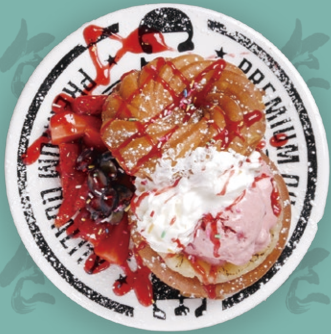
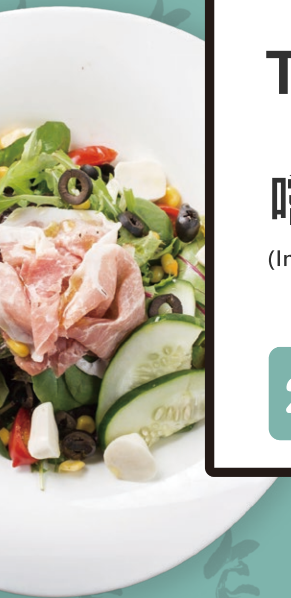




TASTE · GOURMET

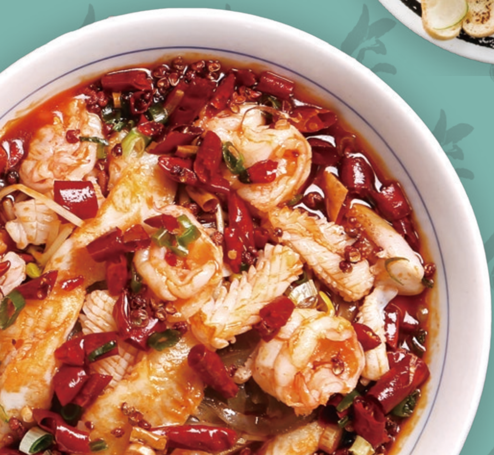
GROUP LIMITED

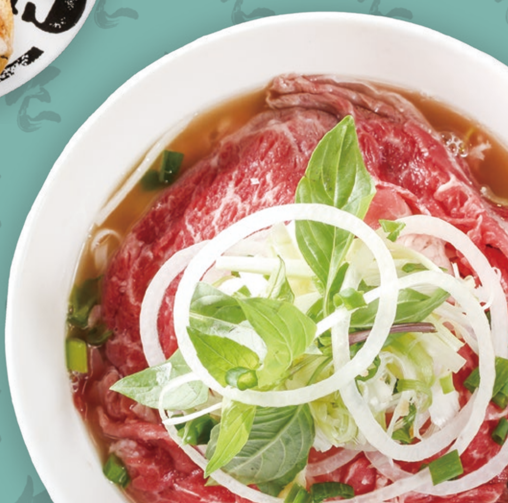
嚐·高美集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 8371

2018/19 INTERIM REPORT





CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. WONG Ngai Shan *(Chairman)*
Ms. CHAN Wai Chun *(Chief Executive Officer)*

Independent non-executive Directors

Ms. CHAN Yuen Ting
Mr. TSANG Siu Chun
Mr. WANG Chin Mong

COMPLIANCE OFFICER

Mr. YU Man To Gerald Maximillian

AUTHORISED REPRESENTATIVES

Mr. WONG Ngai Shan
Mr. YU Man To Gerald Maximillian

COMPANY SECRETARY

Mr. YU Man To Gerald Maximillian *B.BUS, MBA, FCPA*

AUDIT COMMITTEE

Mr. WANG Chin Mong *(Chairman)*
Ms. CHAN Yuen Ting
Mr. TSANG Siu Chun

REMUNERATION COMMITTEE

Mr. TSANG Siu Chun *(Chairman)*
Ms. CHAN Yuen Ting
Mr. WANG Chin Mong
Mr. WONG Ngai Shan

NOMINATION COMMITTEE

Ms. CHAN Yuen Ting *(Chairman)*
Mr. TSANG Siu Chun
Mr. WANG Chin Mong

COMPLIANCE COMMITTEE

Ms. CHAN Yuen Ting *(Chairman)*
Mr. TSANG Siu Chun
Mr. WANG Chin Mong

AUDITORS

Deloitte Touche Tohmatsu
Certified Public Accountants

COMPLIANCE ADVISER

Dongxing Securities (Hong Kong)
Company Limited

REGISTERED OFFICE

Cricket Square, Hutchins Drive, PO Box 2681
Grand Cayman KY1-1111, Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit B, 24/F Crawford Tower
99-101 Jervois Street, Sheung Wan, Hong Kong

PRINCIPAL SHARE REGISTRAR

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

HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited
Level 22, Hopewell Centre
183 Queen's Road East, Hong Kong

PRINCIPAL BANKERS

The Hong Kong and Shanghai Banking
Corporation Limited
Bank of China (Hong Kong) Limited

STOCK CODE

08371

COMPANY'S WEBSITE

www.tastegourmet.com.hk

TASTE • GOURMET GROUP LIMITED
嘗•高美集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 8371)

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

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*This Report, for which the directors (the "**Directors**") of Taste • Gourmet Group Limited (the "**Company**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this Report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Report misleading.*

CONTENTS

BUSINESS REVIEW

During the six months ended 30 September 2018, the Group (i) opened Nabe Urawa Restaurant at the Uptown Plaza in Tai Po ("**Uptown Nabe Urawa**") in April 2018; (ii) acquired a dessert restaurant, Sweetology which was completed on 1 April 2018; and (iii) opened the Dab-Pa Jing Chuan Hu at the Metroplaza in Kwai Fong ("**Metroplaza Dab-Pa**") in July 2018. Uptown Nabe Urawa and Metroplaza Dab-Pa achieved breakeven during the first month of operations.

The Fiat Caffé ("**TFC**") was closed down at the end of August but has since reopened in October as Madam Saigon, a modern Vietnamese Restaurant. Madam Saigon, together with The Pho are both 50% owned by the Group and 50% owned by the Lubuds Food and Beverage Group (the "**Lubuds Group**"), details of which are discussed under the heading "Long Sea Limited" below.

During the period, we also entered into an agreement to acquire three restaurants from an independent third party (the "**Parkview Acquisition**") operated under the brand "Parkview" (the "**Parkview Restaurants**"), details of the acquisition are discussed under the heading "The Parkview Acquisition" below. The Parkview Acquisition was completed on 31 October 2018.

In November 2018, we will open our first Japanese ramen restaurant under our own brand, Rakuraku Ramen in Lee Tung Avenue in Wanchai ("**Wanchai Rakuraku**"). As for our licenced Japanese Ramen brand, "多賀野" or Takano, we are still looking for a suitable location to open its first restaurant.

The number of restaurants as at 31 March 2018, 30 September 2018 and as at the date of this Report are as follows:

Restaurant	31 March 2018	30 September 2018	Date of this Report
La'taste	5	5	5
Nabe Urawa	3	4	4
Dab-Pa	2	3	3
Parkview	–	–	3
Say Cheese Kiosk	2	2	2
Fiat Caffé	1	–	–
Say Cheese	1	1	1
Sweetology	–	1	1
Urawa	1	1	1
Rakuraku Ramen	–	–	1
Madam Saigon*	–	–	1
The Pho*	–	1	1
Total	**15**	**18**	**23**

* 50% owned by the Group.

Confirmed leases for the opening of new restaurants are as follows:

Restaurant	Location	Mall Operator	Lease Expiry Date	Option to Renew (Yrs)	Expected Commencement Date	Seats	Site Area (Sq M)
Dab-pa	Citygate, Tung Chung	Swire Group	31/09/2023	None	Q1 2019	120	236.90
Nabe Urawa	Park Central, TKO	Sun Hung Kai	31/08/2022	2	Q2 2019	140	306.58
Rakuraku Ramen	MegaBox, Kowloon Bay	Kerry Group	28/02/2023	None	Q2 2019	60	98.94
Nabe Urawa	Nina Tower II	Chinachem	TBC (6 Years)	None	Q3 2019	120	250.80

The expected commencement date of both the Nabe Urawa restaurant at the Park Central in Tseung Kwan O ("**TKO**") and Dab-pa restaurant at the Citygate in Tung Chung were previously disclosed to be opened in the fourth quarter of 2018, however, due to a slight delay in the renovation works by the landlord at Park Central and the construction of the property at the Citygate, both sites will not be handed over to us until the first quarter of 2019.

