain business, which has started to bear fruit in the Mainland China market.

During the Year, we have been closely reviewing the financial performance of all our restaurants and adjusting the business strategies from time to time in order to drive our business growth. However, the exceptionally fierce competition in food and beverage industry as customers' dietary preferences and tastes change, coupled with the global macro-economy being in a post-pandemic recession, have adversely affected our results of operations. Therefore, the Group decided to close down all of its eleven self-operated restaurants and one central kitchen during the Year, which was mainly due to (i) the under-performance of the restaurants and (ii) termination of lease agreements for restaurants.

Meanwhile, the Group has also ventured into investment in the food and beverage business in Hong Kong, the PRC by acquiring a 51% equity interest in PDR's Dinning Limited as at 25 January 2024. PDR's Dinning Limited is principally engaged in the operation of western-style restaurants in Hong Kong under the business name of "風車 Windmill Restaurant & Bar".

In addition, the Group has expanded its food ingredients trading business in Shenzhen and commenced substantive plans for cooperation in food and beverage services, including the establishment of Qiansheng Wine (Shenzhen) Co., Ltd.* (千盛酒業（深圳）有限公司), and the establishment of E-Station (Shenzhen) Food Technology Co., Ltd.* (易站（深圳）食品科技有限公司), a joint-venture with Light of Hope Health Technology (Shenzhen) Co.,Ltd.* (希望之光健康科技（深圳）有限公司). In additional, the Group has a number of projects with expansion potential under negotiation, among which the catering business of Nanjing Huayi Development CO., Ltd.* (南京華意發展有限公司), as detailed in the announcement dated 22 November 2024, has been agreed. It is believed that the various business and co-operation plans will gradually become the Group's major source of income and enhance the interests of our shareholders in the future.

Business Review and Prospect (Continued)

With a management team having capabilities and experience, the Group is optimistic in our operations in the coming years as we are implementing the following measures. Firstly, we are still striving to focus on the brands under franchise model which we believe to have greater growth potential and adding multiple collaborations to maintain our market position. Besides, we devote more resources on exploring new business opportunities in order to develop our market position in other regions, such as Singapore, Hong Kong Special Administrative Region ("**HKSAR**") and the People's Republic of China ("**PRC**").

Looking forward, the Group intends to extend the restaurant network to HKSAR and PRC. Along with (i) the development of the Guangdong-Hong Kong-Macao Greater Bay Area; (ii) HKSAR Government actively encourages tourists to visit HKSAR; and (iii) the trend of cross-border consumption of Hong Kong citizens for shopping in the PRC, they offer opportunities for the Group to increase the revenue stream. The Group plans to (i) develop more catering businesses in the Guangdong-Hong Kong-Macao Greater Bay Area; (ii) develop more restaurant brands and continue to strengthen its regional presence, marketing efforts and information technology system; and (iii) push ahead with the development of its food supply chain business in Mainland China.

The Group will also proactively seek potential business opportunities that may broaden the Group's source of income and enhance value to the shareholders of the Company (the "**Shareholders**"). For instance, since the affordable and high-quality food and beverage projects have increasingly become popular among Hong Kong citizens in recent years, the Group also has plans to develop a multi-brand catering business locally in Hong Kong in respond to the opportunities arising from the HKSAR government's efforts in promoting the development of the Northern Metropolitan and the redevelopment of old districts in recent years.

According to the Group's announcement dated 18 April 2024, the Group entered into a memorandum of understanding with SDM Education Group Holdings Limited on 12 March 2024 in relation to the Group's undertaking of the food and beverage services for all schools of SDM in Singapore upon completion of the intended cooperation. In addition, according to the Group's announcement dated 18 April 2024, the Group entered into a general partnership agreement with MTBL Global Pte. Ltd. in relation to the Group's promotion of the Moutai Bulao Baijiu products, Chinese Baijiu mainly in the markets of Singapore, Hong Kong and Malaysia. The Group is also in discussion with a number of potential partners for the development of food and beverage brands and will make an announcement to our shareholders as soon as the details are finalized. It is believed that the Group will successfully emerge from the downturn caused by the closure of the food and beverage business in Singapore in the coming year and re-establish our position in the market, thus rewarding our shareholders for their continued support to the Group.

Appreciation

Lastly, on behalf of the Board, I would like to extend my sincere appreciation to the Shareholders, customers and business partners for their utmost support to the Group, and to express my gratitude to all management members and staff for their hard work and dedication throughout the Year.

Li Junjian
Chairman and Executive Director

Singapore, 29 November 2024

* *For identification purposes only*

Management Discussion and Analysis

Business Review

The Group is a multi-brand restaurant group headquartered in Singapore. In 2024, based on the Company's business and market development situation, the Group, after careful consideration, closed down its original self-operated restaurant business in Singapore, and actively sought to carry out transformation and diversification of its business development, not excluding the major adjustments and development of its main restaurant business. At the end of the Year, the Group had a western restaurant operating in Hong Kong, and was developing its food supply chain business with a view to providing customers with authentic and quality food.

As of 31 August 2024, the Group owned one western restaurant operating in Hong Kong, a food supply chain trade company and a wine trade company established in Mainland China:

The following table summarises the changes in the number of the Group's self-operated restaurants during the Year:

Brand	Chir Chir 313	Masizzim 313	Nipong Naepong 313	Windmill	Total
As at 31 August 2023	1	1	1	–	3
Addition	–	–	–	1	1
Closure	(1) *(Note1)*	(1) *(Note 1)*	(1) *(Note 1)*	– *(Note 2)*	(3)
As at 31 August 2024	–	–	–	1	1

Notes:

1. On 30 November 2023, the Group ceased the operation of three restaurant businesses under the brands "Chir Chir", "Masizzim" and "Nipong Naepong" due to the decline in operating results of the restaurants. By 31 August 2024, all formerly self-operated restaurants in Singapore were ceased.

2. Windmill is a western restaurant operating in Hong Kong acquired by the Group in January 2024, as detailed in the announcement published on 18 January 2024.

The competition in the restaurant and catering market in Singapore is intensively competitive. While closing down the former self-operated restaurant business in Singapore, the management of the Company (the "**Management**") has also started expanding its restaurant business in Hong Kong and its food supply chain business in Mainland China, believing that the restaurant management experience that the Group possesses will help to continue exploring in the industry and achieve further growth in the future when the conditions are ripe.

Looking ahead, the Group will expand its restaurant network to the HKSAR and the PRC. The Group plans to (i) continue to focus on and develop its restaurant business and seek more development opportunities in Southeast Asia, the Guangdong-Hong Kong-Macao Greater Bay Area and Mainland China; (ii) develop more restaurant brands to enhance its market position, marketing efforts and management in each region; and (iii) vigorously develop the food supply chain business to provide more and better quality food to the society.

Financial Review

Revenue

The Group's revenue is mainly generated from (i) restaurant operations; and (ii) sales of food ingredients. The following table sets forth the Group's revenue breakdown by nature for the Year and Year 2023.

	2024 HKD'000	2024 %	2023 HKD'000	2023 %
Restaurant operations	2,854	87.1	33,985	99.1
Sales of food ingredients	–	–	306	0.9
Food supply chain services	423	12.9	–	–
Total	3,277	100.0	34,291	100.0

Restaurant operations

The restaurant revenue was mainly derived from the operation of Windmill restaurant in Hong Kong. During the Year, revenue generated from restaurant operations amounted to approximately HKD2,854,000, representing a decrease of approximately 91.6% from the previous year.

The decrease was mainly attributable to the Group's cessation of the operation of its self-operated restaurants in Singapore from the previous year to the financial Year. The shops that were closed during the Year and their respective closure dates are set out below:

Chir Chir 313 — 30 November 2023

Masizzim 313 — 30 November 2023

Nipong Naepong 313 — 30 November 2023

Food supply chain services

Revenue from food supply chain services mainly represented revenue from sales of food through the operation of Shenzhen Qiansheng Holdings CO., Ltd.* (深圳千盛控股有限公司). Revenue from the food supply chain services for the Year amounted to HKD423,000.

* *For identification purposes only*

Financial Review (Continued)

Cost of inventories consumed

Cost of inventories consumed primarily consisted of the cost of the food ingredients, beverages and packaging materials used in the operations of restaurants. The cost of inventories consumed decreased from approximately HKD8,168,000 in 2023 to approximately HKD861,000 in the Year, representing a decrease of approximately 89.5% as compared with 2023. During the Year, the decrease in cost of inventories consumed was in direct proportion to the decrease in revenue.

Gross profit and gross profit margin

The Group's gross profit decreased from approximately HKD26,123,000 in 2023 to approximately HKD2,416,000 in the Year, while the gross profit margins were stable at 76.2% and 73.7% respectively.

Other income and gains and (losses), net

Other income and gains and (losses), net, increased from gains of approximately HKD1,583,000 in 2023 to gains of approximately HKD51,080,000 in the Year. The increase was mainly due to the gain of HKD51,267,000 arising from the disposal of restaurant business in Singapore and impairment of goodwill on acquisition of PDR restaurant in Hong Kong of HKD526,000 as well as the gain of HKD343,000 on other items.

Staff costs

The following table sets forth the breakdown of the Group's staff costs for the Year and Year 2023:

	2024 **HKD'000**	2023 HKD'000
Directors' remuneration	**724**	1,536
Salaries and allowances	**4,407**	16,528
Retirement benefit contributions	**146**	1,022
Share options expense	**472**	–
Total	**5,749**	19,086

The decrease was mainly attributable to (i) cessation of operation of self-operated restaurants; (ii) adjustments to the remuneration packages of operating staff; and (iii) reduction in manpower.

Financial Review (Continued)

Depreciation and amortisation

Depreciation and amortisation decreased from approximately HKD5,193,000 in 2023 to approximately HKD562,000 in the Year, representing a decrease of approximately 89.2% as compared with 2023. Such decrease was mainly due to the decrease in depreciation expenses on plant and equipment and right-of-use assets.

Rental and related expenses

All of the premises of the Group's self-operated restaurants, central kitchen and office were leased during the Year. Rental and related expenses decreased from approximately HKD6,539,000 in 2023 to approximately HKD561,000 in the Year, representing a decrease of approximately 91.4% as compared with 2023. Such decrease in the rental and related expenses was mainly due to the disposal of restaurants in Singapore.

The following table extracted the cost of lease payments for our operations:

	2024 **HKD'000**	2023 HKD'000
Depreciation of right-of-use assets	**473**	3,176
Lease payments not included in the measurement of lease liabilities	**13**	1,710
Impairment loss on right-of-use assets	**–**	1,288
Interest on lease liabilities	**75**	364
Total	**561**	6,538

Other operating expenses

The other operating expenses primarily consisted of service fee paid to third party delivery platforms, credit card commissions, cleaning expenses, legal and professional fees, travelling expenses, and other miscellaneous administrative expenses. Other operating expenses decreased from approximately HKD8,405,000 in 2023 to approximately HKD5,892,000 in the Year, representing a decrease of approximately 29.9% as compared with 2023. Such decrease was in line with the cessation of operation and disposal of self-operated restaurants in Singapore during the Year.

Finance costs

The finance costs primarily consisted of interest expenses on interest-bearing other borrowings and lease liabilities. Finance costs decreased from approximately HKD1,028,000 in 2023 to approximately HKD105,000 in the Year, representing a decrease of approximately 89.8%. Such decrease was mainly due to the decrease in interest incurred on interest-bearing other borrowings and lease liabilities.

Financial Review (Continued)

Profit for the Year

The Group recorded a profit of approximately HKD40,073,000 for the Year (2023: loss of HKD13,879,000). The profit was mainly due to the closure of the Group's three remaining self-operated restaurants in Singapore on 30 November 2023 and the disposal of the restaurant business in Singapore on 28 August 2024, which resulted in a gain on disposal of HKD51,267,000.

Liquidity and Financial Resources

As at 31 August 2024, the Group's current ratio was 0.2 (2023: 0.2). The current ratio is calculated as total current assets at the end of the year divided by total current liabilities at the end of the year. As at 31 August 2024, the Group's net gearing ratio was -1.2 (2023: -1.1). Gearing ratio is calculated as total debt at the end of the year divided by total equity at the end of the year and multiplied by 100%. Total debt represents all borrowings and payables of the Group, including amounts due to non-controlling interests and interest-bearing other borrowings. The increase in the Group's net gearing ratio was mainly due to the change in total equity to asset deficit as a result of the losses incurred during the Year, while the Group's total debt decreased by HKD26,278,000. As at 31 August 2024, the Group's total liabilities amounted to approximately HKD32,024,000 (2023: HKD58,257,000), which included amounts due to a former director of the Company of HKD22,360,000. The management has closely monitored the liquidity position of the Group and has taken appropriate measures to ensure that it has sufficient resources to meet its financial obligations.

As at 31 August 2024, the Group recorded net current liabilities of approximately HKD24,458,000 (2023: HKD33,843,000) and net liabilities of approximately HKD23,760,000 (2023: HKD48,818,000). The net liabilities were mainly due to the accumulated operating loss. The foregoing conditions indicates that there is a material uncertainty in the Group's sustainable inflow of funds, which may cast significant doubt on the Group's ability to continue as a going concern. The Directors have carefully considered the future liquidity and performance of the Group and its available sources of funding for its continuing operations. The Directors are of the opinion that the Group will have sufficient working capital to finance its operations for the foreseeable future and will be able to meet its financial obligations as and when they fall due based on the Group's cash flow projections and after taking into account the following: (i) obtain a revolving loan facility of HKD65,000,000 from an independent third party, which is valid from 6 December 2023 to 31 January 2025. During the contractual period, the Group is able to draw the loan amount at any time within a 2-day notice period; (ii) communicate with the former director about the extended repayment and debt-to-equity swap to reduce the Group's debt level. As at the date of this report, the Group has entered into a one-year extension agreement with the former director and will continue to discuss the feasibility of debt-to-equity swap in the meantime; (iii) actively look for other investors interested in the development of the Company; (iv) consider expanding the business by acquiring profitable restaurants in other regions, such as in the HKSAR or in the PRC, identify other premises for restaurant operations in Singapore; and (v) implement stringent expenditure control to continue to effectively manage its costs and optimise its operational efficiency.

Capital Structure

The Company's issued shares were successfully listed on GEM of the Stock Exchange on 13 August 2018. As at 31 August 2024, the total number of issued ordinary Shares was 58,382,280 with a par value of HKD0.1 each (31 August 2023: 52,800,000 shares).

On 21 September 2023 and 30 November 2023, 2,112,000 and 1,888,000 shares were allotted and issued upon exercise of options granted under the Share Option Scheme of the Company.

Capital Structure (Continued)

On 19 March 2024, 1,582,280 Shares were issued as consideration shares under the General Mandate at the issue price of HKD0.632 per consideration share, for the acquisition of 51% of interest in PDR's Dining Limited, a limited company incorporated in Hong Kong and is principally engaged in Western cuisine restaurant operations in Hong Kong under the business name of "風車 Windmill Restaurant & Bar". Details of which are disclosed in the announcements of the Company dated 18 January 2024 and 12 March 2024.

The capital structure of the Group comprises of issued share capital and reserves.

Change of Company Name, Stock Short Names and Company Logo

Subsequent to the passing of a special resolution approving the change of company name by the Shareholders by way of poll at the annual general meeting held on 29 February 2024, the certificate of incorporation on change of name was issued by the Registrar of Companies in the Cayman Islands on 8 March 2024 certifying the change of the English name of the Company from "K Group Holdings Limited" to "E-STATION GREEN TECHNOLOGY GROUP CO., LIMITED" and the change of the dual foreign name in Chinese of the Company from "千盛集團控股有限公司" to "易站綠色科技集團有限公司", both of which took effect from 8 March 2024. The certificate of registration of alteration of name of registered non-Hong Kong company was issued by the Companies Registry in Hong Kong on 21 March 2024, confirming the registration of the Company's new English and Chinese names of "E-STATION GREEN TECHNOLOGY GROUP CO., LIMITED" and "易站綠色科技集團有限公司", respectively, in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

Following the change of company name, the stock short name of the Company for trading in the Shares on the Stock Exchange changed from "K GROUP HLDGS" to "E-STATION GTECH" in English and from "千盛集團控股" to "易站綠色科技" in Chinese, with effect from 9:00 a.m. on 3 April 2024. The stock code of the Company remains unchanged as "8475".

Following the change of company name, the following logo:

was adopted by the Company as the company logo with effect from 27 March 2024.

Constitutional Documents

The third amended and restated memorandum and articles of association of the Company (the "**M&A**") were adopted on 29 February 2024 to reflect the change of company name. A copy of the M&A is posted on the respective websites of the Stock Exchange (www.hkexnews.hk) and the Company.

Save as disclosed above, there was no further change in the M&A for the Year.

Acquisition of 51% of PDR's Dining Limited

On 18 January 2024, the Company (as purchaser) and Law Wai Leung (the "**Vendor**") entered into the sale and purchase agreement (the "**Sale and Purchase Agreement**"), pursuant to which the Company agreed to acquire and the Vendor agreed to sell 765,000 shares of PDR's Dining Limited (the "**Target Company**") (representing 51% of the total issued shares of the Target Company) at a total consideration of HKD1 million (the "**Consideration**"). Completion shall take place on the fifth Business Day after the date of the Sale and Purchase Agreement or such other date as the Vendor and the Company may agree. After Completion, the Target Company became a subsidiary of the Company and its financial statements will be consolidated into the financial statements of the Group. On 12 March 2024, the Purchaser has decided to and the Vendor has agreed to satisfy the Consideration by the allotment and issue of 1,582,280 Consideration Shares to the Vendor (or its nominee(s)) under the General Mandate at the issue price of HKD0.632 per Consideration Share upon Completion. The issue price of HKD0.632 represents a discount of approximately 16.84% to the closing price of HKD0.76 per Share as quoted on the Stock Exchange on 12 March 2024. On 19 March 2024, 1,582,280 Consideration Shares were issued to the Vendor and the Completion was taken place on the same date.

For details, please refer to the announcements of the Company dated 18 January 2024 and 12 March 2024.

Principal Risks and Uncertainties

The management believes that there are certain risks and uncertainties involved in the operations, some of which are beyond the Group's control. The management believes that the more significant risks relating to the Group's business are as follows:

— The Group may not successfully develop the brands recently franchised to the Group;

— The business and operation of the Group are susceptible to product liability or food safety claims;

— We are subject to changes in consumer preferences;

— The Group may face intense competition from our competitors in the restaurant and catering market; and

— Our operation may be adversely affected by any increase in staff costs in labour market, rental expenses and/or failure to renew existing leases of the leased properties on terms acceptable to us.

A detailed discussion of the risk factors is further set forth in the section headed "Risk Factors" in the prospectus of the Company dated 31 July 2018 (the "**Prospectus**").

Foreign Currency Exposure Risks

The Group's operations are mainly denominated in RMB and HKD (2023: RMB, SGD and MYR) with a small extent in other foreign currencies. As such, the Group did not have a significant exposure to foreign exchange risk. The Group currently does not have a foreign currency hedging policy.

Treasury Policies

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

Significant Investments or Material Acquisitions and Disposals

Save as disclosed in this annual report, during the Year, the Group did not make any significant investments or material acquisitions and disposals of subsidiaries, associates or joint ventures.

Capital Commitments

As at 31 August 2024, the Group did not have any capital commitments (2023: Nil).

Future Plans for Material Investments or Capital Assets

Save as disclosed in this annual report, the Group has no concrete plan for future investments or acquisition of capital assets in place as at the date of this annual report.

Contingent Liabilities and Pledge of Assets

As at 31 August 2024, the Group did not have any significant contingent liabilities and pledge of assets (2023: Nil).

Biographical Information of Directors and Senior Management

Executive Directors

Mr. Li Junjian ("**Mr. Li**"), aged 64, was appointed as an executive Director (the "**ED**") on 25 July 2023 and appointed as the chairman of the Board (the "**Chairman**") on 13 December 2023. He obtained a completion certificate for special training program for Chinese language (中文專修科) from Hangzhou University in 1988. He further pursued postgraduate study of Philosophy of Science and Technology (Contemporary Technology and Economic Management) in Zhejiang University and obtained completion certificate in 2000. Currently, he is the director of 易站綠色科技集團有限公司 (E-station Green Technology Group Limited*) which is principally engaged in provision of resource recycling technical consultation service in China. Besides, he has over 20 years of working experience in various China government departments, including Supervision Bureau of Yuhuan City, Zhejiang Province. He is familiar with and has a thorough understanding of Mainland China's governmental matters.

Mr. Chiang Ming Chun ("**Mr. Chiang**") (whose former name was Chiang Kai Leung), aged 52, was appointed as ED and vice-chairman on 31 October 2022. Mr. Chiang is a senior district director of AIA International Limited leading a team of over 500 insurance/financial advisers and the co-founder of CASH Family Office, a subsidiary of CASH Financial Services Group Limited (stock code: 510). Currently, he is the president and chief strategy officer of the global franchise and patent service of the Group. He has a well-established social network in different industries and possesses extensive experience in business management. Mr. Chiang was awarded the Youth Leader Award from the First Junior Chamber International Lion Rock in 2007 and won the Maple Elite Award from the Canadian University Association in 2011. In addition, Mr. Chiang is also a keen servant of the charitable work, as he also served as a member of the Development Committee of the board of Hong Kong Adventist Hospital — Tsuen Wan and the director of the board of Pok Oi Hospital and Yan Chai Hospital for many sessions. In 2011, he appointed as the chairman of the Preparatory Committee for Lang Lang Music Life Sharing Session* (郎朗音樂人生分享會籌委會).

Mr. Yeap Wei Han, Melvyn ("**Mr. Yeap**"), aged 41, is a co-founder of the Group, the chief financial officer (the "**CFO**") and an ED. Mr. Yeap is responsible for overseeing the financial matters of the Group. He was appointed as a Director on 24 January 2018 and re-designated as an ED on 10 February 2018. Mr. Yeap is currently a director of K Food Holdings, K Bright and K Wealth.

Mr. Yeap obtained a Diploma in Information Technology (Computer Studies) from Ngee Ann Polytechnic in Singapore in August 2003. He then obtained a Bachelor of Technology in Mechanical Engineering from National University of Singapore in June 2009. He further obtained a Master of Science in Financial Economics from Singapore Management University in May 2017.

Prior to joining the Group, Mr. Yeap worked as an associate manager in AIA Group Limited in Singapore from September 2006 to November 2008. From November 2008 to July 2012, he worked as an unit manager in HSBC Insurance (Singapore) Pte. Limited. Mr. Yeap started working as a field representative in Prudential Assurance Company Singapore (Pte) Limited in July 2012, and has been a group financial services director since March 2017.

Save for the Company, Mr. Yeap has not held any directorship in any public listed company in the past three years.

Mr. Yeap is a director of Canola Investment Holdings Limited ("**Canola**") which owns 5.22% of the issued Shares.

Executive Directors (Continued)

Mr. Liang Qianyuan ("**Mr. Liang**") formerly known as Liang Benlan (梁本蘭), aged 67, was appointed as an executive director on 16 May 2024. He has years of experience in the fields of banking and corporate advisory in the PRC. He obtained a diploma of special training programme for government and party cadre (黨政幹部專修科) from Guangdong Radio and Television University* (廣東廣播電視大學) (now known as the Open University of Guangdong) in July 1986. Currently, he serves as a director of K Group (Shenzhen) Holding Group Company Limited* (千盛（深圳）控股集團有限公司), a PRC subsidiary of the Group.

Non-Executive Director

Mr. Su Shiyi ("**Mr. Su**"), aged 33, was appointed as a non-executive Director on 27 October 2023. He graduated from Beijing Institute of Business (北京工商學院) with a bachelor degree in computer application in 2011 and obtains a master degree in business administration from Graduate School of Chinese Academy of Social Sciences (中國社會科學院研究生院) in 2013. In October 2013, he won the third prize in the 2nd China Innovation and Entrepreneurship in Henan Division (中國創新創業大賽河南賽區) and 5th "National University Science and Technology Park Cup" Science and Technology Innovation Competition ("國家大學科技園杯"科技創新大賽). In addition, he won the excellence award in the enterprise group in 3rd China Innovation and Entrepreneurship in Henan Division for the company he was working for at the time in 2014. He is experienced in corporate management and has in-depth knowledge in the field of technology innovation. From April 2016 to July 2018, he was the general manager of a development company in Henan. From August 2018 to March 2020, he was the deputy general manager of a technology company in Henan. Currently, he is the associate head of a science and technology research institute in Beijing.

Independent Non-Executive Directors

Mr. Chau Wing Nam ("**Mr. Chau**"), aged 37, was appointed as INED on 6 June 2022. Mr. Chau is the chairman of the AC and NC and a member of RC. He obtained his Bachelor's degree in Accounting and Accounting Technologies from the Curtin University of Technology in August 2012. He has been a member of Hong Kong Institute of Certified Public Accountants since May 2017. He has over ten years of experience in auditing, accounting and corporate management and is currently responsible for corporate finance, mergers and acquisitions matters, investors relations, corporate governance as well as compliance affairs. He is currently an independent non-executive director of China Bozza Development Holdings Limited (now known as China Health Technology Group Holding Company Limited) (Stock Code: 1069), a company listed on Main Board of the Stock Exchange, since August 2023 and an independent non-executive director of RMH Holdings Limited (Stock Code: 8437), a company listed on GEM of the Stock Exchange, since March 2024. He was an independent non-executive director of Mobile Internet (China) Holdings Limited (Stock Code: 1439), a company listed on Main Board of the Stock Exchange, from February 2023 to August 2024.

Ms. Huang Weiyan ("**Ms. Huang**"), aged 48, was appointed as an independent non-executive director on 31 May 2024. Ms. Huang is the chairman of RC, member of each of the AC and NC. She has over 20 years of working experience in financial management. She graduated from China Central Radio and TV University (now known as the Open University of China) with associate's degree in accounting in 2007. Following her graduation from the university, she has held positions at the managerial level in financial within different PRC companies. Currently, she is working as a financial manager in a property management company located in Zhongshan City.

Company Secretary

Mr. Chu Pui Ki Dickson ("**Mr. Chu**") aged 40, was appointed as the company secretary of the Company (the "**Company Secretary**") on 18 October 2021. Mr. Chu is a member of the Hong Kong Institute of Certified Public Accountants since February 2011. He has over 10 years of relevant experience in accounting and auditing and has experience in tax, internal control matters and holding position of company secretary in other listed companies listed on the Stock Exchange. He is currently serving as the company secretary and providing professional corporate services to companies listed in the main board and GEM of the Stock Exchange. He is currently the independent non-executive director of China Silver Technology Holdings Limited (Stock Code: 515), a company listed on Main Board of the Stock Exchange, since September 2024.

Compliance Officer

Mr. Yeap is the compliance officer of the Company. For his biographical information, please see "Executive Directors" in this section.

Pursuant to Rule 18.44(2) of the GEM Listing Rules, the Board is pleased to present hereby the corporate governance report of the Company for the year ended 31 August 2024 (the "**Year**").

Corporate Governance Practices

The Company is committed to fulfilling its responsibilities to its Shareholders and protecting and enhancing Shareholders' value through good corporate governance.

The management recognises the importance of incorporating elements of good corporate governance in the management structures, internal control and risk management procedures of the Group so as to achieve effective accountability.