Long Sea Limited

On 31 August 2018, we subscribed shares (the "**Subscription**") equivalent to 50% equity interest in the enlarged share capital of Long Sea Limited ("**Long Sea**"), an independent third party. The remaining 50% equity interest in Long Sea is owned by the Lubuds Group, also an independent third party. The consideration for the Subscription was HK$1,202,907, of which HK$1,149,121 was settled using the assets (the "**Fiat Caffé Assets**") of TFC, which is the same as the net book value of the Fiat Caffé Assets as at 31 August 2018 (the "**TFC Disposal**") and HK$53,786 in cash. On the same day, TFC ceased operations but has since reopened as Madam Saigon in October 2018, a modern Vietnamese Cuisine at the same location at the Mira Place in Tsim Sha Tsui.

In addition to Madam Saigon, Long Sea owns and operates "The Pho", a Vietnamese food kiosk situated in the food court in Hysan Place, Causeway Bay. Long Sea is a jointly controlled entity with one board representation each from the Company and the Lubuds Group and is equity accounted for in the accounts of the Company.

For details of the Subscription, please refer to the announcement issued by the Company dated 7 September 2018.

The Parkview Acquisition

On 26 September 2018, we entered into an agreement with an independent third party to acquire three of their restaurants under the "Parkview" brand for a total consideration of HK$5,500,000. The Parkview Restaurants are situated at the Metroplaza in Kwai Fong, New Town Plaza in Shatin and the PopWalk in Tseung Kwan O. The Parkview Acquisition was completed on 31 October 2018 and we have been granted a perpetual, unlimited and unrestricted licence to use the "Parkview" brand. For details of the Parkview Acquisition, please refer to the announcement issued by the Company dated 26 September 2018. In addition to the total consideration, we were required to provide rental and management fee deposits to the landlords upon the signing of the novation agreements which amounted to approximately HK$3,000,000. Therefore, total commitment for the Parkview Acquisition amounted to approximately HK$8,500,000 ("**Total Commitment**").

Licensing of a Japanese Ramen Brand

On 13 July 2018, we entered into a licensing agreement (the "**Licensing Agreement**") with an independent third party from Japan (the "**Licensor**") to license the rights to the exclusive and unlimited usage for all countries outside of Japan of a Japanese ramen brand "多賀野" or "Takano" (the "**License**").

We are currently looking for a suitable location to open our first "多賀野" ramen restaurant.

For details of the licensing agreement, please refer to the announcement issued by the Company dated 23 July 2018.

Significant Investments, Material Acquisitions or Disposals

Other than the Sweetology acquisition, the Subscription, the TFC Disposal, the Parkview Acquisition and the Licensing Agreement, there were no other significant investments held, material acquisitions or disposals of subsidiaries and affiliated companies during the six months ended 30 September 2018.

Restaurant Operations

During the six months ended 30 September 2018, a total of 996,593 customers patronized our restaurants (excluding Madam Saigon and The Pho as they are equity accounted for in the consolidated financial statements of the Group), an increase of 318,122 customers or 46.9% when compared to the same period in 2017. The average spending per customer decreased from HK$147.1 to HK$142.3 for the six months ended 30 September 2018 compared to the same period in 2017 but if the kiosks and dessert businesses are excluded, the average spending per customer increased to HK$160.8. The average spending per order for our kiosks was HK$37.1 and the average spending per customer for our dessert business was HK$51.1. The key operating information by cuisine are summarized as follows:

	Six Months Ended 30 September											
	2018						2017					
	Revenue HK$'000	**Number of Seats**	**Average Daily Sales HK$**	**Number of Customers**	**Average Spending per Customer HK$**	**Daily Seating Turnover Rate**	Revenue HK$'000	Number of Seats	Average Daily Sales HK$	Number of Customers	Average Spending per Customer HK$	Daily Seating Turnover Rate
Vietnamese	**35,182**	**494**	**193,306**	**339,615**	**103.6**	**3.8**	36,022	494	197,943	356,886	100.9	4.0
Japanese	**60,395**	**619**	**334,634**	**246,586**	**244.9**	**2.2**	39,866	533	245,883	172,709	230.8	2.0
Chinese	**28,115**	**336**	**203,612**	**170,809**	**164.6**	**3.7**	19,333	168	105,642	118,331	163.4	3.8
Western	**6,926**	**173**	**41,594**	**55,143**	**125.6**	**1.9**	4,600	93	25,414	30,545	150.6	1.8
	130,618	**1,622**	**773,146**	**812,153**	**160.8**	**3.0**	99,821	1,288	574,882	678,471	147.1	3.0
Dessert	**4,359**	**31**	**23,948**	**85,344**	**51.1**	**15.1**	–	–	–	–	–	–
Kiosks	**2,564**	**16**	**14,090**	**69,096**	**37.1**	**23.7**	–	–	–	–	–	–
	137,541	**1,669**	**811,184**	**966,593**	**142.3**	**3.4**	99,821	1,288	574,882	678,471	147.1	3.0

We strive to uphold our core values of "Food Quality and Customer Satisfaction" through providing to our diversified customer base a pleasant experience with quality dishes and attentive services at affordable price. We believe our multi-brand strategy enables us to capture a diversified group of customers with different taste and allow us to benefit from a wide source of revenue. Given the dynamic market and changing taste of customers in general, we endeavour to maintain a diversified portfolio of brands in order to maintain our competitiveness towards our customers.

Share Repurchase

From 19 June 2018 to 6 July 2018, we purchased from the market a total of 6,472,000 Shares which were subsequently cancelled on 2 August 2018. We believe that the current trading price of the Shares does not reflect the intrinsic value and that the share repurchase reflects the Company's confidence in its long-term business prospects and would ultimately benefit the Company and create value for Shareholders.

Grant of Share Options

On 29 June 2018, a total of 2,810,000 share options were granted to eligible employees of the Company to subscribe for 2,810,000 Shares at an exercise price of HK$0.92 per Share (the "**Share Options**"). The Share Options granted represent approximately 0.70% of the total issued capital of the Company as at date of the grant. No Share Options were granted to any of the Directors. For details of the grant of Share Options, please refer to the announcement issued by the Company dated 29 June 2018.

Change in the Use of Proceeds

On 26 September 2018, the Board resolved to change the use of proceeds for from the share offer of the Company dated 29 December 2017 (the "**Share Offer**") to fund the Total Commitment of the Parkview Acquisition. Project number 5 under the "Business" section on page 95 of the prospectus of the Share Offer (the "**Prospectus**") was allocated HK$13.0 million for the opening of a La'taste Vietnamese Restaurant in the third quarter of 2018 (the "**Project**"). The Project was conducted through an open tender to lease a location at a food court and with our initial tender not being successful, the Board has decided not to submit another tender, therefore HK$8.5 million of which will be reallocated to fund the Parkview Acquisition (the "**Reallocation**") with the remaining HK$4.5 million to be allocated to the opening of the Rakuraku Ramen restaurants.

The net proceeds from the Shares Offer after deducting underwriting fees, commissions and other expenses in connection with the Listing (the "**Net Proceeds**") amounted to approximately HK$66.8 million. After the Reallocation, the Net Proceeds will be applied in the following manner:

- Approximately HK$37.0 million, representing approximately 55.3% of the Net Proceeds will be used for the setup of new restaurants;
- Approximately HK$8.5 million, representing approximately 12.7% of the Net Proceeds will be used for the Parkview Acquisition;
- Approximately HK$8.0 million, representing approximately 12.0% of the Net Proceeds will be used for upgrading our existing restaurants by way of renovation and refurbishment;
- Approximately HK$0.3 million, representing approximately 0.5% of the Net Proceeds will be used for upgrading our information technology system;
- Approximately HK$6.7 million, representing approximately 10.0% of the Net Proceeds will be used for repayment of bank loans; and
- Approximately HK$6.3 million, representing approximately 9.5% of the Net Proceeds will be used for working capital and general corporate purposes.

Future Plans

The following is a comparison of the Group's business plan as set out in the Prospectus with actual business progress for the period from the 1 April 2018 to 30 September 2018:

Business Strategies	Business plan from 1 April 2018 to 30 September 2018 as set out in the Prospectus	Business plan not yet completed carried over from the Previous Period	Actual progress from 1 April 2018 to 30 September 2018
Expand our market share and continue to expand our multi-brand dining restaurants in Hong Kong	Set up new restaurants in Hong Kong, which will incur:		The actual progress are as follows:
	(i) part of the renovation costs for the Nabe Urawa Restaurant in TKO;		(i) Due to the delay in the renovation of the Park Central shopping mall resulting in the delay in the handover of the site, no renovation costs for the Nabe Urawa Restaurant in TKO has been incurred;
	(ii) the renovation costs, acquisition costs for furniture and equipment and consumables for the first new Nabe Urawa Restaurant (Uptown Nabe Urawa) in the New Territories;		(ii) Completed. Amount allocated as per the Prospectus was HK$4.5 million and the actual amount utilised was HK$3.7 million of which HK$3.2 million was incurred during the period from 17 January 2018 (the "Listing Date") to 31 March 2018 (the "Previous Period"). The amount allocated in the Previous Period as per the Prospectus was HK$2.0 million.
	(iii) the rental, utilities and management fee deposits for the third new Nabe Urawa Restaurant in the New Territories; and		(iii) We are currently in discussion with several landlords for the possible location, however we have not entered into any lease agreements, therefore no rental, utilities and management fee deposits for the third new Nabe Urawa Restaurant in the New Territories; and
	(iv) the rental, utilities and management fee deposits, renovation costs, acquisition costs for furniture and equipment and consumables for the first new La'taste Restaurant in the New Territories.		(iv) As discussed above, the fund allocated for the first new La'taste Restaurant in the New Territories has been Reallocated. Amount allocated as per the Prospectus was HK$13.0 million and the amount reallocated for the Parkview Acquisition was HK$8.5 million with the remaining HK$4.5 million for projects to be identified in due course.
		(v) Rental, utilities and management fee deposits for Metroplaza Dab-Pa.	(v) Paid in April 2018.
Enhance our brand recognition through raising our service levels on a continual basis, the increase of marketing initiatives and renovation of our restaurants	Renovation and refurbishment of the Urawa Restaurant ("**TUS**"), La'taste Restaurant in the Olympic City ("**TLO**") and Dab-Pa Restaurant at the Elements ("**TDC**").		Renovation and refurbishment of TUS was completed at the beginning of April 2018. Renovation and refurbishment of TLO has been deferred as the conditions of the leasehold improvements at TLO is better than expected. Renovation and refurbishment of TDC have not commenced as we are waiting for the approval from the landlord on the revised design of TDC.
Upgrade our information technology system	Upgrade our point-of-sale (POS) system at our restaurants		None of our restaurants have upgraded the POS systems as we are currently evaluating different proposals.

Use of Proceeds

The Net Proceeds from the Share Offer had been applied as follows:

		Planned use of proceeds				
	Original allocation as disclosed in the Prospectus HK$ Millions	Revised allocation as disclosed in 10 April 2018 announcement HK$ Millions	Revised allocation as disclosed in 26 September 2018 announcement HK$ Millions	Revised allocation as disclosed in 30 October 2018 announcement HK$ Millions	Utilised as at 30 September 2018 HK$ Millions	Unutilised as at 30 September 2018 HK$ Millions
Expand our restaurants in Hong Kong						
– Uptown Nabe Urawa	4.5	4.5	3.7	3.7	(3.7)	–
– Metroplaza Dab-Pa	6.3	7.0	6.9	6.9	(6.9)	–
– Nabe Urawa (Park Central)	4.7	4.7	4.7	4.7	–	4.7
– Dab-Pa Restaurant (Citygate)	5.0	5.0	5.0	5.0	–	5.0
– La'taste Restaurant (New Territories)	13.0	13.0	–	–	–	–
– Nabe Urawa (Nina Tower II)	6.7	6.7	6.7	6.7	–	6.7
– La'taste Restaurant (Kowloon)	1.2	1.2	1.2	1.2	–	1.2
– Nabe Urawa (New Territories)	4.1	3.4	4.1	4.1	–	4.1
– Rakuraku Ramen Restaurant (Lee Tung Avenue)	–	–	–	2.3	–	2.3
– Rakuraku Ramen restaurant (MegaBox)	–	–	–	2.4	–	2.4
– New project not yet identified	–	–	4.7	–	–	–
	45.5	45.5	37.0	37.0	(10.6)	26.4
Acquisition of restaurants						
– Parkview Restaurants	–	–	8.5	8.5	(1.1)	7.4
	–	–	8.5	8.5	(1.1)	7.4
Enhance our brand recognition						
– Renovation of TUS, TLO, TDC, TFC, TLA, TLK, TLC, TLM, TNM and TNT	8.0	8.0	8.0	8.0	(0.6)	7.4
	8.0	8.0	8.0	8.0	(0.6)	7.4
Other use of proceeds						
– Repayment of Bank Loans	6.7	6.7	6.7	6.7	(6.7)	–
– Upgrading our information technology system	0.3	0.3	0.3	0.3	–	0.3
– Working Capital	6.3	6.3	6.3	6.3	(6.3)	–
	13.3	13.3	13.3	13.3	(13.0)	0.3
Total Use of Proceeds	66.8	66.8	66.8	66.8	(25.3)	41.5

Notes:
TLA – La'taste Restaurant at the Far East Finance Centre in Admiralty
TLK – La'taste Restaurant at the Kornhill Plaza in Kornhill
TLC – La'taste Restaurant in Stanley Street in Central
TLM & TNM – La'taste Restaurant and Nabe Urawa Restaurant at the Grand Plaza in Mongkok
TNT – Nabe Urawa Restaurant at The One in Tsim Sha Tsui

Renovation of TFC

With TFC closed for business on 31 August 2018 and has since reopened as Madam Saigon, therefore the renovation costs originally allocated to TFC during the six months period ending on 30 September 2019 has been reallocated to other projects.

FINANCIAL REVIEW

Revenue

For the six months ended 30 September 2018, the Group recorded revenue of approximately HK$137,541,000, representing an increase of 37.8% when compared to the same period in 2017.

We derive our revenue from the sales of food and beverages at our restaurants in Hong Kong. The following tables sets forth the breakdown of our revenue by cuisine and the number of restaurants in operations by cuisine during the relevant periods.

	Six months ended				
	30.09.2018 HK$'000 (unaudited)	% of Revenue	30.09.2017 HK$'000 (unaudited)	% of Revenue	Changes
Vietnamese	35,182	25.6%	36,022	36.1%	–2.3%
Japanese	60,395	43.9%	39,866	39.9%	51.5%
Chinese	28,115	20.4%	19,333	19.4%	45.4%
Western	6,926	5.0%	4,600	4.6%	50.6%
Dessert	4,359	3.2%	–	0.0%	100.0%
Kiosks	2,564	1.9%	–	0.0%	100.0%
Total revenue	137,541	100.0%	99,821	100.0%	37.8%

The increase in revenue is attributable to the opening of: (i) Uptown Nabe Urawa; (ii) Nabe Urawa restaurant in Hysan Place in Causeway Bay in September 2017; (iii) Say Cheese restaurant in Park Central in TKO in November 2017; (iv) two Say Cheese kiosks in Olympian City, West Kowloon and in Metroplaza, Kwai Fong in December 2017; (v) Metroplaza Dab-Pa in July 2018; (vi) the acquisition of Sweetology in Metroplaza, Kwai Fong in April 2018; and (vii) the overall increase in revenue from existing restaurants as at the six months ended 30 September 2017 ("**Existing Shops**") amounted to approximately HK$588,000 or 0.62% when compared to the six months ended 30 September 2018. However, the increase was partially off-set by decrease in revenue due to the closure of TFC on 31 August 2018.