The Company has adopted the code provisions as set out in the Corporate Governance Code (the "**CG Code**") as contained in Appendix C1 to the GEM Listing Rules. During the Year, the Board is of the view that the Company has complied with all applicable code provisions set out in the CG Code.

Non-compliance with Rules 5.05(1), 5.05A and 5.28 of the GEM Listing Rules

Reference is made to the announcement of the Company dated 15 October 2024 in relation to its non-compliance with Rules 5.05(1), 5.05A and 5.28 of the GEM Listing Rules. Following the resignation of the former Director on 15 October 2024, the Company has failed to meet the following requirements:

(1) the requirement under Rule 5.05(1) of the GEM Listing Rules which stipulates the board of directors of a listed issuer must include at least three independent non-executive directors;

(2) the requirement under Rule 5.05A of the GEM Listing Rules which stipulates an issuer must appoint independent non-executive directors representing at least one-third of the board; and

(3) the requirement under Rule 5.28 of the GEM Listing Rules which stipulates that the audit committee must comprise a minimum of three members.

The Company is in the process of identifying suitable candidate to fill the vacancy. The Company will continue to use its best endeavours to ensure that suitable candidate is appointed as soon as practicable. Further announcement(s) will be made by the Company as and when appropriate in this regard.

Securities Transactions by Directors

The Company has adopted the required standard of dealings in the securities (the "**Required Standard of Dealings**") as contained in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for dealing in the securities of the Company by the Directors. In response to a specific enquiry made by the Company on each of the Directors, all Directors have confirmed that they had complied with the Required Standard of Dealings during the Year.

Board of Directors

Responsibilities

The Board is primarily responsible for overseeing and supervising the management of the business affairs and the overall performance of the Group. The Board sets the Group's values and standards and ensures that the requisite financial and human resources support is in place for the Group to achieve its objectives. The functions performed by the Board include but are not limited to formulating the Group's business and investment plans and strategies, deciding all significant financial (including major capital expenditure) and operational issues, developing, monitoring and reviewing the Group's corporate governance practices and all other functions reserved to the Board under the Company's articles of association (the "**Articles of Association**"). The Board has established Board committees and has delegated to these Board committees various responsibilities as set out in their respective terms of reference. The Board may from time to time delegate certain functions to management of the Group if and when considered appropriate. Management is mainly responsible for the execution of the business plans, strategies and policies adopted by the Board and other duties assigned to it from time to time.

The Directors have full access to information of the Group and are entitled to seek independent professional advice in appropriate circumstances at the Company's expense.

The Board is the ultimate decision-making body for all matters considered material to the Group, and it is directly, and indirectly through various Board Committees, responsible for performing the corporate governance duties as set out in code provision A.2.1 of the CG Code, which include:

(a) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;

(b) to review and monitor the training and continuous professional development of Directors and senior management;

(c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

(d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and

(e) to review the Company's compliance with the CG Code and disclosures in the Corporate Governance Report.

The Board has also delegated various responsibilities to the Board Committees. Further details of the Board Committees are set out below in this annual report.

Board of Directors (Continued)

Composition

The Company is committed to holding the view that the Board should include a balanced composition of executive Directors and non-executive Directors (including INEDs) so that there is a strong independent element on the Board, which can effectively exercise independent judgment.

As at the date of this report, the Board comprises the following seven Directors:

Executive Directors

Mr. Li Junjian *(Chairman)*
Mr. Chiang Ming Chun *(Vice-Chairman)*
Mr. Yeap Wei Han, Melvyn *(Chief Financial Officer)*
Mr. Liang Qianyuan (appointed on 16 May 2024)

Non-Executive Director

Mr. Su Shiyi

Independent Non-Executive Directors

Mr. Chau Wing Nam
Ms. Huang Weiyan (appointed on 31 May 2024)

The biographical details of each of the Directors are set out in the section headed "Biographical Information of the Directors and Senior Management" of this report.

Save as disclosed in the section headed "Biographical Information of Directors and Senior Management" of this annual report, to the best knowledge of the Board, there were no other financial, business, family and other material/relevant relationships among the members of the Board as at the date of this annual report.

Board of Directors (Continued)

Composition (Continued)

The INEDs have brought in a wide range of business and financial expertise, experience and independent judgement to the Board. Through active participation in the Board meetings and serving on various Board committees, all INEDs will continue to make various contributions to the Company.

Each of Mr. Liang and Ms. Huang has obtained the legal advice on 16 May 2024 referred to in Rule 5.02D of the GEM Listing Rules and has confirmed that he/she understood his/her obligations as a director of the Company.

The Company has received an annual confirmation of independence in writing from each of the INEDs pursuant to Rule 5.09 of the GEM Listing Rules. Based on such confirmation and not aware of any unfavourably reported incidents, the Company considers that all the INEDs are independent and have met the independence guidelines as set out in Rule 5.09 of the GEM Listing Rules.

During the Year, the Chairman had held one meeting with the INEDs without the presence of other executive Directors.

Proper insurance coverage has been arranged by the Company to cover the Directors against any liability incurred by them in their discharge of their duties.

Directors' Induction and Continuing Professional Development

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

Each of the Directors has received a formal, comprehensive and tailored induction on the first occasion of his appointment to ensure that he has a proper understanding of the Company's operations and business and is fully aware of the Director's responsibilities under statute and common law, the GEM Listing Rules, other legal and regulatory requirements and the Company's business and governance policies.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills.

During the Year, all the Directors have been provided with relevant reading material including legal and regulatory update for their reference and studying. All the Directors have also provided the Company a record of training they received during the Year.

Board of Directors (Continued)

Meetings of the Board and the Shareholders and Directors' Attendance Records

The Board is scheduled to meet four times a year at approximately quarterly intervals with notice given to the Directors at least 14 days in advance. For all other Board meetings, notice will be given in a reasonable time in advance. The Directors are allowed to include any matter in the agenda that is required for discussion and resolution at the meeting. To enable the Directors to be properly briefed on issues arising at each of the Board meetings and to make informed decisions, an agenda and the accompanying Board papers will be sent to all Directors at least three days before the intended date of the Board meeting, or such other period as agreed. The Company Secretary is responsible for keeping all Board meetings' minutes. Draft and final versions of the minutes will be circulated to the Directors for comments and record respectively within a reasonable time after each meeting and the final version is open for the Directors' inspection.

The attendance record of each Director at the Board committee meetings held during the Year and the annual general meeting of the Company ("**AGM**") held on 29 February 2024 is set out in the table below:

	Attendance/Number of Meetings				
Name of Director	Board	AGM	Audit Committee	Nomination Committee	Remuneration Committee
Mr. Li Junjian	12/12	1/1	NA	NA	NA
Mr. Chiang Ming Chun	4/12	1/1	NA	NA	NA
Mr. Yeap Wei Han, Melvyn	0/12	0/1	NA	NA	NA
Mr. Liang Qianyuan[1]	2/2	NA	NA	NA	NA
Ms. Wong Pui Kei Peggy[2]	10/11	1/1	NA	NA	NA
Mr. Zhou Junqi[3]	6/6	NA	NA	NA	NA
Mr. Su Shiyi[4]	8/8	1/1	NA	NA	NA
Mr. Chau Wing Nam	12/12	1/1	4/4	4/4	5/5
Ms. Huang Weiyan[5]	1/1	NA	NA	NA	NA
Mr. Lee Ming Yeung, Michael[6]	9/11	1/1	4/4	4/4	4/5
Mr. Lei Xiongpeng[7]	11/11	1/1	4/4	3/3	4/4

Notes:

1. Appointed on 16 May 2024
2. Resigned on 11 June 2024
3. Resigned on 13 December 2023
4. Appointed on 27 October 2023
5. Appointed on 31 May 2024
6. Resigned on 31 May 2024
7. Appointed on 14 September 2023, resigned on 15 October 2024

Board of Directors (Continued)

Meetings of the Board and the Shareholders and Directors' Attendance Records (Continued)

During the year ended 31 August 2024, the Board also reviewed the implementation and effectiveness of mechanisms to ensure independent views and input are available to the Board. Taking into account the following channels, the Board considered that the Company had in place mechanisms which remain effective to ensure a strong independent element on the Board:

- a sufficient number of three independent non-executive Directors representing at least one-third of the Board and all of them continue to devote adequate time contribution to the Company;
- the independent non-executive Directors have an equal status to other Board members;
- all independent non-executive Directors share their views and opinions through regular meetings;
- annual meeting between the Chairman and all independent non-executive Directors without presence of other Directors providing effective platform for the Chairman to listen independent views on various issues concerning the Group;
- interaction with management and other Board members including the Chairman outside the boardroom upon request by the Directors; and
- independent professional advice would be provided to independent non-executive Directors upon reasonable request to assist them to perform their duties to the Company.

Board Diversity Policy

The Board has adopted a "Board Diversity Policy" (the "**Policy**") which sets out the approach to achieve diversity on the Board and the Nomination Committee is responsible for monitoring the implementation of the Policy. In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Policy, including but not limited to gender, age, cultural and educational background, or professional experience etc. The Nomination Committee will discuss any revisions which may be required, and recommend any such revisions to the Board for consideration and approval.

The Board will review the implementation and effectiveness of the Policy on an annual basis to ensure its continued effectiveness. The Group will also ensure that there is gender diversity when recruiting staff at mid to senior level and engage more resources in career development and training female staff with the aim of promoting them to the senior management or directorship of the Company; and will continue to apply the principle of appointments based on merits with reference to the Policy as a whole.

Board of Directors (Continued)

Board Diversity Policy (Continued)

The Board places emphasis on diversity (including gender diversity) across all levels of the Group. The employee gender ratio of the Group as at 31 August 2024 is 1.18 male: 1 female. The Group when hiring employees considers a number of factors, including but not limited to gender, age, cultural and education background, qualification, ethnicity, professional experience, skills, knowledge and length of service, and the Group will make sure achieving gender diversity across the workforce. The Board considers that the gender ratio in the workforce (including senior management) is satisfactory. Yet, the Group will still (i) periodically review internal records on gender diversity; (ii) identify suitable female candidates for relevant positions within the Company; and (iii) try to ensure that there is gender diversity when recruiting staff at mid to senior level and engage more resources in career development and training female staff with the aim of promoting them to the senior management or directorship of the Company.

The Board currently comprises of 7 Directors, one of which are female. The Board is currently of the opinion that it generally meets the diversity requirements under the GEM Listing Rules. Yet, the Board will continue to take opportunities to increase the proportion of female members over time as and when suitable candidates are identified and will review the implementation and effectiveness of the Policy on an annual basis to ensure its continued effectiveness.

During the year ended 31 August 2024, the Nomination Committee has reviewed the independence of the independent non-executive Directors, to consider the qualifications of the retiring directors standing for election at the AGM, to review the structure, size and composition of the Board and to review the Policy. In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's character, qualifications, experience, independence and other relevant criteria necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board.

Board Committees

The Board has established three Board Committees, namely the Audit Committee, the Nomination Committee and the Remuneration Committee to oversee particular aspects of the Company's affairs. The Board Committees are provided with sufficient resources to discharge their duties.

Audit Committee

The Audit Committee was established on 23 July 2018 with written terms of reference in compliance with the GEM Listing Rules and the CG Code. The written terms of reference of the Audit Committee are published on the respective websites of the Stock Exchange and the Company. The Audit Committee comprises all the INEDs, namely Mr. Chau and Ms. Huang. Mr. Chau is the chairman of the Audit Committee.

Board Committees (Continued)

Audit Committee (Continued)

The principal roles and functions of the Audit Committee include but are not limited to:

- making recommendations to the Board on the appointment, re-appointment and removal of the external auditor, considering the external auditors' proposed audit fees, approving its remuneration and terms of engagement, and handling any question regarding its resignation or dismissal;
- reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards and discussing with the external auditor on the nature and scope of the audit and reporting obligations before the audit commences;
- developing and implementing a policy on engaging external auditor to supply non-audit services and reporting to the Board, identifying and making recommendations on any matters where action or improvement is needed;
- monitoring the integrity of the Company's financial statements and annual reports and accounts, half-year reports and quarterly reports, and reviewing significant financial reporting judgments contained in them;
- discussing problems and reservations arising from the interim limited review and final audits, and any matters the auditors may wish to discuss;
- reviewing the Company's financial controls, and the Group's risk management and internal control systems;
- discussing the risk management and internal control systems with management to ensure that management has performed its duty to have such effective systems;
- reviewing the external auditor's management letter, any material query raised by the auditor to management about accounting records, financial accounts or systems of control and management's response;
- reviewing the Company's statement on internal control systems prior to endorsement by the Board;
- where an internal audit function exists, reviewing the internal audit programme, ensuring co-ordination between the internal and external auditors and ensuring that the internal audit function is adequately resourced and has appropriate standing within the Company, and reviewing and monitoring its effectiveness;

Board Committees (Continued)

Audit Committee (Continued)

- preparing work reports for presentation to the Board and preparing summary of work reports for inclusion in the Company's interim and annual reports;

- considering major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and management's response to these findings;

- reviewing the Group's financial and accounting policies and practices;

- ensuring that the Board will provide a timely response to the issues raised in the external auditor's management letter;

- directly reporting to the Board on the matters in these terms of reference, and on their decisions or recommendations, unless there are legal or regulatory restrictions on their abilities to do so (such as a restriction on disclosure due to regulatory requirements);

- reviewing the arrangements that the employees of the Group can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters;

- acting as the key representative body for overseeing the Company's relations with the external auditor;

- discussing problems and qualified opinion, if any, arising from the half-year and annual audit, and any matter the external auditor may wish to discuss (in the absence of management where necessary);

- setting the scope for internal control review;

- meeting with the auditor, at least annually, in the absence of management, to discuss matters relating to its audit fees, any issue arising from the audit and any other matter that the auditor may wish to raise;

- obtaining from the audit firm annually, information about policies and processes for maintaining independence and monitoring compliance with relevant requirements, including those for rotation of audit partners and staffs; and

- considering other topics as defined by the Board.

Board Committees (Continued)

Audit Committee (Continued)

During the Year, the Audit Committee held four meetings, at which it:

— approved TARGET CPA LIMITED as the auditor of the Group and the corresponding audit plan;

— reviewed the financial statements for the year ended 31 August 2023 and six months ended 28 February 2024;

— reviewed the effectiveness of the risk management and internal control systems, and such review covered all material controls including financial control;

— reviewed the adequacy of resources, staff qualifications and experience, training programmes and budgets of the Group's accounting, internal audit and financial reporting functions; and

— reviewed the external auditors' findings.

The Company's annual results for the year ended 31 August 2024 have been reviewed by the Audit Committee.

Remuneration Committee

The Remuneration Committee was established on 23 July 2018 with written terms of reference in compliance with the GEM Listing Rules and the CG Code. The written terms of reference of the Remuneration Committee are published on the respective websites of the Stock Exchange and the Company. The Remuneration Committee comprises all the INEDs, namely Ms. Huang and Mr. Chau. Mr. Chau is the chairman of the Remuneration Committee.

The principal roles and functions of the Remuneration Committee include but are not limited to:

- making recommendations to the Board on the Company's policies and structure for the remuneration of all Directors and Senior Management and on the establishment of a formal and transparent procedure for developing a policy on such remuneration in accordance with, among others, his/her respective experience, responsibilities, workload, performance and time devoted to the Company;

- having the delegated responsibility to determine the specific remuneration packages of all executive Directors and Senior Management (as defined in Note to E.1.2 of the CG Code, Appendix C1 to the GEM Listing Rules), including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and making recommendations to the Board on the remuneration packages of all executive Directors and Senior Management;

- making recommendations to the Board on the remuneration of the NEDs;

Board Committees (Continued)

Remuneration Committee (Continued)

- reviewing and approving management's remuneration proposals by reference to corporate goals and objectives resolved by the Board from time to time;
- reviewing and approving the remuneration payable to the executive Directors and the Senior Management in connection with any loss or termination of their office or appointment to ensure that such remuneration is determined in accordance with relevant contractual terms and that such remuneration is otherwise fair and not excessive for the Company;
- reviewing and approving the compensation arrangements relating to the dismissal or removal of the Directors for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that any remuneration payment is otherwise reasonable and appropriate;
- reviewing and/or approve matters relating to share schemes under Chapter 23 of the GEM Listing Rules;
- ensuring that no Director or any of his associates (as defined in the GEM Listing Rules) is involved in deciding his own remuneration; and
- with respect to any service contracts of the Directors that require the Shareholders' approval under Rule 17.90 of the GEM Listing Rules, advising the Shareholders as to whether the terms are fair and reasonable, whether such contracts are in the interests of the Company and its Shareholders as a whole, and as to how to vote.

The Remuneration Committee held five meetings amongst other matters, reviewed and recommended to the Board for consideration certain remuneration-related matters of the Directors and the Senior Management, recommend the Board for consideration of the remuneration of proposed appointment of the Directors and reviewed the Share Option Scheme. Each of the Directors who are the chairman or members of the Remuneration Committee attended the above meeting in the relevant capacity.

Nomination Committee

The Nomination Committee was established on 23 July 2018 with written terms of reference in compliance with the CG Code. The written terms of reference of the Nomination Committee are published on the respective websites of the Stock Exchange and the Company. The Nomination Committee comprises all the INEDs, namely Mr. Chau and Ms. Huang. Ms. Huang is the chairman of the Nomination Committee.

The principal roles and functions of the Nomination Committee include but are not limited to:

- reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board on a regular basis and making any change recommendations to the Board after such review;
- identifying individuals suitably qualified to become Board members and selecting or making recommendations to the Board on the selection of, individuals nominated for directorships;

Board Committees (Continued)

Nomination Committee (Continued)

- assessing the independence of the INEDs, having regard to the requirements under the GEM Listing Rules; and
- making recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors and the succession planning for the Directors, in particular, the Chairman and the CEO.

The Nomination Committee held four meetings, amongst other matters, reviewed the structure, size and composition of the Board, assessed the independence of the INEDs and recommended to the Board for consideration the re-appointment of the retiring Directors at the forthcoming AGM and appointment of new Directors. Each of the Directors who are the chairman or members of the Nomination Committee attended the above meeting in the relevant capacity.

Procedure and Process for Nomination of Directors

The Nomination Committee will recommend to the Board for the appointment of a Director, including an INED in accordance with the following procedures and process:

(a) The Nomination Committee will, giving due consideration to the current composition and size of the Board, develop a list of desirable skills, perspectives and experience at the outset to focus the search effort;

(b) The Nomination Committee may consult any source it considers appropriate in identifying or selecting suitable candidates, such as referrals from existing Directors, advertising, recommendations from an independent agency firm and proposals from the Shareholders with due consideration given to the criteria which include but are not limited to:

   (i) diversity in the aspects including but not limited to gender, age, experience, cultural and educational background, expertise, skills and know-how;

   (ii) sufficient time to effectively carry out their duties; their services on other listed and non-listed companies should be limited to reasonable numbers;

   (iii) qualifications, including accomplishment and experience in the relevant industries the Company's business is involved in;

   (iv) independence (for INEDs);

   (v) reputation for integrity;

   (vi) potential contributions that the individual can bring to the Board; and

   (vii) commitment to enhance and maximize Shareholders' value;

Board Committees (Continued)

Procedure and Process for Nomination of Directors (Continued)

(c) The Nomination Committee may adopt any process it considers appropriate in evaluating the suitability of the candidates, such as interviews, background checks, presentations and third party reference checks;

(d) Upon considering a candidate suitable for the directorship, the Nomination Committee will hold a meeting and/or by way of written resolutions to, if thought fit, approve the recommendation to the Board for appointment;

(e) The Nomination Committee will thereafter make the recommendation to the Board in relation to the proposed appointment and the proposed remuneration package; and

(f) The Board will have the final authority on determining the selection of nominees and all appointment of Directors will be confirmed by the filing of the consent to act as Director of the relevant Director (or any other similar filings requiring the relevant Director to acknowledge or accept the appointment as Director, as the case may be) to be filed with the Companies Registry of Hong Kong.

Corporate Governance Functions

The Board is responsible for performing the corporate governance functions which include:

- developing and reviewing the Company's policies and practices on corporate governance;
- reviewing and monitoring the training and continuous professional development of the Directors and the Senior Management;
- reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;
- developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to the Directors and the Group's employees; and
- reviewing the Company's compliance with the CG Code and disclosure in this Report.

Appointment and Re-election of Directors

Each of the EDs and non-executive Director has entered into a service contract with the Company and each of the INEDs has signed a letter of appointment with the Company. The service contracts with each of the ED and non-executive Director and the letters of appointment with each of the INEDs are for a term of three years commencing from the date of the service contracts and letters of appointment. The service contracts and letters of appointment are subject to termination in accordance with their respective terms. The service contracts may be renewed in accordance with the memorandum and articles of association of the Company and the applicable GEM Listing Rules.

Appointment and Re-election of Directors (Continued)

All the Directors, including INEDs, are subject to retirement by rotation and eligible for re-election in accordance with the Articles of Association. At each AGM, one-third of the Directors for the time being, or, if their number is not a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation, provided that every Director shall be subject to retirement by rotation at an AGM at least once every three years. A retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the AGM at which he retires. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of Directors to retire by rotation) any Director who wishes to retire and does not offer himself for re-election. Any further Directors so to retire shall be those of other Directors subject to retirement by rotation who have been the longest in office since their last re-election or appointment and so that as between the persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. A Director is not required to retire upon reaching any particular age.

The Company may from time to time in general meeting by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an additional Director. Any Director so appointed shall be subject to retirement by rotation.

The Board shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an additional Director. Any Director appointed by the Board to fill a casual vacancy shall hold office until the first annual general meeting of the Company after his appointment and be subject to re-election at such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following AGM and shall then be eligible for re-election. Any such Director appointed shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation at an AGM.

Remuneration of Directors and Senior Management

Particulars of the Directors' remuneration for the Year are set out in Note 11 to the consolidated financial statements.

Pursuant to code provision E.1.5 of the CG Code, the remuneration of the members of the Senior Management (other than the Directors) whose particulars is contained in the section headed "Biographical Information of the Directors and Senior Management" in this report for the Year by band is set out below:

Remuneration band (in HKD)	Number of individuals
Nil to 1,000,000	4

Independent Auditor's Remuneration

During the Year, the remuneration in respect of professional services provided by the external auditors of the Company, TARGET CPA LIMITED ("**TARGET**"), is set out as follows:

Description of services performed	Fee paid/ payable HKD'000
Audit Services	700

On 17 October 2022, D & PARTNERS CPA LIMITED, who were appointed as the Company's auditor to fill the casual vacancy arising from the resignation of Zenith CPA Limited on 14 October 2022. TARGET were appointed as the Company's auditor on 8 November 2023 to fill the casual vacancy arising from the resignation of D & PARTNERS CPA LIMITED on 8 November 2023. Save as disclosed above, there has been no other change of auditors for the preceding three years. The consolidated financial statements of the Group for the Year were audited by TARGET.

Directors' Responsibility for the Financial Statements

The Directors acknowledge their responsibilities for the preparation of the consolidated financial statements of the Group for the Year and ensure that they are prepared in accordance with statutory requirements and applicable accounting standards. The Directors also ensure the timely publication of such consolidated financial statements.

The Directors confirm that, to the best of their knowledge and having made reasonable enquiries, they are not aware of any material uncertainties relating to events or conditions which may cause the Group not to continue as a going concern. The directors of the Company have been undertaking measures to improve the Group's liquidity and financial position, for details, please refer to "Liquidity and Financial Resources" in the "Management Discussion and Analysis" section.

The external auditor of the Company, TARGET has stated its reporting responsibilities on the consolidated financial statements in the "Independent Auditor's Report" included in this annual report.

Details of the Audit Modification and Management's Position, View and Assessment on the Audit Modification

As described under section headed "Basis for Disclaimer of Opinion" ("**Audit Modification**") of the "Independent Auditor's Report", which indicates that the Group had net liabilities of approximately HKD23,760,000, of which approximately HKD22,360,000 of due to the former director of the Company was repayable on demand and the respective party have the right to demand immediate repayment of the entire outstanding balance as at 31 August 2024. Details are set out in notes 2 and 22 to the consolidated financial statements. As at 31 August 2024, the Group's cash and bank balances amounted to approximately HKD626,000 only. These conditions indicated the existence of material uncertainties which may cast significant doubt about the Group's ability to continue as a going concern.

Details of the Audit Modification and Management's Position, View and Assessment on the Audit Modification (Continued)

The directors of the Company have been undertaking measures to improve the Group's liquidity and financial position. For details, please refer to "Liquidity and Financial Resources" in the "Management Discussion and Analysis" section. The validity of the going concern assumption on which the consolidated financial statements have been prepared depends on the outcome of these measures. The directors believe that, taking into account the above measures, the Group will have sufficient working capital to satisfy its present requirements for at least next 18 months from the end of reporting period. However, the execution of each plan requires adequate time to communicate and determine, the auditor was unable to obtain sufficient appropriate audit evidence at the reporting date to provide a basis for an audit opinion on the consolidated financial statements and whether the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Action Plan of the Group to Address the Audit Modification and Impact of the Audit Modification on the Company's Financial Position

In order to address the uncertainties which may cast doubt regarding the Group's ability to continue as a going concern, the directors have given careful consideration to the future liquidity and performance of the Group and its available sources of finance to continue as going concern. In the opinion of the directors, the Group will have sufficient working capital to finance its operations and to meet it financial obligations as and when they fall due in the foreseeable future, based on the cash flow projections of the Group and after taking into consideration the following:

(a) In order to meet the immediate working capital demand as stated above, the Group obtained a revolving loan facilities of approximately HKD65,000,000 from an independent third party which is effective from 15 December 2023 to 31 January 2025. During the contracted period, the Group is able to draw the loan amount at anytime with a 2-days notice period.

(b) The Group will negotiate with the former director to reduce the Group's outstanding liabilities owned to him.

(c) The Group is presently expanding its food supply chain business to diversify its operations and enhance its cash flow positivity.

(d) The Group remains committed to implementing stringent expense controls as a continuous effort to manage costs effectively and optimize operational efficiency. By closely monitoring and scrutinizing expenses, the Group aims to identify areas for potential savings and ensure that resources are allocated judiciously.

(e) The Group will proactively pursue suitable investors to enhance its growth and inject further vitality into its development.

Removal of the Audit Modification

The management considered that the proposed measures mentioned above, if successful, could improve the Group's liquidity and therefore could help to address the Audit Modification. However, as the management's assessment of the Group's ability to continue as a going concern for the purposes of preparing the Group's consolidated financial statements for the year ending 31 August 2025 has to take into consideration of the future conditions and circumstances and could only be made at the end of the relevant reporting period, the management is unable to ascertain at this moment whether the Audit Modification can be removed in the next financial year purely based on the Company's measures above.

Risk Management and Internal Control

The Company has in place policies and procedures in relation to risk management and internal control. The Board is primarily responsible for overseeing the risk management and internal control systems and for reviewing their effectiveness. The Company's internal control system and procedures are designed to meet its specific business needs and to minimise its risk exposure. The Company has adopted different internal guidelines, along with written policies and procedures to monitor and lessen the impact of risks which are relevant to its business and control its daily business operations. Management will identify the risks associated with the Group's day-to-day operations for review by the Board. The Board is responsible for evaluating and determining the nature and extent of the risks that the Company is willing to take in achieving the Company's strategic objectives, and ensuring that the Company establishes and maintains appropriate and effective risk management and internal control systems. The Board oversees management in the design, implementation and monitoring of the risk management and internal control systems. The Board acknowledges that such risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss. As the Group does not have an internal audit department, the Group has engaged an external independent consultant to conduct an internal control review on the internal control system of the Group during the Year. The review covered certain business cycles and procedures undertaken by the Group and made recommendations for improving and strengthening the system. The Directors were of the view that the internal control systems were adequate and sufficient in the circumstances.