Major Cost Components

	Six months ended				
	30.09.2018		30.09.2017		
	HK$'000 (unaudited)	**% of Revenue**	HK$'000 (unaudited)	% of Revenue	**Changes**
Raw materials and consumables used	**38,924**	**28.3%**	27,056	27.1%	**43.9%**
Staff costs	**42,347**	**30.8%**	31,361	31.4%	**35.0%**
Depreciation and Amortisation	**4,162**	**3.0%**	2,845	2.9%	**46.3%**
Property rental and related expenses	**26,418**	**19.2%**	17,145	17.2%	**54.1%**
Utilities and cleaning expenses	**4,910**	**3.6%**	3,791	3.8%	**29.5%**
Other expenses	**8,268**	**6.0%**	4,841	4.8%	**70.8%**

All major cost components recorded significant increases when compared to the same period in 2017. The reasons for such increases are the same and in-line with revenue increases discussed above.

As a percentage of revenue, raw materials and consumables used increased from 27.1% to 28.3% is primarily due to: (i) the initially purchases for the opening of Uptown Nabe Urawa, Sweetology and Metroplaza Dab-Pa; and (ii) the higher food costs as a percentage of revenue for our Uptown Nabe Urawa as it is an all-you-can eat Japanese Shabu Shabu concept.

Property rental and related expenses increased from 17.2% to 19.2% as a percentage of revenue primarily due to; (i) the opening of three new restaurants during the six months ended 30 September 2018 compared to one restaurant with nine days of operations during the six months ended 30 September 2017; and (ii) rental increases for some of our Existing Shops. With deferred rent during the rent-free periods prior to their respective commencement of operations being amortised to the income statement without having any corresponding revenue, the biggest impact was the rental charges of our Metroplaza Dab-pa restaurant with deferred rent, management fees and rates of approximately HK$838,000 charged to the income statement without having a corresponding revenue to cover such costs prior to its opening.

As a percentage of revenue, staff costs continued to improve with a decrease of 0.6 percentage point when compared to the same period in 2017. The reason for the decrease is primarily due to the number of staff required for our Nabe Urawa restaurants and Say Cheese outlets are less compared to our other restaurant operations. With the increasing difficulty in hiring operational staff, the shift in operations that require fewer staff is essential in controlling staff costs as well as relieving pressure on our operational staff.

Other Expenses

Other expenses include items such as advertising expenses, credit card charges, delivery fees, entertainment expenses, insurance, printing and stationery, medical expenses and repairs and maintenance. Other expenses amounted to approximately HK$8,268,000, representing an increase of approximately 70.8% when compared to the same period in 2017. As a percentage of revenue, other expenses accounted for 6.0% of revenue for the six months ended 30 September 2018, a sizable increase compared to the 4.8% recorded during the same period in 2017. The increase was primarily due to additional provision made for audit fees and a general increase in expenses such as credit card charges, repairs and maintenance, medical expenses and printing and stationery expenses as more restaurants were in operations during the period.

Net Profit and Profit Attributable to Owners of the Company

For the six months ended 30 September 2018, net profit amounted to approximately HK$10,215,000, an increase of approximately HK$7,800,000 when compared to the same period in 2017. However, adjusted for the impact of listing expenses incurred during the six months ended 30 September 2017 of approximately HK$8,033,000, the adjusted net profit amounted to approximately HK$10,448,000. Compared with the adjusted net profit, net profit for the six months ended 30 September 2018 decreased by approximately HK$233,000 or 2.2%.

Profit attributable to owners of the Company is the same as the net profit amount as there is no non-controlling interests in our subsidiaries during the six months ended 30 September 2018, which Represents an increase of approximately HK$9,363,000. However, profit attributable to owners of the company adjusted for the impact of the listing expenses was approximately HK$8,885,000 for the six months ended 30 September 2017, therefore representing an increase of approximately 15.0% during the six months ended 30 September 2018. The main reason for the increase was due to the decrease in the non-controlling interests of the subsidiaries during June 2017.

Financial Resources and Position

As at 30 September 2018, total borrowings amounted to approximately HK$3.9 million, representing a decrease of 13.3% compared to the year ended 31 March 2018. Our bank borrowings carry variable-rate at Hong Kong Dollar Best Lending Rate less 2.2% per annum. The bank borrowing is secured by the corporate guarantee of the Company.

As at 30 September 2018, obligations under finance leases amounted to approximately HK$0.3 million which are secured by two motor vehicles of the Company with a net book value of approximately HK$0.9 million.

Cash and cash equivalents amounted to approximately HK$71.1 million as at 30 September 2018 which are mostly denominated in Hong Kong Dollars. As the Group's businesses are conducted in Hong Kong, therefore the Group does not expect to be exposed to any material foreign exchange risks.

As at 30 September 2018, the Group had a current ratio of 3.2 times and net cash position (net debt divided by equity attributable to owners of the Company plus net debt).

Contingent Liabilities

The Group had no material contingent liabilities as at 30 September 2018.

Capital Commitments

Details of the Group's capital commitments as at 30 September 2018 are set out in note 20 to the unaudited interim condensed consolidated financial statements.

Dividends

The Board has proposed to declare an interim dividend of HK$0.015 per share for the six months ended 30 September 2018.

Staff Training and Development

As at 30 September 2018, the Group had a total of 384 employees, all of whom are situated in Hong Kong. In addition to offering competitive remuneration packages to employee, discretionary bonuses and share options may also be granted to eligible employees based on individual performance.

The Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics, determined the emoluments of the Directors. None of the Directors or any of his/her associates, and executive, is involved in dealing in his/her own remuneration.

Future Prospects

In addition to the leases committed so far, there are ample opportunities in the Hong Kong food and beverage sector for premium shopping mall locations. We now operate 23 outlets compared to 15 outlets as at 31 March 2018, representing a 53.3% increase. In addition, we have committed four new leases thus far and we will continue to discuss with shopping mall landlords for new potential locations.

With value-for-money being our core philosophy, we believe our customers will feel that they are getting their money's worth of quality food as well as high standard of services, thus providing a platform for our sustainable growth.

OTHER INFORMATION

Directors' and Chief Executive's Interests and Short positions in the Shares, Underlying Shares and Debentures of the Company or Any Associated Corporation

As at 30 September 2018, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rule 5.46 of the GEM Listing Rules, were as follows:

Long Positions in Shares

Name of Directors	Capacity/Nature of interest	Number of Shares Held	Approximate Percentage of Shareholding
Mr. Wong Ngai Shan ("**Mr. Wong**")	Interest in controlled corporation and interest of spouse	256,838,000	65.265%
Ms. Chan Wai Chun ("**Ms. Chan**")	Interest in controlled corporation and interest of spouse	256,838,000	65.265%

Notes:

1. IKEAB Limited is owned by Mr. Wong as to 70% and Ms. Chan as to 30%. As such Mr. Wong and Ms. Chan are deemed to be interested in the Shares owned by IKEAB Limited by virtue of the SFO.

2. Elite China Enterprise Limited ("**Elite China**") is owned by Mr. Wong as to 50% and Ms. Chan as to 50%. As such Mr. Wong and Ms. Chan are deemed to be interested in 7,388,000 Shares held by Elite China as at 30 September 2018 by virtue of the SFO.

3. Mr. Wong is the spouse of Ms. Chan.

Save as disclosed above, as at 30 September 2018, none of the Directors and chief executive of the Company has any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rules 5.48 to 5.67 of the GEM Listing Rules.

Interests and Short Position of Substantial Shareholders' and Other Person in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporations

As at 30 September 2018, the interests and short positions of substantial shareholders and other persons (other than a Director or chief executive of the Company) in the shares and underlying shares which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or required to be entered in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

Long Positions in Shares

Name of Substantial Shareholder	Capacity/Nature of interest	Number of Shares Held	Approximate Percentage of Shareholding
Mr. Wong	Interest in controlled corporation and interest of spouse	256,838,000	65.265%
Ms. Chan	Interest in controlled corporation and interest of spouse	256,838,000	65.265%
IKEAB Limited	Beneficial owner	249,450,000	63.388%
Mr. Chua Sai Men	Beneficial owner	24,320,000	6.180%

Notes:

1. IKEAB Limited is owned by Mr. Wong as to 70% and Ms. Chan as to 30%. As such Mr. Wong and Ms. Chan are deemed to be interested in the Shares owned by IKEAB Limited by virtue of the SFO.