The Board, through the Audit Committee, has conducted a review of the effectiveness of the risk management and internal control systems of the Group covering all material controls, including financial, operational and compliance controls functions. The Board considers that the Group's risk management and internal control systems are adequate and effective. The review of the risk management and internal control systems will be performed by the Board annually.

Internal Control System

The Company has in place an internal control system which enables the Company to achieve objectives regarding effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations. The components of the internal control system are shown as follow:

- Control Environment: a set of standards, processes and structures that provide the basis for carrying out internal control across the Group;

- Risk Assessment: a dynamic and iterative process for identifying and analyzing risks to achieve the Group's objectives, forming a basis for determining how risks should be managed;

- Control Activities: action established by policies and procedures to help ensure that management directives to mitigate risks to the achievement of objectives are carried out;

- Information and Communication: internal and external communication to provide the Group with the information needed to carry out day-to-day controls;

- Monitoring: ongoing and separate evaluations to ascertain whether each components of internal control is present and functioning.

Internal Control System (Continued)

During the Year, the audit committee appointed external professional adviser to conduct an internal control review on the effectiveness of the Group's internal control systems. The external professional adviser is assigned with the task to perform reviews on operational, financial and compliance aspects and will alert the management on the review findings or irregularities, if any, advise on the implementation of necessary steps and actions to enhance the internal control systems of the Group. The risk management team had implemented rectifications and remediated internal weakness identified. The result of internal control review and agreed action plans are reported to the Audit Committee and the Board.

The executive Director closely monitored the Group's business and corporate developments and events so that potential inside information would be identified promptly. The Company regulates the handling and dissemination of inside information by restricting access to inside information to a limited number of employees and parties on a need-to-know basis. Employees who are in possession of inside information are conversant with their obligations to preserve confidentiality. External parties, such as financial printer, are required to sign confidentiality agreement or non-disclosure agreement. Inside information remains confidential until the disclosure of such information is appropriately approved and the dissemination of such information is efficiently and consistently made. Inside information shall be disseminated via the electronic publication system operated by the Stock Exchange before the information is released via other channels, such as the press or posting on the Company's website.

Save as disclosed above, the Board has conducted a review of the effectiveness of the risk management and internal control system of the Group pursuant to D.2.1 of the CG Code and considers them effective and adequate. With a view of further enhancing the Group's internal control system on an ongoing basis, the Group will continue to engage external professional advisers to conduct review and consider to establish a formal in-house internal audit department where necessary from time to time, taking into account the development of the business and the scale and complexity of our operation in future.

Disclosure of Inside Information

The Group acknowledges its responsibilities under the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong and the GEM Listing Rules and the overriding principle that inside information should be announced promptly when it is the subject of a decision. The procedures and internal controls for the handling and dissemination of inside information are as follows:

- the Group conducts its affairs with close regard to the disclosure requirement under the GEM Listing Rules as well as the "Guidelines on Disclosure of Inside Information" published by the Securities and Futures Commission of Hong Kong in June 2012;
- the Group has implemented and disclosed its policy on fair disclosure by pursuing broad, non-exclusive distribution of information to the public through channels such as financial reporting, public announcements and the Company's website;
- the Group has strictly prohibited unauthorised use of confidential or inside information; and
- the Group has established and implemented procedures for responding to external enquiries about the Group's affairs, so that only the executive Directors and the CFO are authorised to communicate with parties outside the Group.

Company Secretary

The biography of Mr. Chu is set out in the section headed “Biographies of Directors and Senior Management” of this report. Mr. Chu confirmed that for the year under review, he has taken no less than 15 hours of relevant professional training. All members of the Board have access to the advice and services of the Company Secretary. The appointment and removal of the Company Secretary will be subject to the approval of the Board at its meeting.

Shareholders’ Rights

Procedures for Putting Forward Proposals at Shareholders’ Meetings

There is no provision allowing Shareholders to make proposals or move resolutions at the AGMs under the Articles of Association or the laws of the Cayman Islands. Shareholders who wish to make proposals or move a resolution may, however, convene an extraordinary general meeting (the “**EGM**”) in accordance with the “Procedures for Shareholders to convene an EGM” set out below.

Procedures for Shareholders to Convene an EGM

Any one or more Shareholders holding at the date of deposit of the requisition not less than 10% of the paid-up capital of the Company carrying the right of voting at general meetings of the Company (the “**Eligible Shareholder(s)**”) shall at all times have the right, by written requisition to the Board or the Company Secretary for the purpose of requiring an EGM to be called by the Board for the transaction of any business specified in such requisition, including making proposals or moving a resolution at the EGM.

Eligible Shareholders who wish to convene an EGM for the purpose of making proposals or moving a resolution at the EGM must deposit a written requisition (the “**Requisition**”) signed by the Eligible Shareholder(s) concerned (the “**Requisitionist(s)**”) at the principal place of business of the Company in Hong Kong (presently 21/F., Grand Millennium Plaza, 181 Queen’s Road Central, Sheung Wan, Hong Kong) for the attention of the Company Secretary.

The Requisition must state clearly the name(s) of the Requisitionist(s) concerned, his/her/their shareholding in the Company, the reason(s) to convene an EGM and the proposed agenda.

The Company will check the Requisition and the identity and shareholding of the Requisitionist(s) will be verified with the Company’s branch share registrar in Hong Kong. If the Requisition is found to be proper and in order, the Company Secretary will ask the Board to convene an EGM and/or include the proposal(s) made or the resolution(s) proposed by the Requisitionist(s) at the EGM within two months after the deposit of the Requisition. On the contrary, if the Requisition has been verified as not in order, the Requisitionist(s) will be advised of the outcome and accordingly, the Board or the Company Secretary will not call for an EGM nor include the proposal(s) made or the resolution(s) proposed by the Requisitionist(s) at the EGM.

If within 21 days of the deposit of the Requisition the Board or the Company Secretary fails to proceed to convene such EGM, the Requisitionist(s) himself/herself/themselves may do so in the same manner, and all reasonable expenses incurred by the Requisitionist(s) as a result of the failure of the Board or the Company Secretary to convene an EGM shall be reimbursed to the Requisitionist(s) by the Company.

Shareholders' Rights (Continued)

Procedures for Shareholders to Send Enquires to the Board

Shareholders may direct their enquiries about their shareholdings, share transfer/registration or their notification of change of their correspondence address or dividend/distribution instructions to the Company's branch share registrar and transfer office in Hong Kong, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong.

Shareholders may send their enquiries and concerns to the Board by post to the headquarters and principal place of business of the Company in Singapore at 1 Pemimpin Drive, #03–04 One Pemimpin, Singapore 576151 or by email to info@e-station.com.hk for the attention of the Company Secretary.

Upon receipt of the enquiries, the Company Secretary will forward the communications relating to:

1. the matters within the Board's purview to the executive Directors;

2. the matters within a Board committee's area of responsibility to the chairman of the appropriate committee; and

3. ordinary business matters, such as suggestions, enquiries and client complaints to the appropriate management of the Company.

Communication with the Shareholders

The Company has adopted shareholders communication policy with the objective of ensuring that the shareholders and potential investors are provided with ready, equal and timely access to balanced and understandable information about the Company. The Company has established several channels to communicate with the shareholders as follows:

(i) Corporate communications such as annual reports, interim reports, quarterly reports and circulars are issued in printed form and are available on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.kgroup.com.hk;

(ii) Periodic announcements are published on the websites of the Stock Exchange and the Company;

(iii) Corporate information is made available on the Company's website; and

(iv) Annual and extraordinary general meetings provide a forum for the shareholders to make comments and exchange views with the Directors and senior management.

The Company is dedicated to promoting investor relations and enhancing communication with the existing shareholders and potential investors. It welcomes suggestions from investors, stakeholders and the public. Enquiries to the Board or the Company may be sent by post to the Company's principal place of business in Hong Kong.

The Company has reviewed the implementation and effectiveness of the shareholder communication policy during the year ended 31 August 2024 and conclude that it is effective because some minority shareholders have personally approached the company and for relevant news.

Whistleblowing Policy

The whistleblowing policy has been put in place for all employees and those who have business dealings with the Group (including customers and suppliers) to deal with concerns related to fraudulent or unethical acts or non-compliances with laws and the Group's policies that have or could have significant adverse financial, legal or reputational impacts on the Group. They may raise concerns about the possible improprieties in any matters related to the Group, in person or in writing to the company secretary of the Company who shall report to the chairman of the Audit Committee in confidence and anonymity. The chairman of the Audit Committee shall then determine the course of action to pursue, with power to delegate, with respect to the report.

Anti-Corruption Policy

The Group has formulated its own anti-corruption policy to ensure the Directors and employees within the Group comply with the Hong Kong Prevention of Bribery Ordinance, the Criminal Law of the PRC, the Anti-Unfair Competition Law of the PRC and the Anti-Money Laundering Law of the PRC, where applicable. The policy sets out the integrity and conduct requirements and policies or controls in place which applies to all Directors and employees of the Group at all levels, and external parties doing business with the Group and those acting in an agency or fiduciary capacity on behalf of the Group (e.g., agents, consultants and contractors). The policy is reviewed from time to time to ensure that it remains appropriate.

Changes in the Information of Directors Pursuant to Rule 17.50A(1) of the GEM Listing Rules

Save as disclosed in this report, the Company is not aware of any other change in Directors' information which are required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules since the publication of 2023 interim report of the Company and up to the date of this report.

The Directors present the annual report together with the audited consolidated financial statements of the Group for the Year.

Principal Activities

The principal activity of the Company is investment holding. The Group is a multi-brand restaurant group headquartered in Singapore, of which the restaurants are mainly operated under a franchise model. Particulars of the principal activities of its subsidiaries are set out in note 1 to the consolidated financial statements. There were no significant changes in the nature of the Group's principal activities during the Year.

Results and Dividends

The results and the state of affairs of the Group for the Year are set out in the consolidated financial statements on pages 89 to 166 of this annual report.

The Board has resolved not to declare the payment of a final dividend for the Year (2023: Nil).

Business Review

The business review of the Group for the Year is set out in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" on pages 5 to 15 of this annual report.

A discussion and analysis of the activities of the Company as required by Schedule 5 to the Hong Kong Companies Ordinance, including a discussion of the principal risks and uncertainties facing the Group and an indication of likely future developments in the Group's businesses, the compliance with relevant laws and regulations which have a significant impact on the Company, can be found in the "Management Discussion and Analysis" on pages 8 to 15 and "Corporate Governance Report" on pages 19 to 39. Such discussion forms part of this report.

Financial Summary

A summary of the results and the assets and liabilities of the Group for each of the latest five financial years is set out on pages 167 to 168 of this annual report. This summary does not form part of the audited consolidated financial statements.

Dividend Policy

The Company has adopted a dividend policy (the "**Dividend Policy**"), pursuant to which the Company may declare and distribute dividends to the shareholders of the Company (the "**Shareholders**") to allow Shareholders to share the Company's profits and for the Company to retain adequate reserves for future growth.

The declaration and payment of dividends are subject to the criteria set out in the Dividend Policy, shall remain to be determined at the absolute discretion of the Board and shall be in accordance with the applicable laws including the Companies Law, Chapter 22 of the Cayman Islands and the requirements under the articles of association of the Company.

Dividend Policy (Continued)

In deciding whether to propose a dividend and in determining an appropriate basis for dividend distribution, the Board will take into account the Group's actual and expected financial performance, shareholders' interests, retained earnings and distributable reserves of the Company and each of the other members of the Group, the level of the Group's debts to equity ratio, return on equity and financial covenants to which the Group is subject, possible effects on the Group's creditworthiness, any restrictions on payment of dividends that may be imposed by the Group's lenders, working capital and future expansion plans, liquidity position, taxation, statutory restrictions and general business conditions and strategies, and other factors that the Board considers appropriate.

The Company will continually review the Dividend Policy and reserves the right in its sole and absolute discretion to update, amend and/or modify the Dividend Policy at any time. The Dividend Policy shall in no way constitute a legally binding commitment by the Company that dividends will be paid in any particular amount and/or in no way obligate the Company to declare a dividend at any time or from time to time.

Charitable Donations

During the Year, the Group has not made charitable donation (2023: Nil).

Plant and Equipment

Details of movements in the plant and equipment of the Group during the Year are set out in Note 14 to the consolidated financial statements.

Borrowings

Particulars of borrowings of the Group as at 31 August 2024 are set out in Note 24 to the consolidated financial statements.

Interest Capitalised

The Group has not capitalised any interest during the Year (2023: Nil).

Share Capital

Details of the Company's share capital is set out in Note 27 to the consolidated financial statements.

Pre-Emptive Rights

There is no provision for pre-emptive or similar rights under the laws of the Caymans Islands, being the jurisdiction in which the Company was incorporated or the Articles of Association which would oblige the Company to offer new shares on a pro-rata basis to the existing Shareholders.

Reserves

Details of movements in reserves of the Group and the Company during the Year are set out in the consolidated statement of changes in equity on page 92 and in Note 32 to the consolidated financial statements, respectively.

Distributable Reserves

Under the Companies Law of the Cayman Islands, the Company may pay dividends out of the profit or the share premium account in accordance with the provisions of Articles of Association, provided that immediately following the date on which the dividend is proposed to be distributed, the Company remains able to pay the debts as and when they fall due in the ordinary course of business. As at 31 August 2024, the Company didn't have reserves available for distribution to Shareholders comprising share premium and accumulated losses.

Purchase, Sale or Redemption of Listed Securities of the Company

During the Year and thereafter up to the date of this report (the "**Compliance Period**"), the Company did not redeem any of its listed securities, nor did the Company or any of its subsidiaries purchase or sell such securities.

Directors

The Directors during the Year and up to the date of this annual report were as follows:

Executive Directors

Mr. Li Junjian *(Chairman)*
Mr. Chiang Ming Chun *(Vice-Chairman)*
Mr. Yeap Wei Han, Melvyn *(Chief Financial Officer)*
Mr. Liang Qianyuan[1]
Ms. Wong Pui Kei Peggy[2]
Mr. Zhou Junqi *(Chairman)*[3]

Non-Executive Director

Mr. Su Shiyi[4]

Independent Non-Executive Directors

Mr. Chau Wing Nam
Ms. Huang Weiyan[5]
Mr. Lee Ming Yeung, Michael[6]
Mr. Lei Xiongpeng[7]

1. Appointed on 16 May 2024
2. Resigned on 11 June 2024
3. Resigned on 13 December 2023
4. Appointed on 27 October 2023
5. Appointed on 31 May 2024
6. Resigned on 31 May 2024
7. Appointed on 14 September 2023, resigned on 15 October 2024

Directors (Continued)

Article 112 of the Article of Association provides that any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of the Company after his appointment and be subject to re-election at such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following AGM of the Company and shall then be eligible for re-election.

Mr. Liang, who was appointed on 15 May 2024 and Ms. Huang, who was appointed on 31 May 2024, shall hold office of Director until the forthcoming AGM. Mr. Liang and Ms. Huang, being eligible, will offer themselves for re-election as a Director at the 2025 AGM.

Articles 108 (a) and (b) of the Articles of Association provide that (1) one-third of the Directors for time being or, if their number is a not multiple of three, the number nearest to but not less than one-third shall retire from office by rotation at each AGM, provided that every Director shall be subject to retirement by rotation at least once every three years; and (2) a retiring Director shall be eligible for re-election. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of Directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election.

Mr. Chiang and Mr. Chau will retire at the 2025 AGM and all of them, being eligible, will offer themselves for re-election at the 2025 AGM.

Independence of the INEDs

The Company has received, from each of the INEDs, a written confirmation of their independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company considers that all of the INEDs are independent.

Directors' Service Contracts

Each of the EDs and non-executive Director has entered into a service contract with the Company and each of the INEDs has signed a letter of appointment with the Company. The service contracts with each of the ED and non-executive Director and the letters of appointment with each of the INEDs are for a term of three years commencing from the date of the service contracts and letters of appointment. The service contracts and letters of appointment are subject to termination in accordance with their respective terms. The service contracts may be renewed in accordance with the memorandum and articles of association of the Company and the applicable GEM Listing Rules.

Save as disclosed aforesaid, none of the Directors has entered into a service agreement or agreement for appointment with the Company or any of its subsidiaries other than the agreement expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation).

All Directors are subject to retirement by rotation at least once every three years in accordance with the Articles of Association.

Directors' and Senior Management's Biographies

Biographical details of the Directors and the senior management of the Group are set out on pages 16 to 18 of this annual report.

Securities Transactions by Directors

The Company has adopted the Required Standard of Dealings set out in the GEM Listing Rules as rules governing dealings by Directors in the listed securities of the Company. Following a specific enquiry made by the Company on each of the Directors, all Directors have confirmed that they had complied with the Required Standard of Dealings.

Directors' and Controlling Shareholders' Interests in Contracts

Other than as disclosed in Note 29 to the consolidated financial statements, no transactions, arrangements and contracts of significance in relation to the Group's business to which the Company, or any of its holding company or subsidiaries or fellow subsidiaries was a party and in which a Director, controlling shareholders (as defined in the GEM Listing Rules) of the Company and of their subsidiaries and their respective connected entities had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

Arrangements to Enable Directors to Acquire Shares or Debentures

At no time during the Year was the Company or any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or their respective associates (as defined in the GEM Listing Rules) to acquire benefits by means of the acquisition of shares in or debentures of the Company or of any other body corporate.

Management Contracts

No contract, other than the employment contracts, concerning management and administration of the whole or any substantial part of the Group's businesses was entered into or existed during the Year.

Directors' and Controlling Shareholders' Interests in Competing Business

None of the Directors or the controlling Shareholders or their respective close associates (as defined in the GEM Listing Rules) had interests in any business apart from the Group's businesses, which competed or was likely to compete, either directly or indirectly, with the businesses of the Group and any other conflicts of interest which any such person had or might have with the Group during the Compliance Period.

Compliance of Non-Competition Undertakings

The Group and the controlling shareholder(s) (as defined under GEM Listing Rules) of the Company (each a "**Covenantor**" and collectively the "**Covenantors**") have entered into a deed of non-competition (the "**Deed of Non-competition**" and the "**Non-competition**", respectively) with the Company (for itself and for the benefit of each other member of the Group) on 23 July 2018, details of which are set out in the Prospectus. Pursuant to the Deed of Non-competition, each of the Covenantors has, among other things, irrevocably and unconditionally undertaken to the Company (for itself and on behalf of its subsidiaries) that, during the period that the Deed of Non-competition remains effective, he/it shall not, and shall procure that his/its close associates (other than any member of the Group) not to develop, acquire, invest in, participate in, carry on or be engaged, concerned or interested or otherwise be involved, whether directly or indirectly, in any business in competition with or likely to be in competition with the business activity of any member of the Group.

Compliance of Non-Competition Undertakings (Continued)

Each of the Covenantors further undertakes that if any of he/it or his/its associates other than any member of the Group is offered or becomes aware of any business opportunity which may compete with the business of the Group, he/it shall (and he/it shall procure his/its close associates to) notify the Group in writing and the Group shall have a right of first refusal to take up such business opportunity. The Group shall, within six months after receipt of the written notice (or such longer period if the Group is required to complete any approval procedures as set out under the GEM Listing Rules from time to time), notify the Covenantor(s) whether the Group will exercise the right of first refusal or not.

For further details of the Deed of Non-competition, please refer to the section headed "Relationship with our Controlling Shareholder(s)" in the Prospectus.

The Company has received from each of the Covenantors a written confirmation on the compliance with the Non-competition during the Compliance Period. The INEDs have reviewed the status of compliance and confirmed that all the undertakings under the Deed of Non-competition have been complied with by each of the Covenantors and duly enforced during the Compliance Period.

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations

As at 31 August 2024, 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 and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("**SFO**")), which were required (i) to be 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 which they were taken or deemed to have under such provisions of the SFO) or (ii) pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or (iii) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

(i) Long position in the Shares

Name of Directors/ Chief executive	Capacity/Nature of interest	Number of Shares/ underlying Shares interested *(Note 1)*	Approximate percentage of the Company's issued Shares*
Mr. Li	Beneficial owner	6,816,000	11.67%
Mr. Yeap *(Note 2)*	Interest held jointly with another person	3,049,900	5.22%
Ms. Huang	Beneficial owner	528,000	0.90%

Notes:

1. All interests stated are long positions.

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations (Continued)

(i) Long position in the Shares (Continued)

Notes: (Continued)

2. These Shares were held by Canola Investment Holdings Limited ("**Canola**") which was in turn owned as to approximately 33.69% by Mr. Lai Weijie, Terence ("**Mr. Terence Lai**"), 23.17% by Mr. Yeap, 16.85% by Mr. Ho Zhi Yi, Levi ("**Mr. Ho**"), 12.64% by Mr. Tan Chien Fong ("**Mr. Tan**"), 12.64% by Mr. Ng Yook Tim ("**Mr. Ng**") and 1.01% by Mr. Lai Weikang, Derek ("**Mr. Derek Lai**"). On 10 February 2018, Mr. Terence Lai, Mr. Yeap, Mr. Ho, Mr. Tan, Mr. Ng and Mr. Derek Lai entered into an acting-in-concert confirmation (the "**Confirmation**"), pursuant to which they had confirmed that they had been parties acting in concert in the operation and management of the Group since 1 October 2015. Accordingly, each person under the concert party arrangement is taken to be interested in the Shares the other part(ies) under such concert party arrangement is/are interested under the SFO.

* The percentage represents the total number of the Shares and the underlying Shares interested divided by the number of issued Shares of 58,382,280 as at 31 August 2024.

(ii) Long position in the ordinary shares of associated corporation

Name of Directors/ Chief executive	Name of associated corporation	Capacity/Nature of interest	Number of ordinary shares held *(Note 1)*	Approximate percentage of shareholding
Mr. Yeap	Canola *(Note 2)*	Beneficial owner	2,317	23.17%

Notes:

1. All interests stated are long positions.

2. Canola is a direct Shareholder of the Company ("**Shareholder**") and is an associated corporation of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, as at 31 August 2024, none of the Directors nor the chief executive of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be (i) 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 which they were taken or deemed to have under such provisions of the SFO); or (ii) recorded in the register referred to therein pursuant to Section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

Substantial Shareholders' and Other Persons' Interests and Short Positions In Shares and Underlying Shares of the Company

As at 31 August 2024, so far as is known to the Directors, the following entity or persons, other than the Directors and the chief executive of the Company, had interests or short positions in the Shares and underlying Shares recorded in the register required to be kept by the Company under section 336 of the SFO:

Long position in the Shares

Name of Shareholders	Capacity/Nature of interest	Number of Shares interested or held *(Note 1)*	Approximate percentage of the Company's issued Shares*
Team One Global Limited *(Note 2)*	Beneficial owner	8,800,000	15.07%
STAR HAPPY INTERNATIONAL LIMITED *(Note 2)*	Interest of controlled corporation	8,800,000	15.07%
Lan Jing *(Note 2)*	Interest of controlled corporation Beneficial owner	8,800,000 528,000	15.07% 0.90%
Fast Glory Group Limited	Beneficial owner	3,168,500	5.43%
Canola	Beneficial owner	3,049,900	5.22%
Ms. Ong Hui Hui ("**Ms. Ong**") *(Note 3)*	Interest of spouse	3,049,900	5.22%
Ms. Teo Yan Qi Sharon ("**Ms. Teo**") *(Note 4)*	Interest of spouse	3,049,900	5.22%
Mr. Terence Lai *(Note 5)*	Interest held jointly with another person	3,049,900	5.22%
Mr. Tan *(Note 5)*	Interest held jointly with another person	3,049,900	5.22%
Mr. Ng *(Note 5)*	Interest held jointly with another person	3,049,900	5.22%
Mr. Derek Lai *(Note 5)*	Interest held jointly with another person	3,049,900	5.22%
Mr. Ho *(Note 5)*	Interest held jointly with another person	3,049,900	5.22%

Substantial Shareholders' and Other Persons' Interests and Short Positions In Shares and Underlying Shares of the Company (Continued)

Long position in the Shares (Continued)

Notes:

1. All interests stated are long positions.

2. Team One Global Limited is wholly owned by STAR HAPPY INTERNATIONAL LIMITED, which in turn is legally and beneficially wholly owned by Ms. Lan Jing. Therefore STAR HAPPY INTERNATIONAL LIMITED and Ms. Lan Jing are deemed to be interested in the Shares in which Team One Global Limited is interested under the SFO.

3. Ms. Ong is the spouse of Mr. Ho and she is deemed to be interested in all the Shares which are beneficially owned and deemed to be held by Mr. Ho under the SFO.

4. Ms. Teo is the spouse of Mr. Tan and she is deemed to be interested in all the Shares which are beneficially owned and deemed to be held by Mr. Tan under the SFO.

5. On 10 February 2018, Mr. Terence Lai, Mr. Yeap, Mr. Ho, Mr. Tan, Mr. Ng and Mr. Derek Lai entered into the Confirmation, whereby they confirmed that among other things, since 1 October 2015, they had been actively cooperating with one another and acting in concert, with an aim to achieving consensus and concerted action on all operating and financing decisions and major affairs relating to each member company within the Group. Details of the acting in concert arrangement are set out in the section headed "History, Reorganisation and Corporate Structure — Acting-in-concert Confirmation" of the Prospectus. As such, each of Mr. Terence Lai, Mr. Yeap, Mr. Ho, Mr. Tan, Mr. Ng and Mr. Derek Lai is deemed to be interested in 5.22% of the issued Shares.

* The percentage represents the total number of the Shares and the underlying Shares interested divided by the number of issued Shares of 58,382,280 as at 31 August 2024.

Share Option Scheme

The Company had conditionally adopted a share option scheme (the "**Share Option Scheme**") on 23 July 2018 (the "**Adoption Date**"), which became effective upon the commencement of dealings of the Shares on the Stock Exchange on the Listing Date. The terms of the Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

Pursuant to the Share Option Scheme, 4,000,000 share options (2023: Nil) were granted to eligible participants of the Group during the Year. The movements of share options under the Share Option Scheme during the Year are as follows:

					Number of share options					
Category/Name of grantees	Date of grant	Exercise price (HKD)	Vesting date	Exercise period	Balance as at 1 September 2023	Granted during the Year *(Note 1)*	Exercised during the Year	Lapsed during the Year	Cancelled during the Year	Balance as at 31 August 2024
Ex-Directors										
Mr. Zhou Junqi[7]	20 September 2023	0.320	20 September 2023	20 September 2023 to 19 September 2028	–	528,000	528,000 *(Note 2)*	–	–	–
Ms. Wong Pui Kei Peggy[6]	20 September 2023	0.320	20 September 2023	20 September 2023 to 19 September 2028	–	528,000	528,000 *(Note 2)*	–	–	–
Employees										
In aggregate	20 September 2023	0.320	20 September 2023	20 September 2023 to 19 September 2028	–	1,056,000	1,056,000 *(Note 2)*	–	–	–
In aggregate	27 October 2023	0.319	27 October 2023	27 October 2023 to 26 October 2028	–	1,888,000	1,888,000 *(Note 3)*	–	–	–
Total					–	4,000,000	4,000,000	–	–	–

Share Option Scheme (Continued)

Notes:

1. The closing price of the shares on the trading day immediately before 20 September 2023 and 27 October 2023, on which the share options were granted, was HKD0.305 per share and HKD0.310 per share respectively.