2. Elite China is owned by Mr. Wong as to 50% and Ms. Chan as to 50%. As such Mr. Wong and Ms. Chan are deemed to be interested in 7,388,000 Shares held by Elite China as at 30 September 2018 by virtue of the SFO.

3. Mr. Wong is the spouse of Ms. Chan.

Save as disclosed above, as at 30 September 2018, the Directors are not aware of any interests and short positions owned by any parties (other than a Director) in the shares and underlying shares which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or required to be entered in the register maintained by the Company pursuant to Section 336 of the SFO.

Purchase, Sale or Redemption of Listed Securities

The Company repurchased Shares on the market as follows:

Period	Number of Shares Repurchased
1 April 2018 to 6 July 2018	6,472,000

The total of 6,472,000 Shares repurchased were cancelled on 2 August 2018.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2018 and up to the date of this Report.

Share Option Scheme

Pursuant to the Company's share option scheme adopted by the Shareholders on 20 December 2017 (the "**SOS**"), the Board may, at its sole discretion, invite any director or proposed director (including an independent non-executive director) of any member of our Group, any executive director of, manager of, or other employee holding an executive, managerial, supervisory or similar position in, any member of our Group (an "**Employee**"), any proposed Employee, any full-time or part-time Employee, or a person for the time being seconded to work full-time or part-time for any member of our Group (an "**Executive**"), a consultant, business or joint venture partner, franchisee, contractor, agent or representative of any member of our Group, or any advisory, consultancy, professional or other services to any member of our Group, or a close associate (as defined under the GEM Listing Rules) of any of the foregoing persons (together, the "**Eligible Persons**" and each an "**Eligible Person**").

The purpose of the SOS is to motivate Eligible Persons to optimise their future contributions to our Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with Eligible Persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of our Group, and additionally in the case of Executives, to enable our Group to attract and retain individuals with experience and ability and/or to reward them for their past contributions.

The exercise price of the share option will be determined at the higher of the average of closing prices of the Shares on the Stock Exchange on the five trading days immediately preceding the date of grant of the option, the closing price of the Shares on the Stock Exchange on the date of grant or the nominal value of the Shares.

The SOS will remain in force for a period of 10 years commencing on 17 January 2018.

The share options under the SOS are exercisable at any time for a period to be determined by the Directors, which shall not be more than 10 years after the date of grant.

The total number of Shares in respect of which options may be granted under the SOS is not permitted to exceed 10% of the Shares in issue on the Listing Date without prior approval from the Shareholders. No option may be granted in any 12-month period to any one Eligible Person which if exercised in full would result in the total number of Shares already issued and issuable to him under all the options previously granted to him and the said option exceeding 1% of the number of Shares issued and issuable under all the options which may be granted under the SOS or any other share option schemes at the time it is proposed to grant the relevant options to that employee.

Each grant of share options to a Director, chief executive or substantial Shareholder of our Company or any of their respective associates under the Share Option Scheme shall be approved by Independent Non-executive Directors of our Company (excluding the Independent Non-executive Director of our Company who is the proposed grantee of the share options). Where any grant of share options to a substantial Shareholder or an Independent Non-executive Director of our Company or any of their respective associates would result in the securities issued and to be issued upon exercise of all share options already granted and which may be granted (including share options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such 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 HK$5 million, such further grant of share options must be approved by our Shareholders.

The Company shall send a circular to our Shareholders containing the information required under Rule 23.04 of the GEM Listing Rules. The relevant Eligible Person, his associates and all core connected persons of our Company shall abstain from voting at such general meeting. Any vote taken at the meeting to approve the grant of such share options must be taken on a poll.

Share options granted under the SOS must be taken up within the time period to be stated on the letter containing the offer of the grant of the share options, upon payment of HK$1.00 per grant.

As at 30 September 2018, the Company had 2,810,000 share options outstanding under the SOS, representing approximately 0.7% of the issued share capital of the Company. Details of the share options outstanding as at the date of this report are as follows:

Option Type	Date of Grant	Exercisable Period	Exercise Price (HK$)
2018 Options	29 June 2018	29 June 2019 to 28 June 2028	0.92
	29 June 2018	29 June 2020 to 28 June 2028	0.92
	29 June 2018	29 June 2021 to 28 June 2028	0.92

The following table discloses movements in the share options of the Company during the period:

Eligible Person	Options Type	Date of Grant	Exercisable Period	Exercie Price (HK$)	Number of Shares subject to the outstanding options as at 01.04.2018	Granted during the period	Exercised during the period	Cancelled/ Lapsed during the period	Number of Shares subject to the outstanding options as at 30.09.2018	Weighted average closing price of Shares immediately before the date on which the options were exercised
Category 1: Employees	2018 Options	29 June 2018	29 June 2019 to 28 June 2028	0.92	–	843,000	–	–	843,000	–
			29 June 2020 to 28 June 2028	0.92	–	843,000	–	–	843,000	–
			29 June 2021 to 28 June 2028	0.92	–	1,124,000	–	–	1,124,000	–
Total						2,810,000	–	–	2,810,000	

A total of 2,810,000 share options were granted on 29 June 2018 ("**Options Granted**").

Note:

(1) The vesting period of the share options is from the date of grant until the commencement of the exercise period.

The fair value of Options Granted amounted to approximately HK$527,000 (the "**Options Fair Value**") or HK$0.1875 per share option, which will be amortised over the vesting period of the Options Granted. The value of the Options Granted was calculated using the Binomial Model based on the following assumptions:

Valuation date	29 June 2018
Exercise price	HK$0.92
Share price at effective grant date	HK$0.74
Expected volatility	32.85%
Risk-free interest rate	2.17%
Contractual life of Options Granted	10 years
Expected dividend yield	2.97%

Notes:

(1) The risk-free rate represents the yields to maturity of Hong Kong Sovereign Curve with respective terms to maturity as at the valuation date.

(2) Volatility is the annualised standard deviation of daily return of comparable companies' share price.

The volatility of the underlying Shares during the life of the Options Granted was estimated with reference to the historical volatility prior to the grant of the share options. Changes in such input assumptions could affect the fair value estimates.

During the six months ended 30 September 2018, approximately HK$79,000 of the Options Fair Value was amortised in the accounts of the Company.

Corporate Governance

During the six months ended 30 September 2018, the Company had complied with the code provisions as set out in the Corporate Governance Code contained in Appendix 15 of the GEM Listing Rules.

Competing Interests

As at 30 September 2018, none of the Directors or substantial shareholders of the Company or any of their respective associates (as defined in the GEM Listing Rules) has engaged in any business that competes or may compete with the business of the Group or have any other conflict of interests with the Group.

Directors' Securities Transactions

The Company has adopted written guidelines regarding directors' securities transactions on terms no less exacting than the required standard of dealings set out in Rule 5.48 to 5.67 of the GEM Listing Rules. All directors have confirmed, following specific enquiries by the Company, that they have compiled with the required standard of dealings during the six months ended 30 September 2018.

Interests of Compliance Adviser

In accordance with Rule 6A.19 of the GEM Listing Rules, Dongxing Securities (Hong Kong) Company Limited has been appointed as the compliance adviser of the Company (the "**Compliance Adviser**"). As confirmed by the Compliance Adviser, save for the compliance adviser agreement entered into between the Company and the Compliance Adviser dated 23 June 2017, none of the Compliance Adviser or its directors, employees or close associates (as defined under GEM Listing Rules) has or may have any interest in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities), which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

Audit Committee

The Company has an audit committee (the "**Audit Committee**") which was established in accordance with the requirements of the GEM Listing Rules for the purpose of reviewing and providing supervision over the Group's financial Reporting process and internal control procedures. As at the date of this Report, the Audit Committee comprises Mr. Wang Chin Mong (Chairman of the Audit Committee), Mr. Tsang Siu Chun and Ms. Chan Yuen Ting, all of whom are independent non-executive Directors.

An Audit Committee meeting was held on 14 November 2018 to review the unaudited condensed consolidated quarterly financial statements of the Group for six months ended 30 September 2018 and is of the opinion that such financials complied with the applicable accounting standards, legal and disclosure requirements applicable to the Group. Deloitte Touche Tohmatsu, the Group's external auditor, had carried out a review of the unaudited condensed consolidated financial statements for the six months ended 30 September 2018 in accordance with the Hong Kong Standard on Review Engagement 2410 "Review of Interim Financial Information Performed by Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

Interim Dividend and Closure of Register of Members

The Board resolved to declare an interim dividend of HK$0.015 per Share for the six months ended 30 September 2018 (2017: Nil). The interim dividend will be paid in cash. Based on the number of shares in issue as at the date of this report, a total amount of dividend of approximately HK$5.9 million will be distributed.

The interim dividend will be distributed to shareholders of the Company whose names appear on the register of members of the Company at the close of business on Thursday, 6 December 2018. The register of members of the Company will be closed from Wednesday, 5 December 2018 to Thursday, 6 December 2018 (both days inclusive), during such period no share transfer will be registered. To qualify for the interim dividend, all transfer of shares accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on Tuesday, 4 December 2018. The interim dividend will be payable on or about Thursday, 20 December 2018.

Appreciation

On behalf of the Board, I would like to take this opportunity to express my gratitude to all the staff and management team for their contribution during the period. I would also like to express my appreciation to the continuous support of our shareholders and investors.

By Order of the Board
WONG Ngai Shan
Chairman and Executive Director

Hong Kong, 14 November 2018

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Deloitte. 德勤

TO THE BOARD OF DIRECTORS OF TASTE • GOURMET GROUP LIMITED
(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Taste • Gourmet Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 25 to 58, which comprise the condensed consolidated statement of financial position as of 30 September 2018 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion 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 to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Without qualifying our review conclusion, we draw attention to the fact that the comparative condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period ended 30 September 2017 and the relevant explanatory notes included in these condensed consolidated financial statements have not been reviewed in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

In addition, without qualifying our review conclusion, we draw attention to the fact that the condensed consolidated statement of profit or loss and other comprehensive income for each of the three-month periods ended 30 September 2018 and 30 September 2017 and the relevant explanatory notes included in these condensed consolidated financial statements have not been reviewed in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
14 November 2018

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2018

	NOTES	For the three months ended 30 September		For the six months ended 30 September	
		2018	2017	**2018**	2017
		HK$'000	HK$'000	**HK$'000**	HK$'000
		(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Revenue	3	**75,212**	51,170	**137,541**	99,821
Other income		**11**	299	**37**	457
Other gains and losses, net		**–**	–	**–**	(335)
Fair value gain on financial asset at fair value through profit or loss		**23**	–	**23**	–
Raw materials and consumables used		**(20,505)**	(13,954)	**(38,924)**	(27,056)
Staff costs		**(23,086)**	(15,845)	**(42,347)**	(31,361)
Depreciation		**(2,107)**	(1,359)	**(4,162)**	(2,845)
Property rentals and related expenses		**(13,560)**	(8,946)	**(26,418)**	(17,145)
Utilities and cleaning expenses		**(2,665)**	(1,713)	**(4,910)**	(3,791)
Other expenses		**(4,660)**	(2,750)	**(8,268)**	(4,841)
Share of loss of a joint venture		**(24)**	–	**(24)**	–
Listing expenses		**–**	(581)	**–**	(8,033)
Finance costs	4	**(32)**	(143)	**(67)**	(269)
Profit before tax		**8,607**	6,178	**12,481**	4,602
Income tax expense	5	**(1,095)**	(1,175)	**(2,266)**	(2,187)
Profit and total comprehensive income for the period	6	**7,512**	5,003	**10,215**	2,415
Profit and total comprehensive income for the period attributable to					
– Owners of the Company		**7,512**	5,003	**10,215**	852
– Non-controlling interests		**–**	–	**–**	1,563
		7,512	5,003	**10,215**	2,415
Earnings per share	8				
– Basic (HK cents)		**1.9**	1.8	**2.6**	0.3

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2018

	NOTES	**As at 30 September 2018 HK$'000 (Unaudited)**	As at 31 March 2018 HK$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	9	**27,431**	24,530
Interest in a joint venture	10	**1,179**	–
Intangible asset		**94**	–
Financial asset at fair value through profit or loss		**1,544**	–
Rental and utilities deposits	11	**14,781**	13,385
Prepayments, deposits and other receivables	11	**1,588**	2,521
Amount due from a joint venture	12	**1,222**	–
Deferred tax assets		**731**	481
		48,570	40,917
CURRENT ASSETS			
Trade and other receivables	11	**11,560**	10,335
Amount due from a shareholder	12	**37**	29
Income tax recoverable		**–**	155
Bank balances and cash	13	**71,101**	78,449
		82,698	88,968
CURRENT LIABILITIES			
Trade and other payables	14	**16,856**	15,520
Amount due to a shareholder	15	**468**	415
Bank borrowing	16	**3,903**	4,504
Obligations under finance leases – due within one year	17	**299**	381
Tax payable		**4,296**	3,007
		25,822	23,827
NET CURRENT ASSETS		**56,876**	65,141
TOTAL ASSETS LESS CURRENT LIABILITIES		**105,446**	106,058

	NOTES	As at 30 September 2018 HK$'000 (Unaudited)	As at 31 March 2018 HK$'000 (Audited)
NON-CURRENT LIABILITIES			
Obligations under finance leases – due over one year	17	**25**	176
Provision for reinstatement costs		**1,083**	873
Provision for long service payments		**237**	198
Deferred rent	14	**2,711**	–
Deferred tax liabilities		**726**	957
		4,782	2,204
NET ASSETS		**100,664**	103,854
CAPITAL AND RESERVES			
Share capital	18	**39,353**	40,000
Reserves		**61,311**	63,854
TOTAL EQUITY		**100,664**	103,854

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2018

	Attributable to owners of the Company									
	Share capital HK$'000	**Share premium** HK$'000	**Special reserve** HK$'000 (Note (i))	**Other reserve** HK$'000 (Note (ii))	**Share option reserve** HK$'000	**Capital redemption reserve** HK$'000	**Retained profits** HK$'000	**Sub-total** HK$'000	**Non-controlling interests** HK$'000	**Total** HK$'000
At 1 April 2017 (audited)	–	–	–	313	–	–	11,899	12,212	5,263	17,475
Profit and total comprehensive income for the period	–	–	–	–	–	–	852	852	1,563	2,415
Issue of new shares by the Company and acquisition of non-controlling interests pursuant to Group Reorganisation (Note 1)	300	–	(300)	–	–	–	6,826	6,826	(6,826)	–
At 30 September 2017 (unaudited)	300	–	(300)	313	–	–	19,577	19,890	–	19,890
At 31 March 2018 (audited)	**40,000**	**43,908**	**(300)**	**313**	**–**	**–**	**19,933**	**103,854**	**–**	**103,854**
Adjustment (Note 2)	**–**	**–**	**–**	**–**	**–**	**–**	**(48)**	**(48)**	**–**	**(48)**
At 1 April 2018 (restated)	**40,000**	**43,908**	**(300)**	**313**	**–**	**–**	**19,885**	**103,806**	**–**	**103,806**
Profit and total comprehensive income for the period	**–**	**–**	**–**	**–**	**–**	**–**	**10,215**	**10,215**	**–**	**10,215**
Share repurchase and cancelled (Note 18)	**(647)**	**(4,131)**	**–**	**–**	**–**	**647**	**(647)**	**(4,778)**	**–**	**(4,778)**
Recognition of equity settled share-based payment (Note 19)	**–**	**–**	**–**	**–**	**79**	**–**	**–**	**79**	**–**	**79**
Dividend recognised as distribution (Note 7)	**–**	**(8,658)**	**–**	**–**	**–**	**–**	**–**	**(8,658)**	**–**	**(8,658)**
At 30 September 2018 (unaudited)	**39,353**	**31,119**	**(300)**	**313**	**79**	**647**	**29,453**	**100,664**	**–**	**100,664**

Notes:

i. The special reserve represents the differences between the nominal amount of the share capital issued by the Company pursuant to the Group Reorganisation (as defined and detailed in Note 1) and the issued share capital of BWHK Limited ("BWHK") when the Company became the holding company of the Group upon completion of the Group Reorganisation on 23 June 2017.