2. The weighted average closing price of the shares immediately before the date on which the options were exercised was HKD0.320.

3. The weighted average closing price of the shares immediately before the date on which the options were exercised was HKD0.335.

4. The number of Shares that may be issued in respect of the share options granted under the Share Option Scheme during the Year divided by the weighted average number of Shares in issue for the Year was nil.

5. The number of share options available for grant under the Share Option Scheme as at 1 September 2023 and 31 August 2024 was 4,000,000 and Nil respectively.

6. As at the date of the 2024 Annual Report (i.e. 29 November 2024), the total number of shares available for issue under the Share Option Scheme was nil, representing 0% of the total number of issued shares of the Company.

7. Resigned on 11 June 2024.

8. Resigned on 13 December 2023.

9. Details of the calculation of the fair value of the share options are set out in note 28 to the consolidated financial statements.

There is no performance target attached to the Options.

The purpose of the Share Option Scheme is to provide incentive to eligible participants in order to promote the development and success of the business of the Group. The Options to be granted will give the Grantees an opportunity to have a personal stake in the Company and will help motivate the Grantee in optimizing their performance and efficiency. The number of Options to be granted are based on the work performance and potential of the Grantee and no additional performance target is imposed before the Options are vested to the Grantee. In view of the above, the remuneration committee of the Company considered the grant of Options aligned with the purpose of the Share Option Scheme.

The Options granted were subject to the clawback mechanism as set out in the terms of the Share Option Scheme, including but not limited to the lapse of Options upon the cessation of employment of the Grantees.

There is no arrangement for the Group to provide any financial assistance to any of the Grantees to facilitate the purchase of Shares under the Share Option Scheme.

The Board and the remuneration committee of the Board are of the view that a vesting period of the option granted is shorter than 12 months or no vesting period, as the case may be, is appropriate considering that the grants of the options serve as a recognition of the grantees' past contribution to the Group and as an incentive to the grantees to continuous contribution to the development of the Group.

Share Option Scheme (Continued)

The following is a summary of the principal terms of the rules of the Share Option Scheme:

The purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group and to promote the success of the business of the Group.

Participants

The Board may, at its absolute discretion and on such terms as it may think fit, grant any employee (full-time or part-time), director, consultant or adviser of the Group, or any substantial shareholder of the Group, or any distributor, contractor, supplier, agent, customer, business partner or service provider of the Group, options to subscribe for such number of Shares as it may determine in accordance with the terms of the Share Option Scheme.

The basis of eligibility of any participant to the grant of any option shall be determined by the Board (or as the case may be, the INEDs) from time to time on the basis of his contribution or potential contribution to the development and growth of the Group.

Basis of exercise price

The subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be a price solely determined by the Board and notified to a participant and shall be at least the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option, which must be a date on which the Stock Exchange is open for the business of dealings in securities (the "**Business Day**"); (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the date of grant of the option; and (iii) the nominal value of a Share on the date of grant of the option.

Maximum number of Shares available for issue

The maximum number of Shares issuable upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company as from the Adoption Date (excluding, for this purpose, Shares issuable upon exercise of options which have been granted but which have lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company) must not in aggregate exceed 10% of all our Shares in issue as at the Listing Date. As at the date of this annual report, the maximum number of Shares underlying all grants to be made pursuant to the Share Option Scheme was nil.

The 10% limit as mentioned above may be refreshed at any time by approval of the Shareholders in general meeting provided that the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company must not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit. Options previously granted under the Share Option Scheme and any other share option schemes of the Company (including those outstanding, cancelled or lapsed in accordance with the terms of the Share Option Scheme and any other share option schemes of the Company) will not be counted for the purpose of calculating the refreshed 10% limit. A circular must be sent to the Shareholders containing the information as required under the GEM Listing Rules in this regard.

Share Option Scheme (Continued)

Maximum number of Shares available for issue (Continued)

The Company may seek separate approval from the Shareholders in general meeting for granting options beyond the 10% limit provided that the options in excess of the 10% limit are granted only to grantees specifically identified by the Company before such approval is sought. In such event, the Company must send a circular to the Shareholders containing a generic description of such grantees, the number and terms of such options to be granted and the purpose of granting options to them with an explanation as to how the terms of the options will serve such purpose and all other information required under the GEM Listing Rules.

The aggregate number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the Shares in issue from time to time. No options may be granted under the Share Option Scheme or any other share option schemes of the Company if this will result in such 30% limit being exceeded.

Maximum entitlement of each participant

The total number of Shares issued and to be issued upon exercise of the options granted to any participant (including both exercised and outstanding options) under the Share Option Scheme or any other share option schemes of the Company in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue. Any further grant of options in excess of such limit must be separately approved by the Shareholders in general meeting with such grantee and his close associates abstaining from voting. In such event, the Company must send a circular to the Shareholders containing the identity of the grantee, the number and terms of the options to be granted (and options previously granted to such grantee), and all other information required under the GEM Listing Rules. The number and terms (including the subscription price) of the options to be granted must be fixed before the approval of the Shareholders and the date of the Board meeting proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price.

Where any grant of options to a substantial Shareholder or an INED (or any of their respective close associates) will result in the total number of Shares issued and to be issued upon exercise of all options already granted and to be granted to such person under the Share Option Scheme and any other share option schemes of the Company (including options exercised, cancelled and outstanding) in any 12-month period up to and including the date of grant:

(a) representing in aggregate over 0.1% of the Shares in issue; and

(b) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HKD5 million, such further grant of options is required to be approved by the Shareholders at a general meeting of the Company, with voting to be taken by way of poll. The Company shall send a circular to the Shareholders containing all information as required under the GEM Listing Rules in this regard.

Period and amount payable for taking up an option

An offer for the grant of options must be accepted within seven days inclusive of the day on which such offer was made. The amount payable by the grantee of an option to the Company on acceptance of the offer for the grant of an option is HKD1.

Share Option Scheme (Continued)

Vesting period of option

Save as determined by the Board and provided in the offer of the grant of the relevant options, there is no minimum period for which an option must be held before it can be exercised.

Remaining life

The Share Option Scheme will remain in force for a period of ten years commencing on the Adoption Date and shall expire at the close of business on the Business Day immediately preceding the tenth anniversary thereof unless terminated earlier by the Shareholders in general meeting.

The Share Option Scheme has a remaining life of approximately 3.7 years as at the date of this annual report.

Equity-Linked Agreements

No equity-linked agreements that will or may result in the Company issuing Shares or that require the Company to enter into any agreements that will or may result in the Company issuing Shares were entered into by the Company, or subsisting during the Year.

Debenture, Convertible Securities, Options, Warrants or Similar Rights

Save as disclosed in the report, no debenture, convertible securities, options, warrants or similar rights were issued or granted by the Company, or subsisting, during the Year.

Fund Raising Activities

Save as disclosed in this report, there were no fund-raising activities conducted by the Company during the Year.

Compliance with the Relevant Laws and Regulations

During the Year, there was no material breach of the applicable laws and regulations by the Group.

Major Customers and Suppliers

Due to the nature of restaurant and catering business, the Group's major customers were mainly retail customers.

For the Year, purchases from the Group's five largest suppliers accounted for 30.0% of the Group's total purchases of raw materials and consumables consumed. During the Year, purchases from the Group's largest supplier accounted for 14.4% of the Group's total purchases of raw materials and consumables. Save as disclosed above, none of the Directors, their respective associates, or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued Shares) had any significant beneficial interest in the major customers and suppliers disclosed above.

Related Party Transactions and Connected Transactions

Details of the related party transactions entered into by the Group during the Year are set out in Note 29 to the consolidated financial statements. None of these related party transactions constitute non-fully exempted "connected transaction" or "continuing connected transaction" under Chapter 20 of the GEM Listing Rules. The Company confirms that it complies with the requirements set forth in Chapter 20 of the GEM Listing Rules.

Corporate Governance Practices

The Company is firmly committed to maintaining and ensuring a high level of corporate governance standards and will review and improve the corporate governance practices and standards constantly.

Details of the principal corporate governance practices adopted by the Company are set out in the section headed "Corporate Governance Report" on pages 19 to 39 of this annual report.

Sufficiency of Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors, during the Compliance Period and thereafter up to the date of this annual report, the Board confirms that the Company has maintained a sufficient public float as required by the GEM Listing Rules (i.e. at least 25% of the Company's issued Shares in public hands).

Permitted Indemnity Provision

Article 191 of the Articles of Association provides that the Directors, managing directors, alternate directors, auditors, secretary and other officers of the Company and the trustees (if any) shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of their duty or supposed duty in their respective offices or trust, except such (if any) as they shall incur or sustain through their own fraud or dishonesty.

Such permitted indemnity provision has been in force throughout the Compliance Period. The Company has taken out an insurance policy under which the Directors and the Senior Management are indemnified from and against any losses, damages, liabilities and expenses arising from, including but not limited, to any proceedings brought against them during the performance of their duties and responsibilities.

The Company has arranged appropriate Directors' and officers' liability insurance coverage for the Directors and officers of the Company during the Compliance Period.

Employees and remuneration policy

The Group had 18 full-time employees and 6 part-time employees as at 31 August 2024. Remuneration is determined by reference to market terms and in accordance with the performance, qualification and experience of each individual employee. Discretionary bonuses, based on each individual's performance, are paid to employees as recognition and in reward for their contributions. The Company has also established the remuneration committee to make recommendations to the Board on the terms of remuneration packages, bonuses and other compensation and on the Group's policy and structure for remuneration. The Group values its employees and grows its staff by providing various trainings, including paid overseas visits to home brands in Korea, training on food processing procedures, training on customer service, etc.

On 23 July 2018, the Company passed a resolution for the adoption of a share option scheme (the "**Share Option Scheme**"). The purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group and to promote the success of the business of the Group.

Emoluments of Directors and Five Highest Paid Employees

Details of the emoluments of the Directors and the five individuals with the highest emoluments for the Year are set out in Note 11 to the consolidated financial statements.

There was no arrangement under which a Director has waived or agreed to waive any emoluments for the Year.

The remuneration of the Directors are formulated and recommended by the RC taking into account the Directors' experience, responsibilities, workload, performance and the time devoted to the Group.

Save for Directors' fees, none of the INEDs is expected to receive any other remuneration for holding their office as an INED.

Tax Relief

The Company is not aware of any relief on taxation to the Shareholders by reason of their holding of the Shares. If unsure about the taxation implications of purchasing, holding, disposing of, dealing in or exercising of any rights relating to the Shares, Shareholders are advised to consult their professional advisers.

Important Events After the Year

1. On 9 October 2024, Mr. Zhou Bo and Ms. Lin Weiyi (collectively, the "**Subscribers**") and the Company entered into the settlement agreements (the "**Settlement Agreements**") respectively, pursuant to which the Company has conditionally agreed to allot and issue, and the Subscribers have conditionally agreed to subscribe for the an aggregate of 7,776,360 new shares (the "**Settlement Shares**") at HKD0.315 per Settlement Share (the "**Settlement Price**") in settlement of the indebtedness due from the Group to the Subscribers (the "**Settlement**").

   Pursuant to the Settlement Agreements, subject to satisfaction of the conditions and at completion:

   (i) the Company shall duly issue and allot 7,046,200 Settlement Shares at the Settlement Price of HKD0.315 per Share to Mr. Zhou Bo, and the aggregate Settlement Price of the Settlement Shares in sum of approximately HKD2.2 million shall be set off against all indebtedness due from the Group to Mr. Zhou Bo at completion in the total amount of approximately HKD2,219,000 and no cash shall be payable by the Subscriber A to the Company in respect of such aggregate Settlement Price; and

   (ii) the Company shall duly issue and allot 730,160 Settlement Shares at the Settlement Price of HKD0.315 per Share to Ms. Lin Weiyi, and the aggregate Settlement Price of the Settlement Shares in sum of approximately HKD0.2 million shall be set off against all indebtedness due from the Group to Subscriber B at Completion in the total amount of approximately HKD230,000 and no cash shall be payable by Ms. Lin Weiyi to the Company in respect of such aggregate Settlement Price.

   There will be no proceeds from the issue of Settlement Shares, as the Settlement Shares are to be used to settle the Indebtedness in full. The Directors consider that the Settlement Agreement, if completed, would help strengthen the balance sheet of the Group and reducing indebtedness without significant cash outflow.

   The Settlement completed on 1 November 2024.

2. On 9 October 2024, the Company and Mr. Zhou Bo entered into the subscription agreement, pursuant to which the Company has conditionally agreed to allot and issue, and Mr. Zhou Bo has conditionally agreed to subscribe for (the "**Subscription**"), 2,001,360 new Shares (the "**Subscription Shares**") at HKD0.315 per subscription share.

   The Board considers that the Subscription represents a good opportunity to raise additional funds to strengthen the financial position of the Group and provide funding to the Group to finance its working capital needs.

   It is expected that the gross proceeds of the Subscription will be approximately HKD0.6 million and the net proceeds of the Subscription, after the deduction of all professional fees and related expenses, is estimated to be approximately HKD0.6 million. The net proceeds from the Subscription are intended to be used as general working capital of the Group. The aggregate nominal value of the Subscription Shares is HKD200,136. The market value of the Subscription Shares is approximately HKD0.6 million, based on the closing price of HKD0.275 per Share on the date of the Subscription Agreement. The net Subscription Price (after deduction of all professional fees and related expenses) is estimated to be approximately HKD0.300 per Subscription Share. The Subscription Shares, when allotted and issued, will rank pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue thereof.

   The Subscription completed on 1 November 2024.

Important Events After the Year (Continued)

3. On 22 November 2024, 千盛（深圳）控股集團有限公司 (as purchaser) and Mr. Zheng Nianqiang (as vendor) entered into the sale and purchase agreement (the "**SPA**"), pursuant to which the purchaser agreed to acquire and the vendor agreed to sell, 51% equity interest of 南京華意投資发展有限公司 at a total consideration of HKD3.4 million, which will be satisfied by the issue of the promissory note (the "**Promissory Note**") upon completion. The Promissory Note has 5 years maturity date from the date of issue the Promissory Note with no interest rate.

   Completion shall take place on the fifth Business Day after the date of the SPA or such other date as the vendor and the purchaser may agree. After completion, the 南京華意投資发展有限公司 will became a non wholly-owned subsidiary of the Company and its financial statements will be consolidated into the financial statements of the Group.

   As at the date of this annual report, the Acquisition has not yet completed.

   For details, please refer to the announcement of the Company dated 22 November 2024.

Save as those disclosed above and in this annual report, the Board is not aware of any material event requiring disclosure, that has taken place subsequent to 31 August 2024 and up to the date of this report.

Review by Audit Committee

The AC was established on 23 July 2018 with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and code provisions D.3.3 and D.3.7 of the Corporate Governance Code as set out in Appendix C1 to the GEM Listing Rules. The primary duties of the AC are, among other things, to make recommendations to the Board on the appointment, re-appointment and removal of external auditors and to review and monitor the financial reporting process, risk management and internal control systems of the Group. The AC currently comprises two INEDs, namely Mr. Chau and Ms. Huang. Mr. Chau is the chairman of the AC.

The AC has reviewed the audited consolidated financial statements and is of the view that such statements have been prepared in compliance with the applicable accounting standards, the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

Independent Auditor

The consolidated financial statements for the Year have been audited by TARGET who retire and, being eligible, offer themselves for re-appointment at the 2025 AGM. A resolution will be proposed to the Shareholders at the 2025 AGM to re-appoint TARGET as the independent auditor of the Company.

By Order of the Board
E-STATION GREEN TECHNOLOGY GROUP CO., LIMITED

Li Junjian
Chairman and Executive Director

Singapore, 29 November 2024

About This Report

E-Station Green Technology Group Co., Limited (referred to as "**the Group**" or "**Company**") is pleased to present its Environmental, Social and Governance Report ("**ESG Report**") to provide an overview of its management and achievement regarding the Environmental, Social and Governance aspects ("**ESG**"). This ESG Report aims to show the Group's commitment and determination in leading its Company to sustainability that helps resolve various ESG-related issues that may impact the Group's management and operations.

This ESG Report is prepared in accordance with all applicable provisions set out in the Environmental, Social and Governance Reporting Guide (the "**ESG Reporting Guide**") of the GEM Listing Rules in the Appendix 20 issued by the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The Group has adhered to the Materiality, Quantitative, Balance and Consistency reporting principles when disclosing its ESG performance in the Reporting Period. All the information in the ESG Report was sourced from the official documents, statistical data and management and operational information of and collected by the Group.

The Group encountered changes to the data collection systems in the Reporting Period, which resulted in some variations in data disclosure. Looking forward, the Group will continue to review and improve data collection processes to enhance the accuracy and completeness of data disclosure.

The Report is prepared and published in both English and Chinese. In the event of contradiction or inconsistency, the English version shall prevail. The Report is available on the website of the Stock Exchange.

Reporting period and scope

Reporting Period: 1 September 2023 to 31 August 2024 (the "**Reporting Period**")

Reporting Scope: Unless otherwise stated, this ESG Report only covers the operating activities that are the major revenue sources of the Group and considered as material by the Group. Hence, it covers the Group's principal business of (i) sale of food ingredients in the PRC; and (ii) restaurant operations in Singapore and Hong Kong Special Administrative Region ("**HKSAR**"), including 4 self-operated restaurants under different brands.

About This Report (Continued)

Reporting principles

During the preparation for this ESG Report, the Group has applied the reporting principles in Appendix 20 as follows:

Reporting principles	Application
Materiality	Materiality assessment was conducted to identify key issues that are significant to the Group's long-term sustainability. Please refer to "Stakeholder engagement and materiality assessment" for more details.
Quantitative	All key environmental and social performance indicators of this ESG Report are disclosed quantitatively where feasible in accordance with the ESG Reporting Guide.
Balance	The overall ESG performance of this ESG Report has been presented in an objective and unbiased way to provide stakeholders with a balanced overview of the Group.
Consistency	Unless otherwise stated, the reporting scope of the Group and calculation methodologies used in this ESG Report remains unchanged. For any changes in the scope of disclosure and calculation methodologies, proper disclosures and explanations will be provided if needed.

Opinion and feedback

Your feedback on this ESG Report is important for the Group's improvement. Please feel free to contact us by email at info@e-station.com.hk. Your feedback or suggestions are the driver to continuously make progress on our sustainable performance.

Introduction

The Group understands the importance of sustainability and believes it is an essential pillar that prolongs the Group's future development. Because of this, the Group has devoted itself to upholding good corporate governance standards by creating economic, environmental, and social values to achieve long-term sustainability. It also promises to achieve sustainable development by incorporating sustainability initiatives into its daily operations and management that help enhance its ESG performance.

1. ESG governance structure

The Board of Directors ("**the Board**") strives to embed ESG considerations into daily operations and management that bring common interests and values to the Group and all its stakeholders. The Board has the overall responsibility for managing relevant ESG matters of the Group, including ESG strategies, direction, and policies. Under the leadership and supervision of the Board, ESG-related issues such as the risks and opportunities, performance, policies, measures, and targets, are regularly discussed, reviewed, and monitored by various business and functional departments.

The Group's business and functional departments also require formulating and implementing strategies and objectives in their respective areas that relate to sustainable development requested by the Board. They shall assist the Board in reviewing the Group's ESG-related targets and performances through regular meetings, access relative risks and opportunities that are significant to both the Group and its stakeholders, evaluate the effectiveness of the policies and measures regarding sustainable development, and provide appropriate solutions to enhance the Group's overall ESG approaches. The Group will continue to review and enhance its ESG governance, strategies, policies and target-setting, in order to incorporate sustainability into decision-making process and daily operations.

The Board has devoted itself to making solid progress in integrating sustainability strategies into daily business operations. During the Reporting Period, the Board and functional departments continued the sustainability strategies and management approaches to ensure that ESG risks were handled to reduce the negative impacts. Besides, internal discussions were conducted under the Board's instruction to explore the Group's capability, resources and needs to set ESG-relevant targets. The results will be disclosed in due course when progress is made to respond to the stakeholders' expectations.

2. Stakeholder engagement and materiality assessment

The Group values our stakeholders regarding our business operations and believes that stakeholder engagement is one of the key success factors in formulating the Group's ESG strategies. We have established different communication channels to maintain close communication and relationships with our key stakeholders, such as customers, suppliers, shareholders, employees, government/regulatory authorities, and the community.

By discussing expectations and collecting ideas regarding ESG-related issues with our key stakeholders, we have gained in-depth understanding of their perception of the Group's ESG strategies and performance. In response to their views and concerning issues, a materiality assessment will be conducted by the Group, which provides practical insights to assist the Group in identifying its material issues, thus, enhancing our overall business and sustainability performances while creating common values with our stakeholders.

Based on the result of the materiality assessment, the Group has identified 3 key issues that are most significant to our business operations and stakeholders, including the use of resources, product responsibility, and health and safety. These issues will be handled with an effective risk management and internal control system that aims to enhance the Group's operation efficiency and create environmental and social benefits for the stakeholders and society.

2. Stakeholder engagement and materiality assessment (Continued)

The channels used for communication with respective stakeholder groups are set forth below.

Stakeholders	Communication channels	Concerned issues of stakeholders
Customers	• Company website • E-mails • Feedback from employees • Customers comment cards	• Food and service quality • Delivery time
Suppliers	• Supplier assessment • Site visits	• Provision of fair environment for cooperation • Enhancement of mutual trust and benefit
Shareholders	• Annual/extraordinary general meetings • Annual reports and announcements • Company website	• Corporate transparency and reputation • Regulating corporate governance • Sustainable profitability
Employees	• Employee training • Employee communication meetings • Performance reviews	• Occupational training and promotion • Ensuring occupational health • Remuneration packages and benefits • Working hours
Governments/regulatory authorities	• Routine reporting and disclosure • Announcements • Press release	• Compliance with policies and regulations • Tax compliance • Operational compliance
Community	• Company website • Corporate social responsibility activity • Provision of employment opportunities	• Conservation of ecological systems • Promotion of community development • Charity participation

(A) Environmental

2.1 Environmental policy and compliance

To display the determination in protecting the environment, the Group is committed to minimizing the risks and impacts caused by its business operations. We promise to implement sustainability initiatives such as environmental policies, strategies, and measures in all areas of our business regarding the aspects of emissions, use of resources, environmental and natural resources, and climate change.

The Group supports the "Green Environment" idea and strives to become a responsible corporation that complies with all applicable laws and regulations in Singapore's food industry. With the continuous refinement and implementation of laws, regulations, and policies in PRC, HKSAR and Singapore, the Group will continue to formulate and implement a series of internal policies and systems to save water, energy, and other resources.

During the Reporting Period, the Group has not identified any material non-compliance with all relevant laws and regulations regarding environmental issues, including but not limited to air and greenhouse gas emissions, discharge into water and land and generation of hazardous and non-hazardous wastes.

2.2 Emissions

The Group is engaged in businesses that operate restaurants where it seeks to bring quality food to its customers. The major sources of greenhouse gas ("**GHG**") and air emissions generated mainly come from the town gas used in our kitchen operations and electricity purchased in our restaurants, which include carbon dioxide (CO_2), methane (CH_4), nitrous oxides (N_2O), nitrogen oxides (NO_x), and sulfur oxides (SO_x).

(A) Environmental (Continued)

2.2 Emissions (Continued)

During the Reporting Period, the emissions of the Group were as follows:

Table 1 — Emissions

	Unit	2024	2023
Air emissions			
NO_x	Kg	8	91
SO_x	G	36	404
Particulate matter	G	–	1,777
Greenhouse gas emissions			
Scope 1 *(Note 1)*	tonnes of CO_2e	101	967
Scope 2 *(Note 2)*	tonnes of CO_2e	38	239
Scope 3 *(Note 3)*	tonnes of CO_2e	–	–
Total GHG emissions	tonnes of CO_2e	139	1,206
GHG emissions intensity	tonnes of CO_2e/HKD'm revenue *(Note 4)*	42	35

Notes:

1. Scope 1: Direct emissions from sources that are owned or controlled by the Group.

2. Scope 2: Indirect emissions from the generation of purchased electricity and purchased town gas consumed by the Group.

3. Scope 3: Other indirect emissions from paper waste disposed at landfills, electricity used for processing fresh water and sewage by government departments and business air travel by employees.

4. The intensity refers to tonnes of CO_2e per millions of revenue of the Group for the Reporting Period.

(A) Environmental (Continued)

2.2 Emissions (Continued)

To reduce the GHG and air emissions produced during our operational processes, the Group has executed multiple greenhouse gas and air emissions control measures to maximize the energy efficiency of kitchen facilities and equipment. The Group will continue to minimize its energy consumption and target to reduce the emission of air pollutants and greenhouse gases in the next fiscal year by the following practices:

- Employees are required to turn off gas stoves and water heaters when not in use;
- Provide educational materials to enhance the awareness of energy saving amongst employees;
- Unwanted materials and thick ice must be cleared and defrosted regularly from the refrigerator;
- Install energy-saving cooking facilities and equipment such as food steamers, steam cabinets, dishwashers and LED lighting in the restaurants and offices;
- Install appropriate and efficient filtering equipment;
- Inspect, maintain, and repair the ventilation system regularly;
- Optimize remote communication and minimize unnecessary business traveling;
- Use more energy-efficient motor vehicles; and
- Perform regular vehicle maintenance to ensure optimal engine performance and fuel consumption.

2.3 Hazardous and non-hazardous waste management

Food waste is the major constituent of the non-hazardous solid waste in the Group's business operations. It comprises waste produced during food production, processing, retail and preparation, especially leftovers and expired food. However, the Group does not generate much hazardous waste from its operations due to the Group's business nature. Therefore, avoiding waste generation in the first place and minimizing waste are the Group's crucial measures in its waste reduction strategy.

During the Reporting Period, the non-hazardous waste generated by the Group was as follows:

Table 2 — Non-hazardous waste

	Unit	2024	2023
Non-hazardous waste produced	tonnes	30	261
Non-hazardous waste produced intensity	tonnes/HKD'm revenue *(Note)*	9.2	7.6

Note: The intensity refers to tonnes of non-hazardous waste per millions of revenue of the Group for the Reporting Period.

(A) Environmental (Continued)

2.3 Hazardous and non-hazardous waste management (Continued)

In 2024, the Group reduced around 89% of its wastage quantity compared to last year's result. We promise to incorporate various waste prevention considerations into our business operations and established guidelines for food ordering and processing in the section of the Code of Practice in the employee handbook and training manual for better waste management and disposal. To reduce the environmental impacts of waste generation, the Group has established the following measures to motivate employees to take responsibility for the improvements in waste management:

— The consumption of food ingredients is monitored on a daily basis to reduce wastage and storage costs

The head chef of each restaurant should know the best utilization of the various food ingredients as well as the consumption patterns of the customers at each restaurant. With proper control over food ordering and processing, the Group can reduce food waste effectively and avoid the generation of excessive ingredients and dishes. By doing so, we hope that this practice can enhance employees' awareness of food waste reduction and relative concepts.

— The reduction of paper and napkins wastes

To reduce paper and napkins consumption, the Group has been encouraging its employees to use electronic information systems for sharing information or internal administration documents instead of paper. Notices have been put on around the printers to remind employees to use double-sided printing and recycle used paper when needed. On the other hand, the Group understands the provision of single-used napkins is one of the most enduring conversations in restaurant circuits as they contribute to the solid waste problem. In response, all napkins would only be provided to the customers upon request in our restaurants.

— The setting up of recycling area

Different recycling bins are placed in specific areas in all business operations with proper signages on top to state what type of waste or recyclable materials should or should not be put into the bin. For example, the recycling bin only stores used cooking oil and grease waste in each restaurant. Employees are encouraged to sort the recyclables before putting them into the appropriate recycling bins.

(A) Environmental (Continued)

2.4 Use of resources

Recognizing the depletion of natural resources as one of the greatest challenges we face today, the Group acknowledges that resource optimization has become the most preferable and adaptable solution to improve relative ESG performance in its daily operations. To seek comprehensive waste prevention and reduction approaches that incur less adverse impact on the environment, the Group strives to enhance its resource management by implementing energy and water efficiency initiatives that foster a low-carbon corporate culture, which further increases our employees' awareness in resource conservation.

(i) Energy consumption

The primary energy consumption of the Group in daily operations mainly comes from purchased town gas and purchased electricity. To mitigate the energy consumption among all of our operational processes, the Group has taken the following energy-efficient measures that promote energy-saving:

- Turn off gas stoves and water heaters when not in use;
- Switch off idle lighting during non-office hours;
- Turn on dishwashers with a full load only;
- Switch off air-conditioners and other equipment according to seasonal adjustments; and
- Install energy-saving cooking facilities and equipment.

During the Reporting Period, the energy consumption of the Group was as follows:

Table 3 — Energy consumption

	Unit	2024	2023
Direct energy			
Diesel consumption	Kwh	**Nil**	28,705
Indirect energy			
Town gas consumption	Kwh	**39,590**	376,721
Electricity consumption	Kwh	**55,291**	572,817
Total energy consumption	Kwh	**94,881**	978,243
Total energy consumption intensity	Kwh/HKD'm revenue *(Note)*	**28,953.6**	28,527.7

Note: The intensity refers to Kwh of energy per millions of revenue of the Group for the Reporting Period.

(A) Environmental (Continued)

2.4 Use of resources (Continued)

(ii) Water consumption

Due to the Group's business nature, the Group consumes significant water in its business activities, especially those associated with equipment and processes that take place in the kitchen. Hence, initiating a water management strategy is essential to the Group in planning, developing, distributing and managing the optimum use of water resources. To promote and adopt water-saving initiatives to reduce water consumption, the Group has taken the following measures:

— Reuse used water under feasible circumstances;
— Use the dishwasher only with a full load;
— Conduct regular inspection and maintenance of water pipes to prevent leakage of water; and
— Repair defective components to ensure the water source is stable and clean for all purposes[1].

During the Reporting Period, the water consumption of the Group was as follows:

Table 4 — Water consumption

	Unit	2024	2023
Water consumption	m^3	**1,578**	7,911
Water consumption intensity	m^3/HKD'm revenue *(Note)*	**481.5**	230.7

Note: The intensity refers to m^3 of water per millions of revenue of the Group for the Reporting Period.

In 2024, the Group reduced around 90% and 80% of its energy and water consumption compared to the previous year's results. To achieve further improvement, the Group will continue to actively integrate various measures into its business operations, educate its employees on conservation habitats, and perform regular maintenance on all electronic appliances, so as to enhance the Group's performance in conserving its energy and water usage. To strengthen the monitoring of the Group's water consumption, it promises to conduct statistical water consumption regularly with the help of advanced technologies, share the best management practices with our employees, and encourage them to implement conservation measures.

[1] The Group did not encounter any issue in sourcing water that is fit for purpose during the Reporting Period.

(A) Environmental (Continued)

2.4 Use of resources (Continued)

(iii) Packaging materials

The rise of food takeaways has exacerbated the use of disposable utensils, containers, and packaging, which cause an astonishing amount of waste produced during the Reporting Period.

During the Reporting Period, the packaging materials used by the Group was as follows:

Table 5 — Packaging materials

	Unit	2024	2023
Packaging materials used	tonnes	**3**	25
Packaging materials used intensity	tonnes/HKD'm revenue *(Note)*	**0.9**	0.7

Note: The intensity refers to tonnes of packaging materials per millions of revenue of the Group for the Reporting Period.

To cut down on the use of disposable and excess packaging materials, the Group has initiated several measures to eliminate the amount of plastic waste we produce. For example, provide training to employees to ask customers whether plastic bags, disposable tableware and straws are needed for their food and/or drinks; use fewer plastic bags when packaging food for customers; and encourage customers to bring their own container when purchasing takeaway. The Group will continue to monitor its data on food waste and donate unsold products to nonprofit organizations when applicable.

The environment and natural resources

Through recognizing the importance of environmental conservation, the Group is committed to lessening our environmental impacts associated with our activities and operations. In order to effectively improve the performance of the Group's resource use, the Group strives to adopt a number of policies and measures related to reducing resource consumption to regulate the use of energy, water and paper in business operations. To enhance environmental awareness among employees, the Group also organizes environmental training and education sessions from time to time as to enlist their involvement to accelerate the Group's environment performance. Moreover, the Group promotes community activities related to environmental protection and sustainability undertakes to regularly review the performance of resource use.

(A) Environmental (Continued)

Climate change

In response to the global climate risk, the Group is aware that the frequency of extreme weather is increasing and may affect its business operations. Therefore, the Group identified the following climate-related risks that might impact the Group, so as to enhance our responsiveness and adaptability to climate change.

Types of risks	Example of the risks	Responsive measures
Acute physical risks	• Flooding • Typhoon • Storms	The Group has implemented the work arrangements of extreme weather conditions such as black rainstorm warning, flooding and typhoon signal No. 8.
Chronic physical risks	• Sustained high temperature	The Group has adopted energy conservation measures in managing such risk, for details please refer to the subsection of "Use of Resources".
Transition risks	• Change in environmental-related regulations • Change in customer preferences	The Group continues to monitor the regulatory market environment to ensure that our food and services meet customers and regulatory expectations.

Although the above risks mentioned do not have significant impacts to the Group's operations, the Group will continue to review updates on both local and international policies and regulations to identify potential climate-related risks, based on the likelihood and impact of the identified risks, thereby improving the Group's resilience to risks and maintaining stable business growth and operations.

(B) Social

3. Employment and labour practices

The Group understands that nurturing talents is the cornerstone to maintain its long-term development. The Group attributes its perspective and sustainable development to the efforts and contributions of our employees. On this ground, by providing employees with appropriate working environment, welfare and other elements, the Group ensures that they can bring positive impact to corporate development in a suitable working environment.

3.1 Employment

The Group's long-term business success is directly related to the joint efforts and contributions of our employees. Hence, a well-established employment system is vital to attract and retain talents. The Group's stringent employment requirements and excellent remuneration packages help recruit talents and build their sense of belonging. As a recognition of our employees' hard work and demonstration of emphasis on their rights and interests, the Group is committed to provide employees with comprehensive and competitive compensation packages, fostering employees' interests and corporate benefits. Additionally, the Group recognises employees' superior performance with motivational feedback, such as annual performance reviews, salary adjustment and promotion according to their qualifications, capability, performance, and other relevant criteria. Furthermore, discretionary bonus and share options may also be granted to eligible employees based on individual performance.

The Group advocates a respectful and fair working environment and adopts a zero-tolerance attitude towards any kind of discrimination. The Group's guidelines on staff recruitment and avoidance of unlawful employment policy stipulate the obligations as a responsible employer and the procedures necessary to ensure the recruitments are carried out in a fair and open manner in accordance with the applicable laws and regulations.

The Group is committed to creating and maintaining an inclusive and collaborative work culture. The Group employs personnel without regard to race, ancestry, place of origin, colour, ethnic origin, language, citizenship, creed, religion, gender, sexual orientation, age and marital status. As for the new recruits, the Group provides on-the-job training to help them acquire the necessary knowledge and skills to adapt to their new positions and integrate into the Group's working culture.

Our Employee Handbook is a formally written document that summarizes the statement on work and rest hours, pay and performance issues, policies on benefits, training and leave, and disciplinary and dismissal procedures and possible sanctions. In addition to statutory holidays, employees are also entitled to a variety of paid holidays, including personal leave, sick leave, marriage leave, maternity leave, work injury leave, etc. To safeguard the physical and mental health of our employees, the Group encourages them to pursue a balanced life and provides an excellent working environment for them. Furthermore, meals are provided to our employees to build empathy and happiness in the workplace.

(B) Social (Continued)

3. Employment and labour practices (Continued)

3.1 Employment (Continued)

The workforce, new hire and employee turnover statistics of the Group during the Reporting Period were as follows:

Table 6 — Workforce statistics

		2024		2023	
		No. of employees	Occupied percentage	No. of employees	Occupied percentage
By gender	Male	13	54.2%	40	57.1%
	Female	11	45.8%	30	42.9%
By employment type	Full time	18	75.0%	58	82.9%
	Part time	6	25.0%	12	17.1%
By employee level	Management	8	33.3%	20	28.6%
	Staff	16	66.7%	50	71.4%
By age group	18–30 years old	5	20.8%	19	27.1%
	31–40 years old	11	45.8%	36	51.4%
	41–50 years old	6	25.0%	6	8.6%
	51–64 years old	1	4.2%	9	12.9%
	≥ 65 years old	1	4.2%	–	–
By geographical region	Southeast Asia	–	–	70	100%
	Outside Southeast Asia	24	100%	–	–
Total number of employees		24	100%	70	100%

(B) Social (Continued)

3. Employment and labour practices (Continued)

3.1 Employment (Continued)

Table 7 — New hire and employee turnover statistics

		2024 No. of headcount	2024 New hire rate	2023 No. of headcount	2023 New hire rate
By gender	Male	5	20.8%	6	15.0%
	Female	3	12.5%	4	13.3%
By employment type	Full time	8	33.3%	8	13.8%
	Part time	–	–	2	16.7%
By employee level	Management	2	8.3%	2	10.0%
	Staff	4	16.7%	8	16.0%
By age group	18–30 years old	–	–	2	10.5%
	31–40 years old	–	–	5	13.9%
	41–50 years old	3	12.5%	1	16.7%
	51–64 years old	–	–	2	22.2%
	≥ 65 years old	–	–	–	–
By geographical region	Southeast Asia	8	33.3%	10	14.3%
	Outside Southeast Asia	–	–	–	–
Total new hire		8	33.3%	6	7.2%

		2024 No. of headcount	2024 Turnover rate	2023 No. of headcount	2023 Turnover rate
By gender	Male	5	20.8%	6	15.0%
	Female	6	25.0%	7	23.3%
By employment type	Full time	10	41.7%	11	19.0%
	Part time	1	4.2%	2	16.7%
By employee level	Management	4	16.7%	1	5.0%
	Staff	7	29.2%	12	24.0%
By age group	18–30 years old	–	–	4	21.0%
	31–40 years old	7	29.2%	6	16.7%
	41–50 years old	4	16.7%	0	–
	51–64 years old	–	–	3	33.3%
	≥ 65 years old	–	–	0	–
By geographical region	Southeast Asia	–	–	13	18.6%
	Outside Southeast Asia	11	45.8%	0	–
Total turnover		11	45.8%	13	18.6%

(B) Social (Continued)

3. Employment and labour practices (Continued)

3.1 Employment (Continued)

Notes:

1. The new hire rates are calculated using the number of new employees divided by total number of employees at the end of the Reporting Period.

2. The employee turnover rates are calculated using the number of employees resigned divided by total number of employees at the end of the Reporting Period.

During the Reporting Period, the Group has not identified any non-compliance with the relevant laws and regulations relating of compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

3.2 Health and safety

Maintaining a healthy and safe working environment helps to enhance employee performance and create a positive working atmosphere. In light of this, the Group has in place safety policies and guidelines which set out the safety procedures and promote safety at work sites stipulated by the relevant applicable laws and regulations. Moreover, the Group has formulated policies to ensure a high standard is kept at all times with regards to means of ventilation, sanitary fitments, facilities for cleaning equipment and utensils, means of exit and entry and fire safety to lower risks more effectively.

Employees' safety is of paramount importance to our business development. All new recruited operational workers are required to attend safety training and receive guidance of acceptable personal hygiene measures. Training buddies are allocated to the new recruited employees to help them integrate into the workplace and support them to follow safety measures smoothly. On the other hand, the surface of all the floors of restaurants shall be maintained even and non-slippery. To avoid the accumulation of water, our kitchens have installed effective drainage. Meanwhile, our employees should wear non-slip shoes in the kitchen to prevent accidents. Knives should be kept safely with blades protected. In case of emergency, all of the Group's restaurants are equipped with first aid kits. In addition, the fire warning system is regularly tested and fire emergency plan drill is organized to restaurants staff to proactively grasp the key points of evacuation and emergency rescue. In case of accident, insurance is covered by the basic security package.

(B) Social (Continued)

3. Employment and labour practices (Continued)

3.2 Health and safety (Continued)

The Group has issued guidelines in accordance to the SMM for protecting the health and safety of customers and employees as follows:

- Ensure at least one-meter distance between tables in our restaurants;
- Set aside a waiting area for customers and food delivery personnel to pick-up their orders;
- Imply contactless pick-up;
- Imply pre-ordering and pre-payment solutions, or self-checkouts and contactless payment methods;
- Workers (including food delivery personnel) and customers must be masked at all times;
- Common spaces and items, high-touch surfaces, interactive components must be cleaned and disinfected frequently;
- Workers must clean or sanitise their hands before handling food orders;
- Communal amenities for self-service must not be used. Cutlery and condiments should be individually packed and sealed;
- Hand sanitisers should be made available at common touchpoints;
- Food must be covered to minimise contamination risk; and
- Workers must use utensils to handle food at all times. If the use of suitable utensils is not feasible, workers must wear clean gloves to handle the food. Appropriate hand hygiene practices must be observed.

As a responsible corporate, employees' health and safety are always prioritized. The number and rate of work-related fatalities occurred in each of the past three years are as follows:

Table 8 — Occupational health and safety statistics

Unit	2024	2023	2022
Number of lost days due to work injuries	–	–	–
Number of work-related fatalities due to work	–	–	–
Number of work injuries due to work	–	–	–

During the Reporting Period, the Group did not have any safety incidents resulting in work-related injury or death, and had not identified any material non-compliance with the relevant laws and regulations in relation to working environment and protection for employees from occupational hazards.

(B) Social (Continued)

3. Employment and labour practices (Continued)

3.3 Development and training

Appropriate training activities can strengthen employees' skills and knowledge to help them unleash their potential in the work environment. The Group continued its support to employees through provision of internal and external training courses, covering various areas such as food preparation and preservation, customer services and quality control in different aspects of the restaurant operation.

Our human resource department has maintained the records of both internal and external training participated by the Group's employees. With the different needs of departments and positions, a series of training were organized during the Reporting Period, which include:

Targeted employees	Content
• Newly recruited employees • Employees being relocated to a new post	• Required to attend on-the-job training which helps new employees to understand the new working conditions, job requirements as well as all other safety and environmental conservation practices at the workplace
• Experienced employees	• Given the checklists to ensure all matters on food quality, internal procedures and safety standards are properly discussed with new recruits
• All employees	• Participated in training offered by professional training institutions or experts • Encouraged to undertake external courses that are funded by the Group
• Directors and senior management	• Encouraged to undertake some form of continuing professional development courses or training
• Food handling staff	• Attended trainings about food safety regulations • Received the appropriate supervision and training about food hygiene

The restaurant manager or head chef also has regular debriefings with the employees of the restaurant to discuss key issues of attention, such as customer's feedback and opinions, updates to the food and drink menus, restaurant hygiene and sanitation, as well as any recent accidents that took place there. To ensure that its talents can reach their maximum potential, the Group regularly evaluates our training strategies.

(B) Social (Continued)

3. Employment and labour practices (Continued)

3.4 Labour standard

According to the Singapore's Employment (Children and Young Persons) Regulations published in 2000, where no child who is below the age of 13 years shall be employed in any occupation. The Prevention of Human Trafficking Act was also enforced in 2014, where any person who recruits, transports, transfers, harbours or receives an individual by any means of coercion or a child (below age of 18) for the purpose of exploitation shall be guilty of an offence. The legislations are enforceable for all business operations in Singapore. The Group has zero-tolerance for any form of modern slavery, including child labour and forced labour.

To avoid cases of child-labour and forced-labour from happening, we have formalised the minimum age requirement of 18 years old in the Group's recruitment policies by verifying the personal information in each new hire's identity card. A legal-binding employment contract is signed with each employee. Besides, the human resources department is responsible for verifying the age of all applicants for employment by requiring the presentation of valid identification issued by an official authority prior to employment. In case of a violation, the Group shall reimburse the employee in accordance with local employment laws and regulations. During the Reporting Period, the Group was not aware of any non-compliance with relevant laws and regulations related to preventing child and forced labour.

4. Operational practices

4.1 Supply chain management

The Group recognises the importance of not to be directly or indirectly involved in corrupt practices or complicit in human rights abuses. In order to provide quality food and service, the Group sources high-quality ingredients from selecting suppliers carefully, and setting appropriate standards according to actual operational needs, so as to build a good foundation for the provision of high-quality food and catering services.

The Group selects suppliers in an objective, fair, just and highly transparent manner and thus has developed a list of approved food and beverage suppliers. To lower our supply chain risks, there are at least two approved suppliers for each type of food ingredient and beverage when possible. The head chef will monitor the quality of purchased ingredients and food items and may suggest to our management to consider removing certain suppliers if there is deterioration in the capacities, reliability or consistency of service and product quality of those suppliers. We may remove suppliers failing to meet our selection criteria or being susceptible of negative publicity from our supplier list.

(B) Social (Continued)

4. Operational practices (Continued)

4.1 Supply chain management (Continued)

The Group will conduct a comprehensive evaluation on the suppliers for initial cooperation. First, our head chef will first screen the supplier whether their product quality can meet our standards and requirements, such as the cost, origin of the supply of the food ingredients, possession of necessary licences, timely delivery of orders and supply stability. The Group gives preference to suppliers with certain qualifications and standards. If the potential supplier passes the initial screening and sample testing by the head chef, we will obtain approval from directors to add the new supplier in the approved supplier list. We will then place a small trial order to test the quality of their food, and their reliability and timeliness in the delivery before negotiating for a long-term supply partnership. As at 31 August 2024, we have approximately 11 active vendors in the approved vendors list.

The Group arranges meetings with food suppliers and other service providers from time to time to ensure the provision of quality dining service to customers, and the food and beverages suppliers are carefully selected based on factors including food quality, food safety management, sources of ingredients, pricing and other terms, capacity and availability, track record and reputation, payment method and terms, delivery options and schedules, etc. The Group conducts regular supplier reviews to ensure that the hygiene, process and quality of their products are maintained at a high standard. All suppliers are required to hold valid licences issued by the government and all imported goods shall obtain proper clearance from respective authorities. All foods received from suppliers must be in compliance with the food labelling requirements, relevant hygiene and sanitary regulations. The Group monitors the performance of all suppliers on a regular basis to ensure that their food ingredients meet the stringent requirements and to safeguard the quality and condition of goods. Suppliers with past records of material environmental or social accidents, such as excessive pollutions discharges to the environment, exploitation of workers and food safety incidents, will not cooperate with the Group.

In order to extend the concept of sustainable development to the supply chain, the Group encourages all its suppliers to implement the concept of sustainable development and responsible practices in their operations by emphasizing environmental and social risk control in supplier selection procedures and standards, so as to promote the sustainable development performance of both parties.

To extend the concept of sustainable development to the supply chain, the Group also monitors the reputation of the supplier's performance in business ethics, encourages all its suppliers to implement the concept of sustainable development and responsible practices in their operations by emphasizing environmental and social risk control in supplier selection procedures and standards, so as to promote the sustainable development performance of both parties. During this Reporting Period, the Group did not identify any cases of suppliers failing to meet the Group's requirements.

(B) Social (Continued)

4. Operational practices (Continued)

4.2 Product responsibility

In terms of maintaining high-quality of food and service, the Group has complied with Sales of Food Act of Singapore and other applicable law and regulations. To strengthen the management of food ingredients, the Group adopted policies and procedures to ensure they are safe, fresh and of good quality upon delivery, in storage and during processing. The Group selects suppliers carefully and maintains relationship only with qualified suppliers.

Apart from food ingredients procurement, the Group has also optimized the production process, to ensure that the quality and safety of food products are qualified. The Group also performs regular identification of hazards, determination of critical control points and timely implementation of effective control and monitoring measures.

The head chefs and restaurant managers' responsibilities are quality control and assurance at every restaurants. They are responsible for inspecting the food supplies and ingredients, overseeing the food preparation process and monitoring the dining environment and kitchen area. The Group's operational workers clean and sanitize each of the restaurant to maintain food safety and hygiene in accordance with the policies and procedures. All dishes shall be freshly made in the kitchen and served to customers as soon as possible, which reduces the risk of food contamination. Also, raw food and cooked food are stored separately to avoid bacteria breeding and cross-contamination. All used food processing equipment will be cleaned thoroughly before it is used for processing another dish. Used utensils are collected, washed and dried after use by customers. If there are any food quality and safety concerns raised by our employees or received from customers, the restaurant manager is responsible for handling the complaints received at the restaurant immediately, while the customer service department is responsible for handling the complaints. The Group will investigate and resolve with the customer if it is assessed to have severe implications.

During the Reporting Period, the Group did not receive any food recall events regarding health and safety reasons. The Group's marketing activities aim to promote pleasant dining experiences at our restaurants with quality food and affordable prices available in a range of cuisine. We promote our restaurants through various marketing activities, including the maintenance of our website, the display of our menu in digital panels at the shopping malls, launching promotion campaigns with shopping mall networks. The Group values customers' opinions and ensures that their opinions and complaints are handled to maintain two-way communication between customers and the Group. The Group has established various feedback channels, such as email and feedback form etc. The restaurant managers will discuss the customer feedback with senior management in order to improve the overall operations. Upon receipt of complaints, the Group will take prompt actions and respond to relevant customers in a timely manner to improve the quality of our services. The head chef and the restaurant manager of each restaurant also meet on a regular basis to communicate any issues encountered so as to ensure that customers' opinions are reflected.

(B) Social (Continued)

4. Operational practices (Continued)

4.2 Product responsibility (Continued)

During the Reporting Period, the Group was not aware of any material non-compliance with relevant laws and regulations regarding product responsibility nor received any complaints from customers that had any material adverse impact on the Group's brands, business and results of operation.

The Group is committed to protecting intellectual property rights and customer privacy in our business operations. The logo and name of our brands have been registered as trademarks and protected under the "Trade Marks Act" in Singapore. In the event of intellectual property infringement by third parties, the Group will engage its legal counsel to take necessary action (i.e. warning letters, litigation) against them. In addition, the Group has installed various anti-virus and firewall softwares in prevention of any leakage of confidential data and information.

4.3 Anti-corruption

Corporate ethics is the foundation upon which the Group maintains accountable operations. The Group is committed to operating with integrity and in accordance with the highest ethical standards and preventing corruption.

To maintain the ethics in daily operations, our employee handbook lists out the internal control policies and procedures that governs the investigation and follow-up procedures of reported fraud incidents and provides for a whistle-blowing procedures mandatory for the employees to report any action or behavior of bribery or misconduct. If an employee suspects any cases of misconduct, they can report to the Group's whistle-blowing channel. The Board would monitor the aforesaid implementation related to anti-corruption and anti-bribery regularly.

To advocate anti-corruption, the Group has established the Code of Conduct, Anti-Corruption policy, Anti-Fraud and Anti-Money Laundering policy. These policies are communicated to all new employees during their onboarding. Members of the Board of Directors have attended the anti-corruption and anti-bribery training courses prior to the Group's Initial Public Offering on the Hong Kong Stock Exchange in the previous reporting period.

During the Reporting Period, the Group was not aware of any non-compliance with relevant laws and regulations regarding bribery, extortion, fraud and money laundering. The Group was also not aware of any legal cases regarding corrupt practices brought against the Group or its employees during the Reporting Period.

(B) Social (Continued)

5. Community investment

Giving back to society is one of the key areas that the Group attaches great importance to. As a responsible corporate, the Group is committed to fulfilling our corporate social responsibility, caring for and giving back to society. Since its establishment, the Group has been a responsible taxpayer and offers job opportunities to local people to alleviate the pressure from unemployment.

Amidst the severe impact brought by COVID-19, the Group is committed to devoting resources to lower the burden of those in need under the haze of pandemic. To reduce the impact of the epidemic on personal health, the Group safeguarded the health of our customers and food delivery personnel by providing alcohol-based hand sanitizers and cleansers to them to ensure that they would not be infected with the virus and to prevent the transmission of the virus to the community.

To implement more comprehensive community investment activities and programs, the Group will formulate policies related to community investment and donations based on community needs and its operation in due course, hoping to influence and bring positive impacts on the community.

ESG Reporting Guide Content Index

Aspects	Description	Page/Remark
A1 Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Environmental policy and compliance
A1.1	The types of emissions and respective emissions data.	Emissions
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and intensity.	Emissions
A1.3	Total hazardous waste produced and intensity.	Hazardous and non-hazardous waste management
A1.4	Total non-hazardous waste produced and intensity.	Hazardous and non-hazardous waste management

ESG Reporting Guide Content Index (Continued)

Aspects	Description	Page/Remark
A1.5	Description of emission target(s) set and steps taken to achieve them.	Emissions
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Hazardous and non-hazardous waste management
A2 Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of resources
A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Use of resources
A2.2	Water consumption in total and intensity.	Use of resources
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of resources
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Use of resources
A2.5	Total packaging material used for finished products and per unit produced.	Use of resources
A3 The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	The environment and natural resources
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The environment and natural resources

ESG Reporting Guide Content Index (Continued)

Aspects	Description	Page/Remark
A4 Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate change
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate change
B1 Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment
B1.1	Total workforce by gender, employment type, age group and geographical region.	Employment
B1.2	Employee turnover rate by gender, age group and geographical region.	Employment
B2 Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and safety
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and safety

ESG Reporting Guide Content Index (Continued)

Aspects	Description	Page/Remark
B2.2	Lost days due to work injury.	Health and safety
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and safety
B3 Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and training
B3.1	The percentage of employees trained by gender and employee category.	Development and training
B3.2	The average training hours completed per employee by gender and employee category.	Development and training
B4 Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour standard
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour standard
B4.2	Description of steps taken to eliminate such practices when discovered.	Labour standard
B5 Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply chain management
B5.1	Number of suppliers by geographical region.	Supply chain management

ESG Reporting Guide Content Index (Continued)

Aspects	Description	Page/Remark
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply chain management
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply chain management
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply chain management
B6 Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product responsibility
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product responsibility
B6.2	Number of products and service-related complaints received and how they are dealt with.	Product responsibility
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product responsibility
B6.4	Description of quality assurance process and recall procedures.	Product responsibility
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product responsibility

ESG Reporting Guide Content Index (Continued)

Aspects	Description	Page/Remark
B7 Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption
B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption
B8 Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community investment
B8.1	Focus areas of contribution.	Community investment
B8.2	Resources contributed to the focus area.	Community investment

TARGET

TO THE SHAREHOLDERS OF E-STATION GREEN TECHNOLOGY GROUP CO., LIMITED
(FORMERLY KNOWN AS K GROUP HOLDINGS LIMITED)
(incorporated in Cayman Islands with limited liability)

DISCLAIMER OF OPINION

We were engaged to audit the consolidated financial statements of E-STATION GREEN TECHNOLOGY GROUP CO., LIMITED (formerly known as K Group Holdings Limited) (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") set out on pages 89 to 166, which comprise the consolidated statement of financial position as at 31 August 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR DISCLAIMER OF OPINION

Material Uncertainties Relating to Going Concern

As described in note 2 to the consolidated financial statements, the Group had net current liabilities of HKD24,458,000 and net liabilities of HKD23,760,000 and while the Group had HKD626,000 cash and bank balances only. The Group's ability to continue as a going concern is dependent on the going availability of financing to the Group, including the financial ability of the independent third party to provide unused of facility amounts.