ii. Other reserve represents the aggregate amount of:

(1) the differences between the considerations received and the proportionate share of the carrying amount of the net assets attributable to the relevant interest upon the deemed disposal of partial interest in subsidiaries during the year ended 31 March 2016; and

(2) the difference between the consideration paid and the proportionate share of the carrying amount of the net assets attributable to the relevant interests upon the deemed acquisition of additional interest in a subsidiary during the year ended 31 March 2017.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2018

	For the six months ended 30 September	
	2018	2017
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Net cash from operating activities	**16,704**	4,133
Net cash used in investing activities:		
Purchase of property, plant and equipment	**(7,252)**	(2,588)
Acquisition of a joint venture	**(54)**	–
Advance to a joint venture	**(1,222)**	–
Advance to a shareholder	**(8)**	–
Deposits paid to acquisition of a business	**(1,100)**	–
Deposits paid for acquisition of property, plant and equipment	**(79)**	(1,147)
Proceeds from disposal of property, plant and equipment	**–**	2,640
Net proceeds from disposal of trading securities	**–**	27
	(9,715)	(1,068)
Net cash used in financing activities:		
Repayment to non-controlling shareholders of subsidiaries	**–**	(2,720)
Repayment of bank borrowing	**(601)**	(1,891)
Repayment to a director	**–**	(12,138)
Interest paid on bank borrowing	**(60)**	(254)
Interest paid on obligations under finance leases	**(7)**	(15)
Principal payments for obligations under finance leases	**(233)**	(268)
Bank borrowing raised	**–**	8,000
Repurchase of shares	**(4,778)**	–
Dividends paid	**(8,658)**	–
	(14,337)	(9,286)
Net decrease in cash and cash equivalents	**(7,348)**	(6,221)
Cash and cash equivalents at the beginning of the period	**78,449**	21,079
Cash and cash equivalents at the end of the period, represented by bank balances and cash	**71,101**	14,858

1. BASIS OF PREPARATION

Taste • Gourmet Group Limited (the "Company") was incorporated as an exempted company and registered in the Cayman Islands with limited liability under the Cayman Companies Law and the shares of the Company have been listed on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 17 January 2018 (the "Listing").

The condensed consolidated financial statements are presented in Hong Kong dollars ("HK$"), which are also the functional currency of the Company.

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange.

In the preparation of the Listing, the Company and its subsidiaries (collectively referred to as the "Group") underwent a group reorganisation (the "Group Reorganisation") below to rationalise the group structure of the companies now comprising the Group.

Prior to the completion of the Group Reorganisation on 23 June 2017, 70% and 30% of Better World Holdings Limited ("Better World Holdings"), a company incorporated in Hong Kong and the holding company of all operating subsidiaries of the Group, was owned and jointly controlled by Mr. Wong Ngai Shan ("Mr. Wong") and Ms. Chan Wai Chun ("Ms. Chan") (collectively as the "Controlling Shareholders"), respectively.

The Group resulting from the Group Reorganisation, which involves interspersing the Company and BWHK Limited, a direct wholly-owned subsidiary of the Company, incorporated in the BVI with limited liability between the Controlling Shareholders of Better World Holdings and Better World Holdings as well as the acquisition of the non-controlling interests in the subsidiaries of Better World Holdings, continued to be jointly controlled by the Controlling Shareholders before and after the Group Reorganisation and is therefore regarded as a continuing entity. Accordingly, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months ended 30 September 2017 have been prepared to include the results, changes in equity and cash flows of the companies now comprising the Group as if the group structure upon the completion of the Group Reorganisation had been in existence throughout the period ended 30 September 2017, or since their respective dates of incorporation, where applicable.

2. PRINCIPAL ACCOUNTING POLICIES

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

Other than changes in accounting policies resulting from application of new Hong Kong Financial Reporting Standards ("HKFRS(s)"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2018 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2018.

Application of new and amendments to HKFRSs

In the current interim period, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 April 2018 for the preparation of the Group's condensed consolidated financial statements:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

The new and amendments to HKFRSs have been applied in accordance with the relevant transition provisions in the respective standards and amendments which results in changes in accounting policies, amounts reported and/or disclosures as described below.

2.1 Impacts and changes in accounting policies on application of HKFRS 15 Revenue from Contracts with Customers

The Group has applied HKFRS 15 for the first time in the current interim period. HKFRS 15 superseded HKAS 18 Revenue, HKAS 11 Construction Contracts and the related interpretations.

The Group recognises revenue from operations of restaurants in Hong Kong.

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this Standard recognised at the date of initial application, 1 April 2018. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the Standard retrospectively only to contracts that are not completed at 1 April 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 *Revenue* and HKAS 11 *Construction Contracts* and the related interpretations.

2.1.1 Key changes in accounting policies resulting from application of HKFRS 15

HKFRS 15 introduces a 5-step approach when recognising revenue:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.

Under HKFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good and service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or

- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or

- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Under HKFRS 15, revenue from restaurant operations is recognised at a point in time when the customer obtains control of the distinct goods.

2.1.2 Summary of effects arising from initial application of HKFRS 15

The application of HKFRS 15 has had no material impact on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

2.2 Impacts and changes in accounting policies on application of HKFRS 9 Financial Instruments and the related amendments

In the current period, the Group has applied HKFRS 9 *Financial Instruments* and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities and 2) expected credit losses ("ECL") for financial assets.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9. i.e. applied the classification and measurement requirements (including impairment) retrospectively to instruments that have not been derecognised as at 1 April 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 April 2018. The difference between carrying amounts as at 31 March 2018 and the carrying amounts as at 1 April 2018 are recognised in the opening retained profits and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 *Financial Instruments: Recognition and Measurement*.

2.2.1 Key changes in accounting policies resulting from application of HKFRS 9

Classification and measurement of financial assets

Trade receivables arising from contracts with customers are initially measured in accordance with HKFRS 15.

All recognised financial assets that are within the scope of HKFRS 9 are subsequently measured at amortised cost or fair value, including unquoted equity investments measured at cost less impairment under HKAS 39.

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value through profit or loss ("FVTPL"), except that at the date of initial application/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income ("OCI") if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 *Business Combinations* applies.

In addition, the Group may irrevocably designate a debt investment that meets the amortised cost or fair value through OCI ("FVTOCI") criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "fair value gain on financial asset at fair value through profit or loss" line item.

The directors of the Company (the "Directors") reviewed and assessed the Group's financial assets as at 1 April 2018 based on the facts and circumstances that existed at that date. Changes in classification and measurement on the Group's financial assets and the impacts thereof are detailed in Note 2.2.2.

Impairment under ECL model

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 (including trade and other receivables and amounts due from a joint venture and a shareholder). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade and other receivables, and amounts due from a joint venture and a shareholder that are without significant financing component. The ECL on these assets are assessed collectively using a provision matrix with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, 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. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

- an actual or expected significant deterioration in the operating results of the debtor; and

- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definitions.

The Group considers that default has occurred when the instrument is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

Generally, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables and amounts due from a joint venture and a shareholder where the corresponding adjustment is recognised through a loss allowance account.

As at 1 April 2018, the Directors reviewed and assessed the Group's existing financial assets for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of HKFRS 9. No additional credit loss allowance has been recognised against retained profits as the amounts involved are insignificant.

2.2.2 *Summary of effects arising from initial application of HKFRS 9*

The table below illustrates the classification and measurement (including impairment) of financial assets and other items subject to ECL under HKFRS 9 and HKAS 39 at the date of initial application, 1 April 2018.