As further described in note 2 to the consolidated financial statements, the Group obtained a revolving loan facilities of approximately HKD65,000,000 from an independent third party which is effective from 15 December 2023 to 31 January 2025. However, we have not been provided with sufficient appropriate documentary evidence to able us to assess the financial ability of the independent third party to provide such loan facilities to the Group. If the financing were not available, the Group would be unable to meet its financial obligations as and when they fall due. Hence, we were unable to satisfy ourselves about the appropriateness of the use of the going concern basis of accounting in the preparation of the consolidated financial statements by the management of the Group.

Should the Group fail to continue as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities. The effects of these adjustments have not been reflected in these consolidated financial statements.

RESPONSIBILITIES OF DIRECTORS OF THE COMPANY AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors of the Company determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Hong Kong Standards on Auditing issued by the HKICPA and to issue an auditor's report that include our opinion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability for any other person for the contents of this report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statement.

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "**Code**"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

TARGET CPA LIMITED
Certified Public Accountants
Chin Chi Ho Stanley
Practising Certificate Number: P07911
Hong Kong

29 November 2024

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 August 2024

	Notes	2024 HKD'000	2023 HKD'000 (Restated)
Revenue	5	**3,277**	34,291
Other income and gains and (losses), net	7	**51,080**	1,583
Cost of inventories consumed		**(861)**	(8,168)
Staff costs		**(5,749)**	(19,086)
Depreciation and amortisation		**(562)**	(5,193)
Rental and related expenses		**(418)**	(4,471)
Utility expenses		**(275)**	(1,773)
Marketing and advertising expenses		**(16)**	(150)
Franchise and licensing fees		**(67)**	(716)
Other operating expenses		**(5,892)**	(8,405)
Finance costs	8	**(105)**	(1,028)
Profit/(loss) before tax	9	**40,412**	(13,116)
Income tax expense	10	**(339)**	(763)
Profit/(loss) for the year		**40,073**	(13,879)
Other comprehensive income/(expense)			
Other comprehensive (expense)/income that may be reclassified to profit or loss in the subsequent periods, net of tax:			
Exchange differences on translation of foreign operations		**(518)**	(797)
Release of exchange reserve upon disposal of subsidiaries		**796**	–
Other comprehensive income/(expense) for the year, net of income tax		**278**	(797)
Total comprehensive income/(expense) for the year		**40,351**	(14,676)
Profit/(loss) for the year attributable to:			
Owners of the parent		**40,244**	(13,382)
Non-controlling interests		**(171)**	(497)
		40,073	(13,879)
Total comprehensive income/(expense) attributable to:			
Owners of the parent		**40,630**	(14,122)
Non-controlling interests		**(279)**	(554)
		40,351	(14,676)
Earnings/(loss) per share attributable to ordinary equity holders of the parent			
— basic and diluted *(HKD)*	13	**0.700**	(0.294)

Consolidated Statement of Financial Position

At 31 August 2024

	Notes	As at 31 August 2024 HKD'000	As at 31 August 2023 HKD'000 (Restated)	As at 1 September 2022 HKD'000 (Restated)
Non-current assets				
Plant and equipment	*14*	7	157	2,220
Right-of-use assets	*15(a)*	1,646	–	4,203
Intangible assets	*16*	–	–	607
Goodwill	*17*	–	–	–
Rental and other deposits	*18*	234	35	1,731
		1,887	192	8,761
Current assets				
Inventories	*19*	185	726	275
Trade and other receivables, deposits and prepayments	*18*	5,493	6,994	6,311
Due from the holding company	*20*	73	168	152
Cash and bank balances	*21*	626	1,359	607
		6,377	9,247	7,345
Current liabilities				
Trade and other payables and accruals	*22*	29,570	35,486	27,592
Contract liabilities	*23*	400	–	–
Due to non-controlling interests	*20*	–	488	500
Due to a director	*20*	–	–	5,951
Tax payables		–	1,290	506
Interest-bearing other borrowings	*24*	–	3,933	3,158
Lease liabilities	*15(b)*	865	1,574	8,913
Provision for reinstatement costs	*25*	–	319	1,158
		30,835	43,090	47,778
Net current liabilities		(24,458)	(33,843)	(40,433)
Total assets less current liabilities		(22,571)	(33,651)	(31,672)

	Notes	As at 31 August 2024 HKD'000	As at 31 August 2023 HKD'000 (Restated)	As at 1 September 2022 HKD'000 (Restated)
Non-current liabilities				
Lease liabilities	*15(b)*	**858**	325	2,652
Due to a director	*20*	**–**	14,609	–
Deferred tax liabilities	*26*	**331**	198	191
Provision for reinstatement costs	*25*	**–**	35	2,001
		1,189	15,167	4,844
Net liabilities		**(23,760)**	(48,818)	(36,516)
Capital and reserves				
Share capital	*27*	**5,838**	5,280	4,400
Reserves		**(30,282)**	(47,849)	(35,221)
Equity attributable to owners of the Company		**(24,444)**	(42,569)	(30,821)
Non-controlling interests		**684**	(6,249)	(5,695)
Deficit in assets		**(23,760)**	(48,818)	(36,516)

The consolidated financial statements on pages 89 to 166 were approved and authorised for issue by the board of directors on 29 November 2024 and are signed on its behalf by:

Li Junjian
Director

Liang Qianyuan
Director

Consolidated Statement of Changes in Equity

For the year ended 31 August 2024

	Attributable to owners of the Company							
	Share capital HKD'000 (Restated)	Share premium[1] HKD'000 (Restated)	Capital reserve[2] HKD'000 (Restated)	Accumulated losses HKD'000 (Restated)	Translation reserve HKD'000 (Restated)	Sub-total HKD'000 (Restated)	Non-controlling interests HKD'000 (Restated)	Total HKD'000 (Restated)
At 1 September 2022	4,400	68,732*	25,255*	(129,660)*	452*	(30,821)	(5,695)	(36,516)
Loss for the year	–	–	–	(13,382)	–	(13,382)	(497)	(13,879)
Other comprehensive expenses:								
Exchange differences on translation of foreign operations	–	–	–	–	(740)	(740)	(57)	(797)
Total comprehensive expenses for the year	–	–	–	(13,382)	(740)	(14,122)	(554)	(14,676)
Placing of shares, net of transaction costs *(Note 27)*	880	1,494	–	–	–	2,374	–	2,374
At 31 August 2023	5,280	70,226*	25,255*	(143,042)*	(288)*	(42,569)	(6,249)	(48,818)

	Attributable to owners of the Company								
	Share capital HKD'000	Share premium[1] HKD'000	Capital reserve[2] HKD'000	Share option reserve HKD'000	Accumulated losses HKD'000	Translation reserve HKD'000	Sub-total HKD'000	Non-controlling interests HKD'000	Total HKD'000
At 1 September 2023 (Restated)	5,280	70,226*	25,255*	–	(143,042)*	(288)*	(42,569)	(6,249)	(48,818)
Profit/(loss) for the year	–	–	–	–	40,244	–	40,244	(171)	40,073
Other comprehensive (expense)/ income:									
Exchange differences on translation of foreign operations	–	–	–	–	–	(410)	(410)	(108)	(518)
Release of translation reserve	–	–	–	–	–	796	796	–	796
Total comprehensive income/ (expenses) for the year	–	–	–	–	40,244	386	40,630	(279)	40,351
Recognition of equity-settled share options	–	–	–	472	–	–	472	–	472
Exercise of share options	400	1,350	–	(472)	–	–	1,278	–	1,278
Issue of shares	158	842	–	–	–	–	1,000	–	1,000
Capital contributions from non-controlling interests	–	–	–	–	–	–	–	386	386
Acquisition of a subsidiary	–	–	–	–	–	–	–	454	454
Disposal of subsidiaries	–	–	(25,255)	–			(25,255)	6,372	(18,883)
At 31 August 2024	5,838	72,418*	–*	–*	(102,798)*	98*	(24,444)	684	(23,760)

* These reserve amounts comprise the consolidated reserves of negative approximately HKD49,129,000 (2023: HKD48,179,000) in the consolidated statement of financial position.

1 Under the Companies Law of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business. The share premium may also be distributed in the form of fully paid bonus shares.

2 The capital reserve mainly arises from the reorganisation in prior years. During the year ended 31 August 2024, the capital reserve has been derecognised upon the disposal of subsidiaries.

Consolidated Statement of Cash Flows

For the year ended 31 August 2024

	2024 HKD'000	2023 HKD'000 (Restated)
Cash flows from operating activities		
Profit/(loss) before tax	40,412	(13,116)
Adjustments for:		
Gains on disposal of subsidiaries	(51,267)	–
Gains on termination of leases	–	(1,109)
Impairment loss on right-of-use assets	–	1,288
Impairment loss on goodwill	526	–
Impairment loss on intangible assets	–	508
Impairment loss on other receivables under expected credit loss model, net of reversal	4	–
Loss on write off of plant and equipment	–	358
Imputed interest income	(36)	(1,288)
Imputed interest expense	1,014	40
Finance costs	105	1,028
Depreciation of plant and equipment	89	1,901
Depreciation of right-of-use assets	473	3,176
Amortisation of intangible assets	–	116
Share options expense	472	–
Operating cash flows before movements in working capital	(8,208)	(7,098)
Decrease/(increase) in inventories	540	(439)
Decrease in trade and other receivables, deposits and prepayments	2,717	1,444
Increase in trade and other payables and accruals	1,266	6,811
Increase in contract liabilities	402	–
Cash (used in)/generated from operations	(3,283)	718
Income taxes paid	(1,290)	–
Net cash flows (used in)/from operating activities	**(4,573)**	**718**

	2024 HKD'000	2023 HKD'000 (Restated)
Cash flows from investing activities		
Cash paid for reinstatement costs	(365)	(2,969)
Net cash outflow on disposal of subsidiaries	(315)	–
Purchases of plant and equipment	–	(133)
Net cash inflow on acquisition of a subsidiary	73	–
Repayment from the holding company	95	–
Net cash flows used in investing activities	(512)	(3,102)
Cash flows from financing activities		
Advance from a former director — Mr. Zhou, net	6,748	–
Proceed from exercise of share options	1,278	–
Proceeds from placement of shares, net of transaction costs	–	2,374
Advance from a director — Mr. Zhou, net	–	10,126
Repayment to non-controlling interests	(17)	(29)
Interest paid	(75)	(364)
Repayment of interest-bearing other borrowings	(818)	–
Repayment of lease liabilities	(2,342)	(8,994)
Net cash flows from financing activities	4,774	3,113
Net (decrease)/increase in cash and cash equivalents	(311)	729
Cash and cash equivalents at beginning of the year	1,359	607
Effect of foreign exchange rate changes	(422)	23
Cash and cash equivalents at end of the year, represented by cash and bank balances	626	1,359

1. CORPORATE AND GROUP INFORMATION

E-STATION GREEN TECHNOLOGY GROUP CO., LIMITED (formerly known as K Group Holdings Limited) (the "**Company**") is a limited liability company incorporated in the Cayman Islands and its shares are listed on the GEM of The Stock Exchange of Hong Kong Limited. The registered office of the Company is located at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1–1108, Cayman Islands.

Pursuant to a special resolution passed at the Company's extraordinary general meeting held on 29 February 2024, the name of the Company changed from "K Group Holdings Limited 千盛集團控股有限公司" to "E-STATION GREEN TECHNOLOGY GROUP CO., LIMITED 易站綠色科技集團有限公司". Subsequently, the Certificate of Incorporation on Change of Name and the Certificate of Registration of Alternation of Name of Registered Non-Hong Kong Company were issued by the Registrar of Companies in the Cayman Islands and the Registrar of Companies in Hong Kong on 8 March 2024 and 21 March 2024 respectively to certify the change of the Company's name.

The presentation currency of the Company was changed from Singapore dollars ("**SGD**") to Hong Kong dollars ("**HKD**") upon completion of disposal of subsidiaries engaged in restaurant operations in Singapore and having considered that the Company's shares are listed on the Stock Exchange and its stock is traded in HKD, the Company believes that the change of presentation currency enables the shareholders and potential investors of the Company to have a more accurate picture of the Group's financial performance. As such, the Company believes that it is more appropriate to adopt HKD as its presentation currency for the consolidated financial statements of the Group. Comparative figures have been restated to reflect the change in the Group's presentation currency.

During the year, the Group was involved in the following principal activities:

- Restaurant operations
- Sale of food ingredients
- Provision of food supply chain services

The functional currency and the presentation currency of the Company are HKD and all values are rounded to the nearest thousand ("**HKD'000**") except when otherwise indicated.

1. CORPORATE AND GROUP INFORMATION (Continued)

Information about subsidiaries

Particulars of the Company's principal subsidiaries for both years are as follows:

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable of the Company				Principal activities
			2024		2023		
			Direct	Indirect	Direct	Indirect	
K Investment Holdings Limited	British Virgin Islands	United states dollar 20,000	–*	–	100%	–	Investment holdings
PDR's Dining Limited	Hong Kong	HKD1,500,000	51%#	–	–	–	Operating restaurant in Hong Kong
K Food Holdings Pte. Ltd.	Singapore	SGD4,493,760	–	–*	–	100%	Investment holdings and operating restaurant in Singapore
Kogane Yama Restaurants Pte. Ltd.	Singapore	SGD203,000	–	–*	–	60%	Operating restaurant in Singapore
Gangnam Kitchen Pte. Ltd.	Singapore	SGD3,000	–	–*	–	100%	Sale of food ingredients
Nipong Naepong Singapore Pte. Ltd.	Singapore	SGD100	–	–*	–	100%	Operating restaurant in Singapore
SB Westgate Pte. Ltd.	Singapore	SGD150,000	–	–*	–	100%	Dormant
NY Night Market (313) Pte. Ltd.	Singapore	SGD300,000	–	–*	–	100%	Dormant
Ny Night Market (Vivo) Pte. Ltd.	Singapore	SGD300,000	–	–*	–	100%	Dormant
SB 313 Pte. Ltd.	Singapore	SGD300,000	–	–*	–	100%	Dormant

1. CORPORATE AND GROUP INFORMATION (Continued)

Information about subsidiaries (Continued)

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable of the Company				Principal activities
			2024		2023		
			Direct	Indirect	Direct	Indirect	
Kota Bak Kut Teh (SG) Pte. Ltd.	Singapore	SGD100	–	–*	–	90%	Operating restaurant in Singapore
Kota Bak Kut Teh (SRG) Pte. Ltd.	Singapore	SGD100	–	–*	–	80%	Operating restaurant in Singapore
The Chir HV Pte. Ltd	Singapore	SGD200,000	–	–*	–	100%	Operating restaurant in Singapore
千盛(深圳)控股集團有限公司	People's Republic of China (the "**PRC**")	HKD10,000,000	–	100%	–	100%	Sale of food ingredients
千盛酒業(深圳)有限公司	PRC	RMB1,000,000	–	100%	–	100%	Sale of food ingredients

* The subsidiary was disposed during the year (Note 31).

\# The subsidiary was acquired during the year (Note 30).

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

2. BASIS OF PRESENTATION

In preparing the consolidated financial statements, the directors of Company have given careful consideration to the future liquidity of the Group in light of the fact that the Group had net current liabilities of HKD24,458,000 and net liabilities of HKD23,760,000 and while the Group had HKD626,000 cash and bank balances only.

The Directors have been undertaking a number of measures to improve the Group's liquidity and financial position, and to obtain the revolving loan facilities from an independent third party. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends on the outcome of the following measures:

(a) In order to meet the immediate working capital demand as stated above, the Group obtained a revolving loan facilities of approximately HKD65,000,000 from an independent third party which is effective from 15 December 2023 to 31 January 2025. During the contracted period, the Group is able to draw the loan amount at anytime with a 2-days notice period.

(b) The Group is presently expanding its food supply chain business to diversify its operations and enhance its cash flow positivity.

(c) The Group remains committed to implementing stringent expense controls as a continuous effort to manage costs effectively and optimize operational efficiency. By closely monitoring and scrutinizing expenses, the Group aims to identify areas for potential savings and ensure that resources are allocated judiciously.

The above conditions and the matters indicate the existence of material uncertainties which may cast significant doubt about the Group's ability to continue as a going concern and, therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Should the Group be unable to achieve the abovementioned measures, it might not be able to continue in business as a going concern, and adjustments would have to be made to write down the carrying value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, where applicable. The effect of these adjustments has not been reflected in the consolidated financial statements.

3.1 BASIS OF PREPARATION

(a) Application of New and Amendments to Hong Kong Financial Reporting Standards ("HKFRSs")

In the current year, the Group has applied the following amendments to HKFRSs issued by the issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") for the first time, which are mandatorily effective for the annual period beginning or after 1 September 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to Hong Kong Accounting Standard ("**HKAS**") 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform — Pillar Two Model Rules

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

Impact on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 — Disclosure of Accounting Policies

The amendments to HKAS 1 and HKFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The application of the amendments has had no material impact on the Group's financial performance and positions, but has affected the disclosures of accounting policies.

3.1 BASIS OF PREPARATION (Continued)

(b) Amendments to HKFRSs issued but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback[1]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5 (2020) Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause[1]
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements[1]
Amendments to HKAS 1	Non-current Liabilities with Covenants[1]
Amendments to HKAS 21	Lack of Exchangeability[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[4]
HKFRS 18	Presentation and Disclosure in Financial Statements[5]
HKFRS 19	Subsidiaries without Public Accountability: Disclosure[5]

1 Effective for annual periods beginning on or after 1 January 2024.
2 Effective for annual periods beginning on or after 1 January 2025.
3 Effective for annual periods beginning on or after a date to be determined.
4 Effective for annual periods beginning on or after 1 January 2026.
5 Effective for annual periods beginning on or after 1 January 2027.

The directors of the Company anticipate that the application of the above new and amendments to HKFRSs will have no material impact on the results and the financial position of the Group.

3.2 MATERIAL ACCOUNTING POLICY INFORMATION

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 August 2024 and 2023. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

3.2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Business combination or assets acquisitions

Optional concentration test

Effective from 1 January 2020, the Group can elect to apply an optional concentration test, on a transaction-by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

Asset acquisitions

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to investment properties which are subsequently measured under fair value model and financial assets/financial liabilities at their respective fair values, the remaining balance of the purchase price is then allocated to the other identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

Business combinations

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Acquisitions of businesses, other than business combination under common control are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

The identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the Conceptual Framework for Financial Reporting (the "**Conceptual Framework**") except for transactions and events within the scope of HKAS 37 or (HK) IFRIC 21, in which the Group applies HKAS 37 or (HK) IFRIC 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognised.

3.2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Business combination or assets acquisitions (Continued)

Business combinations (Continued)

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

— deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 "Income Taxes" and IAS 19 "Employee Benefits" respectively;

— liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 "Share-based Payment" at the acquisition date (see the accounting policy below);

— assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" are measured in accordance with that standard; and

— lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in IFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another HKFRS.

3.2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On the disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash-generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained.

Impairment of non-financial assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. The recoverable amount of tangible and intangible assets is estimated individually. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

3.2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Impairment of non-financial assets other than goodwill (Continued)

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

 (i) has control or joint control over the Group;

 (ii) has significant influence over the Group; or

 (iii) is a member of the key management personnel of the Group or of a parent of the Group;

3.2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Related parties (Continued)

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group which means that each parent, subsidiary and fellow subsidiary is related to others;

(ii) one entity is an associate or joint venture of the other entity or an associate or a joint venture of a member of a group of which the other entity is a member;

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group;

(c) Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

Plant and equipment and depreciation

Plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location of its intended use.

Expenditure incurred after items of plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

3.2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Plant and equipment and depreciation (Continued)

Depreciation is calculated on the straight-line basis to write off the cost of each item of plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Computer and office equipment	3–6 years
Furniture and fittings	6 years
Kitchen equipment	6 years
Leasehold improvements	3–6 years or over the term of lease, whichever is shorter
Motor vehicle	5 years

Where parts of an item of plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Franchise and licensing rights

Franchise and licensing rights acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets with finite useful life are amortised to profit or loss using the straight-line method over 5–20 years.

3.2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) *Right-of-use assets*

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Properties	Over the lease terms

(b) *Lease liabilities*

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

3.2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Leases (Continued)

Group as a lessee (Continued)

(c) *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases of properties (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment and laptop computers that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "**Revenue recognition**" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("**SPPI**") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

3.2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Investments and other financial assets (Continued)

Initial recognition and measurement (Continued)

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "**pass-through**" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

3.2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("**ECLs**") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

3.2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Impairment of financial assets (Continued)

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For trade receivables that contain a significant financing component, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, borrowings and other monetary liabilities.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, financial liabilities are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

3.2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be require to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in profit or loss.

3.2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

3.2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Income tax (Continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred taxes assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value there is reasonable assurance that the grant will be received and all attaching conditions will be complied with, When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which is intended to compensate, are expensed.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

3.2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Revenue recognition (Continued)

Revenue from contracts with customers (Continued)

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

(a) *Restaurant operation*

Revenue from restaurant operation is recognised at the point in time when catering services to the customers are completed.

(b) *Sales of food ingredients*

Revenue from the sale of food ingredients is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the food ingredients.

(c) *Revenue from provision of food supply chain services*

The services income is recognised at the point in time when the services are provided.

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (that is, the Group is a principal) or to arrange for those goods or services to be provided by the other party (that is, the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

3.2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Revenue recognition (Continued)

Other income

(a) Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

(b) Provision of management service is recognised over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share options reserve). At the end of the reporting period, the Group revises its estimate the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share options reserve.

When share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to accumulated losses.

Other employee benefits

Payments to defined contribution retirement benefit plan are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless it requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

For the Group's operations in Singapore and Malaysia, the employees of the Group are members of state-managed retirement benefits plan operated by the respective government authorities. The relevant subsidiaries are required to contribute a specific percentage of the payroll costs to the retirement benefits scheme. The only obligation of the Group with respect to the retirement benefits scheme is to make the specified contributions.

The total amounts contributed by the Group to the schemes and cost charged to the profit or loss represents contributions payable to the schemes by the Group at rates specified in the rules of the schemes.

3.2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Borrowing costs

All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Foreign currencies

These financial statements are presented in Hong Kong dollars. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit loss, respectively).

The functional currencies of certain overseas subsidiaries are currencies other than the Hong Kong dollars. As at the end of the reporting period, the assets and liabilities of these entities are translated into Hong Kong dollars at the exchange rates prevailing at the end of the reporting period and their profit or loss are translated into Hong Kong dollars at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies which are described in Note 3.2, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the accounting policies

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets within the coming financial year.

Principal versus agent consideration (agent)

The Group is considered as an agent for its contracts with customers relating to provision of food supply chain services for sales of food ingredients as the Group did not obtain the control over the food ingredients before passing on to customers taking into consideration indicators such as the Group is not primarily responsible for fulfilling the promise and not exposed to inventory risk. When the Group satisfies the performance obligation, the Group recognises a fee revenue in the amount it expects to be entitled as specified in the contracts, which amounted to 1% of the gross amount of consideration as specified in the contracts.

Critical judgement going concern basis

The assessment of the going concern assumption involves making judgements by the directors of the Company, at a particular point of time, about the future outcome of events and conditions which are inherently uncertain. The directors of the Company believe that the liquidity of the Group can be maintained in the coming twelve-month period from date of these consolidated financial statements after taking into the considerations as detailed in note 2. The directors of the Company also believe that the Group will have sufficient cash resources to satisfy its future working capital and other financing requirements.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainties

The followings are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimated impairment of plant and equipment, right-of-use assets and intangible assets

Plant and equipment, right-of-use assets and intangible assets are stated at costs less accumulated depreciation or amortisation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgment, make estimation, particularly in assessing whether an event has occurred or any indicators that may indicate that the carrying amount of the relevant assets may not be recoverable and for assets with impairment indication, or appropriate key assumptions to be applied in estimating the recoverable amounts. Changing those assumptions and estimates could materially affect the recoverable amount.

As at 31 August 2024, the carrying amounts of the plant and equipment, right-of-use assets and intangible assets related to restaurant operations are approximately Nil, HKD957,000 and Nil (2023: HKD157,000, Nil and Nil), respectively, after taking into account the impairment losses of Nil, Nil and Nil (2023: Nil, HKD776,000 and HKD508,000) in respect of plant and equipment, right-of-use assets and intangible assets that have been recognised respectively. Details of the impairment of plant and equipment, right-of-use assets and intangible assets are disclosed in Note 14 to the consolidated financial statements.

Estimated impairment on goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated, which is the higher of the value in use or fair value less costs of disposal. The value-in-use calculation required the Group to estimate the future cash flows expected to arise from the cash-generating unit (or a group of cash-generating units) and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flows or upward revision of discount rate, a material impairment loss or further impairment loss may arise. Details are disclosed in Note 17.

5. REVENUE

Revenue represents the net amounts received and receivable for services rendered net of sales related taxes. An analysis of the Group's revenue for the year is as follows:

	2024 **HKD'000**	2023 HKD'000 (Restated)
Revenue from contracts with customers within the scope of HKFRS 15 and recognised at a point in time		
Restaurant operations	**2,854**	33,985
Sale of food ingredients	**–**	306
Food supply chain services	**423**	–
	3,277	34,291

6. OPERATING SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision maker ("**CODM**"), for the purposes of resource allocation and assessment of segment performance focuses on types of services provided.

During the year ended 31 August 2024, the Group commenced the business of provision of food supply chain services in the PRC, and it is considered a new reportable and operating segment by the CODM.

During the year ended 31 August 2023, the CODM considered that there was only one reportable operating segment, being the restaurant operations business of the Group, as the CODMs consider that the sale of food ingredients is relatively insignificant and is ancillary to the restaurant operations. Accordingly, no segmental analysis is presented for the year ended 31 August 2023.

6. OPERATING SEGMENT INFORMATION (Continued)

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segments.

For the year ended 31 August 2024

Segments	Restaurant operations HKD'000	Food supply chain services HKD'000	Total HKD'000
Revenue			
External sales	2,854	423	3,277
Segment loss	(1,036)	(384)	(1,420)
Unallocated other income and gains and (losses), net			51,273
Unallocated staff costs			(4,039)
Unallocated depreciation			(7)
Unallocated rental and related expenses			(95)
Unallocated other operating expenses			(5,300)
Profit before tax			40,412

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment loss represents the loss incurred by each segment without allocation of certain other income and gains and (losses), net, certain staff costs, certain depreciation of plant and equipment, certain rental and related expenses and certain other operating expenses. This is the measure reported to the executive directors of the Company, being the CODM, for the purposes of resources allocation and performance assessment.

6. OPERATING SEGMENT INFORMATION (Continued)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

	2024 HKD'000	2023 HKD'000 (Restated)
Segment assets		
Restaurant operations	1,854	9,439
Food supply chain services	6,273	–
Total segment assets	8,127	9,439
Unallocated corporate assets	137	–
Consolidated assets	8,264	9,439
Segment liabilities		
Restaurant operations	1,278	58,257
Food supply chain services	6,315	–
Total segment liabilities	7,593	58,257
Unallocated corporate liabilities	24,431	–
Consolidated liabilities	32,024	58,257

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than certain plant and equipment, certain trade and other receivables, deposits and prepayments, due from the holding company and certain cash and bank balances; and
- all liabilities are allocated to operating segments other than certain trade and other payables and accruals.

6. OPERATING SEGMENT INFORMATION (Continued)

Other segment information

For the year ended 31 August 2024

	Restaurant operations HKD'000	Food supply chain services HKD'000	Unallocated HKD'000	Total HKD'000
Amounts included in the measure of segment profit or loss or segment assets:				
Additions to non-current assets *(Note)*	–	908	–	908
(Reversal of)/Impairment loss on other receivables under expected credit loss model, net	(115)	119	–	4
Impairment loss on goodwill	526	–	–	526
Depreciation and amortisation	340	215	7	562
Finance costs	72	33	–	105
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss or segment assets:				
Income tax expense	166	173	–	339

Note: Non-current assets excluded financial instruments.

For the year ended 31 August 2023, the Group is principally engaged in restaurant operations and regarded as one reportable and operating segment, no other segment information for the year ended 31 August 2023 is presented.

6. OPERATING SEGMENT INFORMATION (Continued)

Geographical information

The Group's operations are located in the Singapore, PRC and Hong Kong.

Information about the Group's revenue from external customers is presented based on the location of the operations. Information about the Group's non-current assets is presented base on the geographical location of the assets.

Disaggregation of revenue by geographical region

	2024 HKD'000	2023 HKD'000 (Restated)
Singapore	708	34,291
PRC	423	–
Hong Kong	2,146	–
	3,277	34,291

Disaggregation of non-current assets by geographical region

	2024 HKD'000	2023 HKD'000 (Restated)
Singapore	–	157
PRC	689	–
Hong Kong	964	–
	1,653	157

Note: Non-current assets excluded financial instruments.

Information about major customers

No revenue from individual external customer contributed over 10% of total revenue of the Group for both years.

7. OTHER INCOME AND GAINS AND (LOSSES), NET

	2024 HKD'000	2023 HKD'000 (Restated)
Gains on disposal of subsidiaries	51,267	–
Gains on termination of leases	–	1,109
Government grants *(Note)*	–	589
Management fee income	–	462
Exchange gain, net	–	6
Others	343	1,571
Impairment loss on right-of-use assets	–	(1,288)
Impairment loss on goodwill	(526)	–
Impairment loss on intangible assets	–	(508)
Impairment loss on other receivables under expected credit loss model, net of reversal	(4)	–
Loss on write off of plant and equipment	–	(358)
	51,080	1,583

Note: The amount represented grants which were received in Singapore. In the opinion of the management of the Group, there were no unfulfilled conditions or contingencies relating to these grants.

8. FINANCE COSTS

	2024 HKD'000	2023 HKD'000 (Restated)
Interest on interest-bearing other borrowings	30	664
Interest on lease liabilities	75	364
	105	1,028

9. PROFIT/(LOSS) BEFORE TAX

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

	2024 HKD'000	2023 HKD'000 (Restated)
Auditor's remuneration	700	700
Depreciation of plant and equipment	89	1,901
Depreciation of right-of-use assets	473	3,176
Amortisation of intangible assets	–	116
Loss on write off of plant and equipment	–	358
Employee benefit expenses excluding directors' and chief executive's remuneration		
— Salaries and allowances	4,407	16,528
— Retirement benefit contributions	146	1,022
— Share options expense	281	–
	4,834	17,550
Lease payments not included in the measurement of lease liabilities	13	1,710

10. INCOME TAX EXPENSE

	2024 HKD'000	2023 HKD'000 (Restated)
Current income tax expense		
— Singapore	–	763
Deferred income tax expense *(Note 26)*	339	–
Total tax expense for the year	339	763

10. INCOME TAX EXPENSE (Continued)

The income tax expense for the year can be reconciled to the profit/(loss) before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2024 HKD'000	2023 HKD'000 (Restated)
Profit/(loss) before tax	40,412	(13,116)
Tax calculated at respective income tax rate	6,647	(2,230)
Expenses not deductible for tax	1,413	2,502
Tax losses not recognised	398	578
Deductible temporary differences not recognised	341	–
Income not subject to tax	(8,460)	(87)
Total tax expense for the year	339	763

Notes:

(a) PRC Enterprise Income Tax

The income tax provision of the Group in respect of its operations in the PRC was calculated at the tax rate of 25%. No PRC Enterprise Income Tax was provided for as there was no estimated assessable profits that was subject to PRC Enterprise Income Tax during both years.

(b) Hong Kong Profits Tax

Hong Kong Profits Tax rate is 16.5%. No Hong Kong Profits Tax was provided for as there was no estimated assessable profits that was subject to Hong Kong Profits Tax during both years.

(c) Cayman Islands Income Tax

The Company is incorporated under the laws of the Cayman Islands as an exempted company with limited liability and under the Companies Law of the Cayman Islands, the Company is not subject to Cayman Islands income tax.

(d) British Virgin Islands ("BVI") Income Tax

The subsidiaries indirectly held by the Company are incorporated under the laws of BVI as an exempted company with limited liability and under the Companies Law of the BVI, such companies are not subject to BVI income tax.

(e) Singapore Corporate Income Tax

Singapore Corporate Income Tax has been provided at 17% on the estimated assessable profits arising in Singapore during both years.

11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES

(a) Directors' and chief executive's emoluments

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on GEM, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2024 HKD'000	2023 HKD'000 (Restated)
Fees	**126**	295
Other emoluments:		
Salaries, allowances and other benefits	**576**	1,207
Retirement benefit contributions	**22**	34
Share options expense	**191**	–
	789	1,241
	915	1,536

11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (Continued)

(a) Directors' and chief executive's emoluments (Continued)

	Year ended 31 August 2024				
	Directors' fee HKD'000	Salaries and allowances HKD'000	Retirement benefit contributions HKD'000	Share options expense HKD'000	Total HKD'000
Executive directors					
Mr. Li Junjian[1] *(Chief Executive)*	–	–	–	–	–
Mr. Chiang Ming Chun[2]	–	–	–	–	–
Mr. Yeap Wei Han, Melvyn	–	–	–	–	–
Ms. Wong Pui Kei, Peggy[3]	–	336	15	95	446
Mr. Zhou Junqi[4]	–	–	–	96	96
Mr. Xie Jianlong[5]	–	–	–	–	–
Mr. Liang Qianyuan[6]	–	–	–	–	–
Sub-total	–	336	15	191	542
Non-executive directors					
Mr. Liu Junjie[7]	–	–	–	–	–
Mr. Su Shiyi[8]	–	–	–	–	–
Sub-total	–	–	–	–	–
Independent non-executive directors					
Mr. Law Chun Lam, Nelson[9]	–	–	–	–	–
Mr. Lee Ming Yeung, Michael[10]	–	153	3	–	156
Mr. Chau Wing Nam	108	–	–	–	108
Mr. Lei Xiongpeng[11]	–	87	4	–	91
Ms. Huang Weiyan[12]	18	–	–	–	18
Sub-total	126	240	7	–	373
Total	126	576	22	191	915

11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (Continued)

(a) Directors' and chief executive's emoluments (Continued)

	Year ended 31 August 2023				
	Directors' fee HKD'000 (Restated)	Salaries and allowances HKD'000 (Restated)	Retirement benefit contributions HKD'000 (Restated)	Share options expense HKD'000 (Restated)	Total HKD'000 (Restated)
Executive directors					
Mr. Yeap Wei Han, Melvyn	–	150	–	–	150
Ms. Wong Pui Kei, Peggy[3]	–	358	17	–	375
Mr. Zhou Junqi[4]	–	358	–	–	358
Mr. Xie Jianlong[5]	–	–	–	–	–
Mr. Chiang Ming Chun[2]	36	318	17	–	371
Mr. Li Junjian[1] *(Chief Executive)*	–	–	–	–	–
Sub-total	36	1,184	34	–	1,254
Non-executive director					
Mr. Liu Junjie[7]	–	–	–	–	–
Sub-total	–	–	–	–	–
Independent non-executive directors					
Mr. Law Chun Lam, Nelson[9]	92	–	–	–	92
Mr. Lee Ming Yeung, Michael	46	23	–	–	69
Mr. Chau Wing Nam	121	–	–	–	121
Sub-total	259	23	–	–	282
Total	295	1,207	34	–	1,536

1 Appointed as executive director on 25 July 2023 and chairman on 13 December 2023
2 Appointed on 31 October 2022
3 Resigned on 11 June 2024
4 Resigned on 13 December 2023
5 Appointed on 10 January 2022 and retired on 28 February 2023
6 Appointed on 16 May 2024
7 Removed on 27 October 2022
8 Appointed on 27 October 2023
9 Resigned on 1 June 2023
10 Resigned on 31 May 2024
11 Appointed on 14 September 2023 and resigned on 15 October 2024
12 Appointed on 31 May 2024

11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (Continued)

(a) Directors' and chief executive's emoluments (Continued)

Note: The executive directors' emoluments shown above were for their services as directors of the Company as well as in connection with the management of the affairs of the Company and the Group. The non-executive director's emoluments shown above were for his services as a director of the Company or its subsidiaries. The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

(b) Five highest paid employees

The five highest paid employees of Group during the year included one director (2023: two directors), details of whose emoluments are set out in (a) above. Details of the remuneration for the year of the remaining four (2023: three) individuals who are neither a director nor chief executive of the Company are as follows:

	2024 HKD'000	2023 HKD'000 (Restated)
Salaries, allowances and other benefits	**1,800**	2,103
Retirement benefit contributions	**57**	110
	1,857	2,213

The number of the highest paid employees who are neither a director nor chief executive of the Company whose remuneration fee within the following bands is as follows:

	2024 No. of employees	2023 No. of employees
Nil to HKD1,000,000	**4**	3

During the year, no emolument was paid by the Group to any of the director of the Company or the five highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office. There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

12. DIVIDEND

No dividend was paid or proposed during the year ended 31 August 2024, nor has any dividend been proposed since the end of the reporting period (2023: Nil).

13. EARNINGS/(LOSS) PER SHARE

The calculation of earnings/(loss) per share attributable to owners of the Company is based on the following:

	2024 **HKD'000**	2023 HKD'000 (Restated)
Earnings/(loss):		
Profit/(loss) attributable to ordinary equity holders of the parent, used in the basic and diluted earnings/(loss) per share calculations	**40,244**	(13,382)

	2024 **'000**	2023 '000
Number of shares		
Weighted average number of shares for the purpose of basis and diluted earnings/(loss) per share	**56,934**	45,467

Diluted earnings/(loss) per share is the same as basic earnings/(loss) per share as there was no potential dilutive ordinary shares in issue during the year (2023: Nil).

14. PLANT AND EQUIPMENT

	Computer and office equipment HKD'000	Furniture and fittings HKD'000	Kitchen equipment HKD'000	Leasehold improvements HKD'000	Motor vehicles HKD'000	Total HKD'000
COST						
At 1 September 2022 (Restated)	3,265	2,332	4,232	29,126	393	39,348
Additions (Restated)	127	–	6	–	–	133
Written off (Restated)	(1,040)	(641)	(1,317)	(2,634)	–	(5,632)
Exchange realignment (Restated)	105	75	134	967	14	1,295
At 31 August 2023 (Restated) and 1 September 2023 (Restated)	2,457	1,766	3,055	27,459	407	35,144
Written off	(2,426)	(1,765)	(3,053)	(27,439)	–	(34,683)
Disposal of subsidiaries *(Note 31)*	–	–	–	–	(406)	(406)
Exchange realignment	(2)	(1)	(2)	(20)	(1)	(26)
At 31 August 2024	**29**	**–**	**–**	**–**	**–**	**29**
ACCUMULATED DEPRECIATION AND IMPAIRMENT						
At 1 September 2022 (Restated)	2,911	1,770	3,057	29,109	281	37,128
Provided for the year (Restated)	318	526	1,028	6	23	1,901
Eliminated on written off (Restated)	(907)	(589)	(1,150)	(2,628)	–	(5,274)
Exchange realignment (Restated)	94	59	103	966	10	1,232
At 31 August 2023 (Restated) and 1 September 2023 (Restated)	2,416	1,766	3,038	27,453	314	34,987
Provided for the year	34	–	23	–	32	89
Eliminated on written off	(2,426)	(1,765)	(3,059)	(27,433)	–	(34,683)
Disposal of subsidiaries *(Note 31)*	–	–	–	–	(345)	(345)
Exchange realignment	(2)	(1)	(2)	(20)	(1)	(26)
At 31 August 2024	**22**	**–**	**–**	**–**	**–**	**22**
NET CARRYING AMOUNT						
At 31 August 2024	**7**	**–**	**–**	**–**	**–**	**7**
At 31 August 2023 (Restated)	41	–	17	6	93	157

14. PLANT AND EQUIPMENT (Continued)

Write off of plant and equipment

During the year ended 31 August 2023, the Group ceased the operations of several restaurants which are making losses. It had caused the Group to write off certain of the net book value of computer and office equipment, furniture and fittings, kitchen equipment and leasehold improvements of these restaurants with carrying amounts before write off approximately HKD358,000 for the year ended 31 August 2023.

Impairment of plant and equipment, right-of-use assets and intangible assets

Restaurant operations

In view of continuous loss from segment of restaurant operations, the management has performed an assessment on the Group's non-current assets, primarily comprising plant and equipment, right-of-use assets and intangible assets related to restaurant operations as at 31 August 2024 and 2023 when impairment indicators were identified. In this connection, management reviewed the results of operation of each restaurant, representing different CGUs in determining whether any impairment indicator exists with each of the CGUs under review.

As at 31 August 2023, the management had impaired all the carrying amount of plant and equipment, right-of-use assets and intangible assets of the restaurants which to be ceased subsequent to the reporting period, no growth rate is expected in the impairment assessment.

As at 31 August 2024, the management of the Company estimated the corresponding recoverable amounts of the plant and equipment and right-of-use assets. The recoverable amounts of the restaurant operation cash generating unit ("**CGU**") have been determined on the basis of their value in use using discounted cash flow method. The key assumptions for the discounted cash flow method were those regarding the discount rate, growth rate and budgeted gross margin and revenue during the period. The aggregate net carrying amounts which approximately to the recoverable amounts of the plant and equipment, right-of-use assets and intangible assets are HKD7,000 (2023: HKD157,000), HKD1,646,000 (2023: Nil) and Nil (2023: Nil) respectively. During the year ended 31 August 2024, impairment loss of plant and equipment, right-of-use assets and intangible assets amounting of Nil (2023: Nil), Nil (2023: HKD1,288,000) and Nil (2023: HKD508,000) were recognised in profit or loss, respectively.

15. LEASES

The Group as a lessee

The Group has lease arrangement for leased restaurants and office premises (collectively referred as "**Properties**"). The lease terms generally ranged from 2 to 3 years (2023: 2 to 3 years). Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group unless approved by landlord. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Properties HKD'000
At 1 September 2022 (Restated)	4,203
Additions (Restated)	739
Depreciation charge (Restated)	(3,176)
Termination of lease (Restated)	(595)
Impairment loss recognised (Restated)	(1,288)
Exchange realignment (Restated)	117
At 31 August 2023 (Restated) and 1 September 2023 (Restated)	–
Additions	908
Acquired on acquisition of a subsidiary *(Note 30)*	1,216
Depreciation charge	(473)
Impairment loss recognised	–
Exchange realignment	(5)
At 31 August 2024	**1,646**

Details of the impairment of the right-of-use assets are set out in Note 14 to the consolidated financial statements.

During the year ended 31 August 2024, the Group has acquired right-of-use asset and lease liability of properties of approximately HKD1,216,000 and HKD1,262,000 through acquisition of a subsidiary.

15. LEASES (Continued)

The Group as a lessee (Continued)

(a) Right-of-use assets (Continued)

During the year ended 31 August 2023, the Group entered a lease for office purpose, including an extension option, management expects not to exercise this option. The Group recognised additions to right-of-use assets and lease liabilities, amounting to HKD739,000 and HKD699,000, respectively.

Additions to the right-of-use assets and lease liabilities for the year ended 31 August 2024 amounted to approximately HKD908,000 and HKD908,000 (2023: HKD739,000 and HKD699,000), due to new leases of office.

(b) Lease liabilities

	2024 HKD'000	2023 HKD'000 (Restated)
Carrying amount at 1 September	**1,899**	11,565
New leases	**908**	699
Acquired on acquisition of a subsidiary *(Note 30)*	**1,262**	–
Accretion of interest recognised during the year	**75**	364
Payments	**(2,417)**	(9,358)
Termination of lease	**–**	(1,704)
Exchange realignment	**(4)**	333
Carrying amount at 31 August	**1,723**	1,899
Analysed into:		
Current portion	**865**	1,574
Non-current portion	**858**	325
	1,723	1,899

The maturity analysis of lease liabilities is disclosed in Note 34(b) to the consolidated financial statements.

15. LEASES (Continued)

The Group as a lessee (Continued)

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2024 HKD'000	2023 HKD'000 (Restated)
Interest on lease liabilities	75	364
Depreciation charge of right-of-use assets	473	3,176
Impairment loss of right-of-use assets	–	1,288
Expenses relating to short-term leases (included in rental and related expenses)	13	1,421
Variable lease payments not included in the measurement of lease liabilities (included in rental and related expenses)	–	289
Total amount recognised in profit or loss	561	6,538

The leases for certain restaurants contain extension periods, for which the related lease payments have not been included in lease liabilities as the Group is not reasonably certain to exercise these extension options. The Group negotiates extension options to optimise operational flexibility in terms of managing the assets used in the Group's operations. The extension options are exercisable by the Group and not by lessor. As at 31 August 2024, no extension options expected to be exercised which are payable within five years (2023: payable within five years: approximately HKD526,000). The leases for restaurants which contain extension options expected not to be exercised as at 31 August 2023 will not be renewed.

(d) Variable lease payments

The Group leased a number of the restaurants outlets in shopping malls which contain variable lease payment terms that are based on the Group's turnover generated from the restaurants in the shopping malls. No variable lease payments recognised in profit or loss for the year ended 31 August 2024 (2023: approximately HKD289,000).

16. INTANGIBLE ASSETS

	Franchise and licensing rights HKD'000
COST	
At 1 September 2022 (Restated)	8,216
Exchange realignment (Restated)	277
At 31 August 2023 (Restated) and 1 September 2023 (Restated)	8,493
Disposal of subsidiaries *(Note 31)*	(8,487)
Exchange realignment	(6)
At 31 August 2024	**–**
ACCUMULATED AMORTISATION AND IMPAIRMENT	
At 1 September 2022 (Restated)	7,609
Provided for the year (Restated)	116
Impairment loss recognised (Restated)	508
Exchange realignment (Restated)	260
At 31 August 2023 (Restated) and 1 September 2023 (Restated)	8,493
Disposal of subsidiaries *(Note 31)*	(8,487)
Exchange realignment	(6)
At 31 August 2024	**–**
NET CARRYING AMOUNTS	
At 31 August 2024	**–**
At 31 August 2023 (Restated)	–

The intangible assets represent the franchise rights acquired from independent third parties for restaurant operations. The intangible assets have useful lives, based on contract terms, of 5–20 years and are amortised on a straight-line basis over the estimated useful lives.

During the year ended 31 August 2023, the Group ceased the restaurant operations operating under the franchise and licensing rights of which impairment loss had been recognised on the respective franchise right amounting to approximately HKD508,000 in the profit or loss.

17. GOODWILL

	HKD'000
COST	
At 1 September 2022, 31 August 2023 and 1 September 2023 (Restated)	**–**
Arising on acquisition of a subsidiary *(Note 30)*	**526**
At 31 August 2024	**526**
ACCUMULATED IMPAIRMENT	
At 1 September 2022, 31 August 2023 and 1 September 2023 (Restated)	–
Impairment loss recognised	526
At 31 August 2024	**526**
NET CARRYING AMOUNTS	
At 31 August 2024	**–**
At 31 August 2023 (Restated)	–

The goodwill of approximately HKD526,000 was generated from acquisition of PDR's Dining Limited ("**PDR**"), which is engaged in restaurant operation in Hong Kong during the year. The recoverable amount of the CGU is determined based on value-in-use calculation, which is based on discounted cash flow sourced from the financial budgets approved by the management covering a 2.2 years period based upon continued use of the assets.

The following table set out the key assumptions for the value-in-use calculation:

	Assumption used
Growth rate	2.3%
Pre-tax discount rate	12.3%

The growth rates used is in line with the long term inflation rate forecast in Hong Kong. The discount rate reflects current market assessments of the time value of money and specific risks relating to the CGU. Other assumptions included budgeted income estimated based on the past performance and management's expectations of market developments.

The management confirmed that the ongoing impact of declining catering market due to the competition from PRC market has led to the poor performance of Hong Kong restaurant, causing goodwill to be fully impaired.

18. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2024 HKD'000	2023 HKD'000 (Restated)
Trade receivables	4,071	2,910
Less: Impairment	–	(1,778)
Trade receivables, net *(Note a)*	4,071	1,132
Other receivables	1,528	7,314
Less: Impairment	(356)	(3,125)
Other receivables, net *(Note b)*	1,172	4,189
Rental and other deposits	443	1,435
Prepayments	41	273
	5,727	7,029
Less: Rental and other deposits classified as non-current assets	(234)	(35)
Trade and other receivables, deposits and prepayments — current portion	5,493	6,994

Notes:

(a) Trade receivables

The Group's trading terms with its customers for restaurant operations are mainly on cash, credit card and online-platform settlement. Generally, there is no credit period granted to customers, except for certain customers in which credit period of 30–60 days is granted by the Group. 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.

The Group allows an average credit period of 0–30 days to its customers for food supply chain services.

An ageing analysis of trade receivables based on the invoice date for restaurant operations and food supply chain services, is as follows:

	2024 HKD'000	2023 HKD'000 (Restated)
0–30 days	4,071	–
31–60 days	–	109
61–90 days	–	163
Over 90 days	–	860
	4,071	1,132

18. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Continued)

Notes: (Continued)

(a) **Trade receivables** (Continued)

The movement in the allowance for impairment losses of trade receivables are as follows:

	2024 HKD'000	2023 HKD'000 (Restated)
At beginning of the year	**1,778**	1,720
Disposal of subsidiaries	**(1,776)**	–
Exchange realignment	**(2)**	58
At end of the year	**–**	1,778

An impairment analysis is performed at each reporting date using a provision matrix to measure ECLs. The provision rates are based on days past due for groupings and forward-looking adjustments. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix analysed by the payment due date:

As at 31 August 2024

		Past due				
	Current	**0–30 days**	**31–60 days**	**61–90 days**	**Over 90 days**	**Total**
Expected credit loss rate	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
Gross carrying amount (HKD'000)	**4,071**	**–**	**–**	**–**	**–**	**4,071**
Expected credit losses (HKD'000)	**–**	**–**	**–**	**–**	**–**	**–**

As at 31 August 2023 (Restated)

		Past due				
	Current	0-30 days	31-60 days	61-90 days	Over 90 days	Total
Expected credit loss rate	0%	0%	0%	0%	100%	61%
Gross carrying amount (HKD'000)	109	163	860	–	1,778	2,910
Expected credit losses (HKD'000)	–	–	–	–	1,778	1,778

18. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Continued)

Notes: (Continued)

(b) Other receivables

Movements of allowance for impairment losses on other receivables are as follows:

	2024 HKD'000	2023 HKD'000 (Restated)
At beginning of the year	3,125	3,023
Acquired on acquisition of a subsidiary	352	–
Disposal of subsidiaries	(3,123)	–
Impairment loss, net	4	–
Exchange realignment	(2)	102
At end of the year	356	3,125

In the opinion of the directors, the impairment of other receivables of approximately HKD356,000 (2023: HKD3,125,000) was specific in nature which was considered in default due to indicators which showed that the Group was unlikely to receive the outstanding contractual amount. ECLs on the remaining other receivables balances are estimated by applying a loss rate approach with reference to historical loss record of the Group. Based on historical loss records and economic conditions, the directors are of the opinion that the expected credit losses on the remaining balances are minimal.

19. INVENTORIES

	2024 HKD'000	2023 HKD'000 (Restated)
Food ingredients	185	726

20. BALANCES WITH THE HOLDING COMPANY, NON-CONTROLLING INTERESTS AND A DIRECTOR

The amounts due from/(to) the holding company and non-controlling interests are non-trade in nature, unsecured, interest-free and repayable on demand.

The amount due to a director is non-trade in nature, unsecured, interest-free and repayable in November 2024 as at 31 August 2023. During the year ended 31 August 2024, the director has been resigned as a director of the Company and the balance has been classified as "Trade and other payables — Due to a former director of the Company" as at 31 August 2024.

21. CASH AND BANK BALANCES

Cash at banks earns interest at floating rates based on daily bank deposit rates.

22. TRADE AND OTHER PAYABLES AND ACCRUALS

	Notes	2024 HKD'000	2023 HKD'000 (Restated)
Trade payables	(a)	4,091	3,067
Goods and services tax payables		–	1,470
Salaries payables		32	2,376
Accruals		2,126	8,998
Other payables		961	9,671
Due to substantial shareholder — Mr. Lai	(b)	–	7,424
Due to director of the subsidiaries of the Company — Mr. Ho	(b)	–	2,480
Due to a former director of the Company — Mr. Zhou	(c)	22,360	–
		29,570	35,486

Notes:

(a) Trade payables are normally settled upon delivery or 30 to 60 days terms.

An ageing analysis of trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2024 HKD'000	2023 HKD'000 (Restated)
0–30 days	4,091	331
31–60 days	–	285
61–90 days	–	267
Over 90 days	–	2,184
	4,091	3,067

(b) The amounts are non-trade in nature, unsecured, interest-free and repayable on demand.

(c) Mr. Zhou resigned as the director of the Company during the year and remained as the director of the subsidiaries of the Company as at 31 August 2024. The amount was classified as due to a director in prior years and classified as other payables as at 31 August 2024. The amount is non-trade in nature, unsecured, interest-free and repayable on demand except for approximately HKD15,720,000 repayable on 30 November 2024.

23. CONTRACT LIABILITIES

The Group recognised the following revenue-related contract liabilities, which represented the unsatisfied performance obligation as at 31 August are expected to be recognised within one year:

	2024 **HKD'000**	2023 HKD'000 (Restated)
Sale of food ingredients	**400**	–

The Group receives the deposit from the customer in advance prior to the delivery of the goods. The amounts are recognised when the goods are delivered to the customers. The customers are entitled to the refund of payments in relation to the goods not yet delivered.

The following table shows how much of the revenue recognised relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in prior periods.

	2024 **HKD'000**	2023 HKD'000 (Restated)
At beginning of the year	**–**	–
Increase due to sales deposits received, including amounts recognised as revenue during the year	**402**	–
Exchange realignment	**(2)**	–
At end of the year	**400**	–

24. INTEREST-BEARING OTHER BORROWINGS

	2024 HKD'000	2023 HKD'000 (Restated)
Unsecured and repayable within one year:		
Unsecured other borrowings	–	3,933

As at 31 August 2023, the Group's other borrowings carried interest at fixed rate of 48% per annum. The amount included the outstanding principal and interests of approximately HKD2,951,000 and HKD982,000 which were payable on 26 October 2022 and 15 March 2023 respectively. Upon disposal of the subsidiaries, the Group has released the borrowings during the year ended 31 August 2024.

25. PROVISION FOR REINSTATEMENT COSTS

	2024 HKD'000	2023 HKD'000 (Restated)
At beginning of the year	354	3,159
Provision recognised	–	35
Utilisation	(365)	(2,969)
Imputed interest expense	11	40
Exchange realignment	–	89
At end of the year	–	354
Analysed as:		
Current portion	–	319
Non-current portion	–	35
	–	354

Provision for reinstatement costs is recognised when the Group entered into lease agreements for the premises. It includes the estimated cost of demolishing and removing all the leasehold improvements made by the Group to the premises at the end of respective lease periods. The premises shall be reinstated to the condition set up in the lease agreements upon the expiration of the lease agreements.

26. DEFERRED TAX LIABILITIES

The followings are the major deferred tax liabilities recognised and movements thereon during both years:

	Lease liabilities HKD'000	Right-of-use assets HKD'000	Accelerated tax depreciation HKD'000	Total HKD'000
At 1 September 2022 (Restated)	–	–	(191)	(191)
Exchange realignment (Restated)	–	–	(7)	(7)
At 31 August 2023 (Restated) and 1 September 2023 (Restated)	–	–	(198)	(198)
Acquired on acquisition of a subsidiary *(Note 30)*	209	(201)	–	8
Disposal of subsidiaries *(Note 31)*	–	–	199	199
Charged to profit or loss *(Note 10)*	(209)	(130)	–	(339)
Exchange realignment	–	–	(1)	(1)
At 31 August 2024	**–**	**(331)**	**–**	**(331)**

At 31 August 2024, the Group has estimated unused tax losses and deductible temporary difference of approximately HKD22,000 (2023: HKD15,882,000) and HKD1,723,000 (2023: HKD1,278,000), respectively available for offsetting against future profits. No deferred tax asset (2023: nil) has been recognised in respect of the estimated unused tax losses and deductible temporary difference of approximately HKD22,000 (2023: HKD15,882,000) and HKD1,723,000 (2023: HKD1,278,000), respectively due to unpredictability of future profit streams. Tax losses of approximately HKD22,000 (2023: Nil) will be expired in five years after the relevant accounting year end date.

Deferred tax assets have not been recognised in respect of these losses due to, in the opinion of the management of the Group, unpredictability of future profit streams.

27. SHARE CAPITAL

	2024 HKD'000	2023 HKD'000
Authorised		
400,000,000 Ordinary shares of HKD0.10 each	**40,000**	40,000

Details of movements of the Company's share capital are as follows:

	Notes	**Number of shares**	**Share capital** HK'000
Issued and fully paid			
At 1 September 2022		440,000,000	4,400
Share consolidation	*(a)*	(396,000,000)	–
Placing of shares	*(b)*	8,800,000	880
At 31 August 2023 and 1 September 2023		52,800,000	5,280
Exercise of share options	*(c)*	4,000,000	400
Issue of shares	*(d)*	1,582,280	158
At 31 August 2024		**58,382,280**	**5,838**

Notes:

(a) On 18 May 2022, the Company announced the share consolidation which involves the consolidation of every ten issued and unissued existing shares of par value HKD0.01 each into one consolidated share of par value of HKD0.1 each (the "**Consolidated Share**") and issued one share on every two Consolidated Share (the "**Right Issue**"). On 21 October 2022, the Consolidated Share was completed.

(b) On 12 July 2023, the Company announced that it has entered into the placing agreement with the placing agent, pursuant to which, the Company has conditionally agreed to place, through the placing agent on a best effort basis, up to 8,800,000 placing shares to one or more Placee(s) at the Placing Price of HKD0.282 per placing share (the "**Placing**"). The Placing was completed on 26 July 2023. Details are set out in the announcement on 26 July 2023.

(c) During the year ended 31 August 2024, option holders exercised their option rights to subscribe for 2,112,000 and 1,888,000 ordinary shares at exercise price of HKD0.320 and HKD0.319 per share with total consideration of approximately HKD676,000 and HKD602,000 respectively.

(d) On 18 January 2024, the Company entered into an agreement with independent third party, under which the Company acquired 51% equity interest of the company at consideration of HKD1,000,000.

On 19 March 2024, 1,582,280 shares were issued to independent third party, at HKD0.632 per share to settle the consideration of HKD1,000,000.

Details of the transaction are set out in the Company's announcements dated 18 January 2024 and 12 March 2024.

28. SHARE OPTION SCHEMES

Pursuant to a resolution passed on 23 July 2018 by the board of directors of the Company, a share option scheme (the "**Share Option Scheme**") was adopted.

The purpose of the Share Option Scheme is to provide incentives or rewards to eligible persons for their contribution or potential contribution to the Group.

The board of directors of the Company may, at its discretion, offer to grant an option to subscribe for such number of new shares as the board of directors of the Company may determine at an exercise price at a price which shall be at least the highest of: (i) the closing price of the shares on the date of grant of the option; (ii) the average closing prices of the shares for the five business days immediately preceding the date of grant of the option; and (iii) the nominal value of a share on the date of grant of the option.

The Share Option Scheme will remain in force for a period of ten years commencing on the 23 July 2018 and shall expire at the close of business on the business day immediately preceding the tenth anniversary thereof unless terminated earlier by the shareholders in general meeting.

An offer for the grant of options must be accepted within seven days inclusive of the day on which such offer was made. The amount payable by the grantee of an option to the Company on acceptance of the offer for the grant of an option is HKD1.

Save as determined by the board of directors and provided in the offer of the grant of the relevant options, there is no minimum period for which an option must be held before it can be exercised.

The maximum number of shares in respect of which options may be granted under the Share Option Scheme and any other share option scheme established by the Company, if any, is 40,000,000, representing 10% of the issued share capital of the Company upon Listing. The total maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme, if any, shall not exceed 30% of the issued share capital of the Company from time to time.

Details of specific categories of options are as follows:

Date of grant	Vesting period	Exercise period*	Exercise price
20 September 2023	N/A	20 September 2023 to 19 September 2028	HKD0.320
27 October 2023	N/A	27 October 2023 to 26 October 2023	HKD0.319

* The exercisable period commenced on the date of grant of the relevant share options.

28. SHARE OPTION SCHEMES (Continued)

The following table discloses movements of the scheme during the year:

Option type	Outstanding as at 1 September 2023 '000	Granted during year '000	Exercised during year '000	**Outstanding as at 31 August 2024 '000**
20 September 2023	–	2,112	(2,112)	**–**
27 October 2023	–	1,888	(1,888)	**–**
	–	4,000	(4,000)	**–**
Weighted average exercise price	–	0.320	0.320	**–**

During the year ended 31 August 2024, options were granted on 20 September 2023 and 27 October 2023. The estimated fair values of the options granted on those dates are approximately HKD325,000 and HKD148,000 respectively.

These fair values were calculated using the Binomial model. The inputs into the model were as follows:

Options grant	27 October 2023	20 September 2023
Weighted average share price (HKD)	HKD0.310	HKD0.320
Exercise price (HKD)	HKD0.319	HKD0.320
Expected volatility (%)	105	105
Expected life (years)	5	5
Risk-free rate (%)	3.99%	3.82%
Expected dividend yield (%)	–	–

Expected volatility was determined by using the historical volatility of other companies' share price over the previous 5 years. The expected life used in the model has been adjusted, based on the directors' best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The Binomial model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

29. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	As at 1 September 2023 HKD'000 (Restated)	**Financing cash flows HKD'000**	**Non-cash changes HKD'000**	**Exchange realignment HKD'000**	**As at 31 August 2024 HKD'000**
Due to a former director (included in trade and other payables and accruals)	**–**	**6,748**	**14,609**	**1,003**	**22,360**
Due to non-controlling interests	**488**	**(17)**	**(480)**	**9**	**–**
Due to a director	**14,609**	**–**	**(14,609)**	**–**	**–**
Interest-bearing other borrowings	**3,933**	**(818)**	**(3,170)**	**55**	**–**
Lease liabilities	**1,899**	**(2,417)**	**2,245**	**(4)**	**1,723**
	20,929	**3,496**	**(1,405)**	**1,063**	**24,083**

	As at 1 September 2022 HKD'000 (Restated)	Financing cash flows HKD'000 (Restated)	Non-cash changes HKD'000 (Restated)	Exchange realignment HKD'000 (Restated)	As at 31 August 2023 HKD'000 (Restated)
Due to non-controlling interests	500	(29)	–	17	488
Due to a director	5,951	10,126	–	(1,468)	14,609
Interest-bearing other borrowings	3,158	–	664	111	3,933
Lease liabilities	11,565	(9,358)	(641)	333	1,899
	21,174	739	23	(1,007)	20,929

Note: Non-cash changes represent addition, termination of lease liabilities, disposal of subsidiaries, finance costs recognised and reclassification.

29. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) Total cash outflow for leases

The total cash outflow for leases included in the consolidated statement of cash flows is as follows:

	2024 HKD'000	2023 HKD'000 (Restated)
Within operating activities	**13**	1,710
Within financing activities	**2,417**	9,358
	2,430	11,068

30. ACQUISITION OF A SUBSIDIARY

On 31 January 2024, the Company and the vendor entered into the acquisition agreement (the "**Acquisition**"), pursuant to which the Company has agreed to acquire and the vendor agreed to sell the 51% of the equity interest of PDR's Dining Limited ("**PDR**") for a consideration of HKD1,000,000 by shares. The Acquisition was completed on 31 January 2024. The acquisition has been accounted for as acquisition of business using the acquisition method.

PDR is a company incorporated in Hong Kong which is principally engaged in operating restaurant in Hong Kong.

Consideration transferred

	HKD'000
Shares consideration	1,000

PDR was acquired so that the Group can tap into the Hong Kong catering market for diversifying and expand the Group's business.

Assets acquired and liabilities recognised at the date of acquisition

	HKD'000
Right-of-use asset	1,216
Deferred tax asset	8
Cash and bank balances	73
Other receivables	1,028
Trade and other payables and accruals	(135)
Lease liability	(1,262)
Net identifiable assets acquired	928

The fair value and gross contractual amounts of other receivables at the date of acquisition amounted to approximately HKD1,028,000.

30. ACQUISITION OF A SUBSIDIARY (Continued)

Goodwill arising on acquisition

	HKD'000
Consideration transferred	1,000
Plus: non-controlling interests (49% of PDR)	454
Less: Fair value of identifiable net assets acquired	(928)
Goodwill arising on acquisition	526

The non-controlling interests (49%) in PDR recognised at the acquisition date was measured by reference to the fair value of the non-controlling interests and amounted to approximately HKD454,000. This fair value was estimated at their proportionate share of net assets acquired.

Goodwill arose on the acquisition of PDR because the acquisition included the synergies which enhance and realise the expansion of restaurant business of the Group in Hong Kong.

None of the goodwill arising on these acquisitions is expected to be deductible for tax purposes.

Cash inflow on acquisition of PDR

	HKD'000
Cash and cash equivalent balances acquired	73
Inflow of cash — investing activities	73

Impact of acquisition on the results of the Group

Included in the profit for the year is net loss of approximately HKD981,000 attributable to the additional business generated by PDR. Revenue for the year includes approximately HKD2,146,000 generated from PDR.

Had the acquisition been completed on 1 September 2023, total revenue of the Group for the year would have been approximately HKD3,678,000, and loss for the year would have been approximately HKD581,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 September 2023, nor is it intended to be a projection of future results.

In determining the "pro-forma" revenue and profit of the Group had PDR been acquired at the beginning of the current year, the directors of the Company have calculated depreciation of right-of-use assets acquired on the basis of the fair values arising in the initial accounting for the business combination rather than the carrying amounts recognised in the pre-acquisition financial statements.

31. DISPOSAL OF SUBSIDIARIES

On 28 August 2024, the Company entered into a sale and purchase agreement with an independent third party to dispose of 100% equity interest in a direct wholly owned subsidiary, K Investment Holdings Limited incorporated in British Virgin Islands, for an aggregate cash consideration of approximately HKD60,000 (equivalent to SGD10,000). K Investment Holdings Limited and its subsidiaries were principally engaged in restaurant business in Singapore.

An analysis of assets and liabilities over which control was lost:

	HKD'000
Plant and equipment	61
Cash and bank balances	375
Trade and other payables and accruals	(29,677)
Due to non-controlling interests	(480)
Interest-bearing other borrowings	(3,200)
Deferred tax liability	(199)
Net liabilities disposed of	(33,120)

Gain on disposal of subsidiaries:

	HKD'000
Cash consideration	60
Liabilities disposed of	33,120
Release of capital reserve	25,255
Release of non-controlling interests	(6,372)
Release of exchange reserve	(796)
Gain on disposal of subsidiaries	51,267

Cash outflow on the disposal of subsidiaries:

	HKD'000
Cash consideration received	60
Cash and bank balances disposed of	(375)
Outflow of cash — investing activities	(315)

32. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of non-wholly owned subsidiaries that have non-controlling interests.

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Loss allocated to non-controlling interests		Other comprehensive income allocated to non-controlling interests		Accumulated non-controlling interests	
		2024	2023	2024 HKD'000	2023 HKD'000 (Restated)	2024 HKD'000	2023 HKD'000 (Restated)	2024 HKD'000	2023 HKD'000 (Restated)
Kogane Yama Restaurants Pte. Ltd.	Singapore	–	40%	–	(370)	–	–	–	(2,533)
Kota Bak Kut Teh (SG) Pte. Ltd.	Singapore	–	10%	–	(29)	–	–	–	(482)
Kota Bak Kut Teh (SRG) Pte. Ltd.	Singapore	–	20%	–	(98)	–	–	–	(1,202)
K food Master Holdings Sdn. Bhd.	Malaysia	–	40%	–	–	–	127	–	(1,737)
				–	(497)	–	127	–	(5,954)

The above subsidiaries have been disposed during the year (Note 31).

Summarised financial information in respect of the subsidiaries that have material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

Kogane Yama Restaurants Pte. Ltd.

	2023 HKD'000 (Restated)
Current assets	7,093
Non-current assets	232
Current liabilities	13,250
Non-current liabilities	401
Equity attributable to owner of the parent	(3,793)
Non-controlling interest	(2,533)

32. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (Continued)

Kogane Yama Restaurants Pte. Ltd. (Continued)

	2023 HKD'000 (Restated)
Income	3,252
Expenses	(4,177)
Loss and total comprehensive loss for the year	(925)
Loss and total comprehensive loss attributable to owner of the parent	(555)
Loss and total comprehensive loss attributable to non-controlling interest	(370)
Loss and total comprehensive loss for the year	(925)
Net cash inflow from operating activities	87
Net cash outflow from investing activities	(104)
Net cash outflow	(17)

32. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (Continued)

Kota Bak Kut Teh (SG) Pte. Ltd.

	2023 HKD'000 (Restated)
Current assets	749
Non-current assets	35
Current liabilities	5,350
Non-current liabilities	273
Equity attributable to owner of the parent	(4,357)
Non-controlling interest	(482)
Income	670
Expenses	(930)
Loss and total comprehensive loss for the year	(260)
Loss and total comprehensive loss attributable to owner of the parent	(231)
Loss and total comprehensive loss attributable to non-controlling interest	(29)
Loss and total comprehensive loss for the year	(260)
Net cash inflow from operating activities	46
Net cash outflow from financing activities	(98)
Net cash outflow	(52)

32. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (Continued)

Kota Bak Kut Teh (SRG) Pte. Ltd.

	2023 HKD'000 (Restated)
Current assets	–
Non-current assets	308
Current liabilities	6,070
Non-current liabilities	273
Equity attributable to owner of the parent	(4,833)
Non-controlling interest	(1,202)
Income	1,398
Expenses	(1,900)
Loss and total comprehensive loss for the year	(502)
Loss and total comprehensive loss attributable to owner of the parent	(404)
Loss and total comprehensive loss attributable to non-controlling interest	(98)
Loss and total comprehensive loss for the year	(502)
Net cash inflow from operating activities	595
Net cash outflow from financing activities	(612)
Net cash outflow	(17)

33. RELATED PARTIES TRANSACTIONS

(a) In addition to the transactions or balances detailed elsewhere in these consolidated financial statements, the Group has entered into the following material transactions with related parties during the year:

Name of related party	Nature of transaction	2024 HKD'000	2023 HKD'000 (Restated)
Substantial shareholder — Mr. Derek Lai Weikang	Staff costs	–	208
Related party — Mago HV Pte. Ltd.*	Management fee income	–	48

* Common shareholder

(b) Compensation of key management personnel

The directors of the Company were considered to be the key management personnel of the Group. The remuneration of the directors of the Company is set out in Note 11.

34. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

All the Group's financial assets and liabilities as at 31 August 2024 and 2023 are stated at amortised cost.

(b) Financial risk management objectives and policies

The Group's major financial instruments include rental and other deposits, trade and other receivables, deposits and prepayments (excluded prepayment), due from the holding company, cash and bank balances, trade and other payables and accruals (excluded accruals), due to non-controlling interests and a director, interest-bearing other borrowings and lease liabilities. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management of the Company manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Interest rate risk

The Group is exposed to fair value interest rate risk which arise from lease liabilities (note 15(b)). The Group is exposed to cash flow interest rate risk in relation to bank balances (note 21) and interest-bearing other borrowings (note 24) as at 31 August 2024 and 2023. The interest-bearing other borrowings carry interest at fixed rate per annum. The management does not expect that bank balances to have significant cash flow interest rate risk as the bank deposit rate do not fluctuate significantly. The Group has not used any interest rate swaps to mitigate its exposure associated with fluctuations relating to interest rate risk. However, the management monitors interest rate exposure and will consider necessary actions when significant interest rate exposure is anticipated.

34. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Currency risk

The Group's operations are mainly denominated in RMB and HKD (2023: SGD and MYR) with a small extent in other foreign currencies. As the Group does not have significant foreign currency transactions and balances, foreign currency sensitivity analysis is not presented.

Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform its obligations is arising from the carrying amounts of the respective recognised financial assets as stated in the consolidated statement of financial position.

The Group applies ECL model under which the Group measures the loss allowance equal to 12-month ECL for all the Group's financial assets, unless when there has been a significant increase in credit risk since initial recognition in which circumstance the Group recognises lifetime ECL. The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis. The directors of the Company believe that there are no significant increase in credit risk of the Group's financial asset since initial recognition.

The Group does not provide any other guarantees which would expose the Group to credit risk.

Other receivables and deposits, bank balances and due from the holding company

For other receivables and deposits, the Group has assessed whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Group will measure the loss allowance based on lifetime rather than 12-month ECL.

No allowance has been recognised for bank balances and amount due from the holding company as the expected loss for these balances is immaterial under 12-month ECL model based on the Group's assumption on the rates of default of respective counterparties taking into account forward-looking information.

The credit risk on bank balances are limited because the counterparties are banks with high credit ratings assigned by credit-rating agencies. The ECL for these balances was insignificant.

Maximum exposure and year-end staging

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 August. The amounts presented are gross carrying amounts for financial assets.

34. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk (Continued)

Maximum exposure and year-end staging **(Continued)**

As at 31 August 2024

	12 month ECLs	Lifetime ECL			
	Stage 1 HKD'000	Stage 2 HKD'000	Stage 3 HKD'000	Simplified approach HKD'000	Total HKD'000
Trade receivables	–	–	–	4,071	4,071
Financial assets included in other receivables, deposits and prepayments	1,971	–	–	–	1,971
Due from the holding company	73	–	–	–	73
Cash and bank balances	626	–	–	–	626
	2,670	–	–	4,071	6,741

As at 31 August 2023 (Restated)

	12 month ECLs	Lifetime ECL			
	Stage 1 HKD'000	Stage 2 HKD'000	Stage 3 HKD'000	Simplified approach HKD'000	Total HKD'000
Trade receivables	–	–	–	2,910	2,910
Financial assets included in other receivables, deposits and prepayments	5,624	–	3,125	–	8,749
Due from the holding company	168	–	–	–	168
Cash and bank balances	1,359	–	–	–	1,359
	7,151	–	3,125	2,910	13,186

34. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk

The following table details the Group's contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. The undiscounted amount is derived from interest rate at the end of the reporting period.

As at 31 August 2024

	On demand or less than 1 year HKD'000	1–2 years HKD'000	2–5 years HKD'000	Total undiscounted cash flows HKD'000	Carrying amount HKD'000
Financial liabilities included in trade and other payables and accruals	**29,795**	**–**	**–**	**29,795**	**29,570**
Lease liabilities	**1,119**	**801**	**110**	**2,030**	**1,723**
	30,914	**801**	**110**	**31,825**	**31,293**

As at 31 August 2023 (Restated)

	On demand or less than 1 year HKD'000	1–2 years HKD'000	2–5 years HKD'000	Total undiscounted cash flows HKD'000	Carrying amount HKD'000
Financial liabilities included in trade and other payables and accruals	34,016	–	–	34,016	34,016
Due to non-controlling interests	488	–	–	488	488
Due to a director	–	15,719	–	15,719	14,609
Interest-bearing other borrowings	3,933	–	–	3,933	3,933
Lease liabilities	1,621	343	–	1,964	1,899
	40,058	16,062	–	56,120	54,945

35. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior years.

The capital structure of the Group consists of net debts, which includes interest-bearing other borrowings disclosed in Note 24 net of cash and bank balances and equity attributable to owners of the Company, comprising issued share capital and reserves.

The management of the Group reviews the capital structure regularly. As part of this review, management consider the cost of capital and the risk associated with each class of capital. Based on recommendations of the management, the Group will balance its overall capital structure through the new share issues as well as the issue of new debt or the redemption of existing debt.

36. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	As at 31 August 2024 HKD'000	As at 31 August 2023 HKD'000 (Restated)	As at 1 September 2022 HKD'000 (Restated)
Non-current assets			
Investments in subsidiaries	–	–	457
Plant and equipment	7	14	22
	7	14	479
Current asset			
Due from the holding company	73	73	73
Current liabilities			
Other payables	6,405	5,975	3,895
Due to subsidiaries	364	482	500
Due to a director	–	–	1,145
	6,769	6,457	5,540
Net current liabilities	(6,696)	(6,384)	(5,467)
Total assets less current liabilities	(6,689)	(6,370)	(4,988)
Non-current liability			
Due to a director	–	1,496	–
Net liabilities	(6,689)	(7,866)	(4,988)
Equity			
Share capital	5,838	5,280	4,400
Reserves	(12,527)	(13,146)	(9,388)
Deficit in assets	(6,689)	(7,866)	(4,988)

36. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Movement in the Company's reserves:

	Share premium HKD'000	Share option reserve HKD'000	Accumulated losses HKD'000	Total HKD'000
At 1 September 2022 (Restated)	68,732	–	(78,120)	(9,388)
Placing of shares (Restated)	1,494	–	–	1,494
Loss and total comprehensive expenses for the year (Restated)	–	–	(5,252)	(5,252)
At 31 August 2023 (Restated) and 1 September 2023 (Restated)	70,226	–	(83,372)	(13,146)
Loss and total comprehensive expenses for the year	–	–	(1,573)	(1,573)
Recognition of equity-settled share options	–	472	–	472
Exercise of share options	1,350	(472)	–	878
Issue of shares	842	–	–	842
At 31 August 2024	**72,418**	**–**	**(84,945)**	**(12,527)**

37. EVENT AFTER THE REPORTING PERIOD

On 22 November 2024, the Company entered into a sales and purchase agreement to acquire 51% of the total issued shares of the target company principally engaged in provision of beverage and accommodation service in PRC at a consideration of approximately HKD3,400,000. Details are set out in the announcement dated 22 November 2024.

38. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 29 November 2024.

	Year ended 31 August 2024 HKD'000	Year ended 31 August 2023 HKD'000 (Restated)	Year ended 31 August 2022 HKD'000 (Restated)	Year ended 31 August 2021 HKD'000 (Restated)	Year ended 31 August 2020 HKD'000 (Restated)
Revenue	**3,277**	34,291	76,159	89,341	83,971
Profit/(loss) before tax	**40,412**	(13,116)	(14,636)	(40,221)	(44,986)
Income tax (expense)/credit	**(339)**	(763)	(417)	104	146
Profit/(loss) for the year	**40,073**	(13,879)	(15,053)	(40,117)	(44,840)
Other comprehensive income/ (expense)					
Other comprehensive (expense)/ income that may be reclassified to profit or loss in the subsequent periods:					
Exchange differences on translation of foreign operations	**(518)**	(797)	172	41	28
Release of exchange reserve upon disposal of subsidiaries	**796**	–	–	–	–
Other comprehensive income/ (expense) for the year, net of income tax	**278**	(797)	172	41	28
Total comprehensive income/ (expense) for the year	**40,351**	(14,676)	(14,881)	(40,076)	(44,812)
Profit/(loss) for the year attributable to:					
— Owners of the parent	**40,244**	(13,382)	(14,625)	(38,919)	(41,687)
— Non-controlling interests	**(171)**	(497)	(428)	(1,198)	(3,153)
	40,073	(13,879)	(15,053)	(40,117)	(44,840)
Total comprehensive income/ (expense) attributable to:					
— Owners of the parent	**40,630**	(14,122)	(14,521)	(38,895)	(41,671)
— Non-controlling interests	**(279)**	(554)	(360)	(1,181)	(3,141)
	40,351	(14,676)	(14,881)	(40,076)	(44,812)

	31 August 2024 HKD'000	31 August 2023 HKD'000 (Restated)	31 August 2022 HKD'000 (Restated)	31 August 2021 HKD'000 (Restated)	31 August 2020 HKD'000 (Restated)
Total assets	**8,264**	9,439	16,106	42,316	112,991
Total liabilities	**(32,024)**	(58,257)	(52,622)	(64,870)	(95,714)
	(23,760)	(48,818)	(36,516)	(22,554)	17,277
Equity attributable to:					
— Owners of the parent	**(24,444)**	(42,569)	(30,821)	(17,354)	21,239
— Non-controlling interests	**684**	(6,249)	(5,695)	(5,200)	(3,962)
	(23,760)	(48,818)	(36,516)	(22,554)	17,277

The summary of the consolidated results of the Group for the year ended 31 August 2024, 31 August 2023, 31 August 2022, 31 August 2021 and 31 August 2020 and the consolidated assets and liabilities of the Group as at 31 August 2024, 31 August 2023, 31 August 2022, 31 August 2021 and 31 August 2020 have been extracted from the published annual report.

The summary above does not form part of the audited consolidated financial statements.