	Carrying amount previously reported at 31 March 2018	**Reclassification**	**Remeasurement**	**Carrying amounts under HKFRS 9 at 1 April 2018**
	HK$'000	HK$'000	HK$'000	HK$'000
Non-current assets				
Financial asset at fair value through profit or loss	–	1,569	(48)	1,521
Prepayments and deposits	2,521	(1,566)	–	955
Current assets				
Trade and other receivables	10,335	(3)	–	10,332
Capital and reserves				
Retained profits	(19,933)	–	48	(19,885)

Note: At the date of initial application of HKFRS 9, the Group's prepayment for life insurance policies of HK$1,569,000 were reclassified from prepayments and deposits and trade and other receivables to financial asset at FVTPL as these investments cannot meet the HKFRS 9 criteria as solely payments of principal and interest on the principal amount outstanding. The fair value losses of HK$48,000 of these life insurance policies previously carried at amortised cost were adjusted to financial assets at FVTPL and retained profits as at 1 April 2018.

The application of other new and amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in these unaudited condensed consolidated financial statements and/or disclosures set out in these unaudited condensed consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

Revenue represents amounts received and receivable from restaurant operations, net of discounts, during the periods ended 30 September 2018 and 2017.

The principal activities of the Group are operating restaurants serving different kinds of cuisine in Hong Kong during the periods ended 30 September 2018 and 2017. Information reported to the Controlling Shareholders, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and performance assessment, focuses on types of goods or services delivered or provided. The CODM has determined that the Group has only one reportable segment which includes all the restaurants serving different kinds of cuisine in Hong Kong, each of which is considered a separate operating segment by the CODM. For segment reporting, these individual operating segments have been aggregated into a single reportable segment as they are all full-service restaurants which target the mid-to-high-end customers in Hong Kong.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segment:

	For the three months ended 30 September		**For the six months ended 30 September**	
	2018	2017	**2018**	2017
	HK$'000	HK$'000	**HK$'000**	HK$'000
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Revenue from external sales	**75,212**	51,170	**137,541**	99,821
Segment profit	**12,988**	8,332	**21,161**	15,875
Unallocated other income	**–**	16	**–**	32
Unallocated other gain or losses, net	**23**	–	**23**	(335)
Unallocated expenses	**(4,380)**	(2,170)	**(8,679)**	(10,970)
Share of loss of a joint venture	**(24)**	–	**(24)**	–
Profit before tax	**8,607**	6,178	**12,481**	4,602

Segment profit represents the profit earned by the reportable segment without interest income from life insurance policies, loss on disposal of property, plant and equipment, share of loss of a joint venture, fair value gain on financial asset at FVTPL, allocation of central administration costs, and listing expenses. This is the measure reported to CODM for the purposes of resource allocation and performance assessment.

Measures of total assets and liabilities are not reported as these financial information are not reviewed by the CODM for the assessment of performance and allocation of resources of the Group's business activities.

4. FINANCE COSTS

	For the three months ended 30 September		**For the six months ended 30 September**	
	2018	2017	**2018**	2017
	HK$'000	HK$'000	**HK$'000**	HK$'000
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Interests on:				
– bank borrowing	**29**	136	**60**	254
– obligations under finance leases	**3**	7	**7**	15
	32	143	**67**	269

5. INCOME TAX EXPENSE

	For the three months ended 30 September		For the six months ended 30 September	
	2018	2017	**2018**	2017
	HK$'000	HK$'000	**HK$'000**	HK$'000
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
The tax charge comprises				
Hong Kong Profits Tax:				
– Current tax	**1,661**	1,227	**2,774**	2,276
– Overprovision in prior years	**(27)**	(12)	**(27)**	(12)
– Deferred taxation	**(539)**	(40)	**(481)**	(77)
	1,095	1,175	**2,266**	2,187

Under the two-tier profits tax rates regime effective from March 2018, one of the subsidiaries of the Group in Hong Kong is subject to Hong Kong Profits Tax at the rate of 8.25% for the first HK$2 million of assessable profits and 16.5% for the assessable profits above HK$2 million for the current period. Other subsidiaries of the Group incorporated in Hong Kong are subject to Hong Kong Profits Tax at the rate of 16.5% for the six months ended 30 September 2018. The tax rate of subsidiaries is 16.5% for the six months ended 30 September 2017.

The Group has unused estimated tax losses of approximately HK$6,355,000 (31 March 2018: HK$3,981,000) and deductible temporary difference of HK$606,000 (31 March 2018: HK$672,000) available for offset against future profits as at 30 September 2018. No deferred tax has been recognised in respect of such unused tax losses and deductible temporary differences due to the unpredictability of future profit streams of the relevant entities. Unused tax losses may be carried forward indefinitely.

6. PROFIT FOR THE PERIOD

	For the three months ended 30 September		For the six months ended 30 September	
	2018	2017	**2018**	2017
	HK$'000	HK$'000	**HK$'000**	HK$'000
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Profit for the period has been arrived at after charging:				
Share-based payment expenses	**79**	–	**79**	–
Loss on disposal of property, plant and equipment	**–**	–	**–**	335

7. DIVIDENDS

	For the six months ended 30 September	
	2018	2017
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Dividends recognised as distribution during the period:		
2017 Final, paid – HK2.2 cents (2017: 2016 Final, paid – HK$Nil) per share	**8,658**	–

Subsequent to the end of the current interim period, the Directors have determined that an interim dividend of HK1.5 cents (2017: HK$Nil) per share in respect of the six months ended 30 September 2018 will be paid to the shareholders whose names appeared on the register of members as at the close of business on Thursday, 6 December 2018.

8. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	For the three months ended 30 September		For the six months ended 30 September	
	2018	2017	**2018**	2017
	HK$'000	HK$'000	**HK$'000**	HK$'000
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Earnings				
Earnings for the purposes of basic and diluted earnings per share – profit for the period attributable to owners of the Company	**7,512**	5,003	**10,215**	852

	For the three months ended 30 September		For the six months ended 30 September	
	2018	2017	**2018**	2017
	'000	'000	**'000**	'000
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Number of ordinary shares				
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share (Note)	**396,620**	277,073	**396,620**	277,073

Note: The computation of diluted earnings per share for the six months ended 30 September 2018 does not assume the exercise of share options granted by the Company, since the exercise price was higher than the average market price of the shares of the Company for the six months ended 30 September 2018.

9. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2018, the Group acquired property, plant and equipment of approximately HK$8,212,000 and of which HK$103,000 are acquired on acquisition of business. Furthermore, the Group disposed of certain property, plant and equipment with a carrying amount of approximately HK$1,149,000 as partial consideration for the share subscription in 50% equity interest in a joint venture (Note 10).

For the six months ended 30 September 2017, the Group acquired property, plant and equipment of approximately HK$2,588,000 and disposed of certain property, plant and equipment with a carrying amount of approximately HK$2,640,000, resulting in a loss of approximately HK$335,000.

10. INTEREST IN A JOINT VENTURE

	As at 30 September 2018 HK$'000 (Unaudited)	As at 31 March 2018 HK$'000 (Audited)
Cost of investment in a joint venture	**1,203**	–
Share of results of a joint venture	**(24)**	–
	1,179	–

Details of the Group's joint venture at the end of the reporting periods are as follows:

Name of joint venture	Place of incorporation/ principal place of business	Proportion of ownership interest held by the Group		Proportion of voting rights held by the Group		Principal activity
		As at 30 September 2018	As at 31 March 2017	**As at 30 September 2018**	As at 31 March 2017	
Long Sea Limited (Note)	Hong Kong	50%	N/A	50%	N/A	Restaurants operation

Note: In August 2018, the Company has completed a share subscription for a 50% equity interest in Long Sea Limited for a consideration of approximately HK$1,203,000 which were settled by the contribution of the Group's, property, plant and equipment with a carrying value of approximately HK$1,149,000 and cash consideration of approximately HK$54,000.

11. TRADE AND OTHER RECEIVABLES

	As at 30 September 2018 HK$'000 (Unaudited)	As at 31 March 2018 HK$'000 (Audited)
Trade receivables	**2,345**	1,739
Rental and utilities deposits	**17,959**	14,984
Prepayments for life insurance policy (Note a)	**–**	1,569
Prepaid rent and rates and property management fee	**2,525**	2,790
Prepayments for license fee (Note b)	**463**	–
Prepayments, other receivables and other deposits	**4,558**	4,334
Deposits for acquisitions of property, plant and equipment	**79**	825
	27,929	26,241
Less items expected to be realised over one year shown under non-current assets:		
– Rental and utilities deposits	**(14,781)**	(13,385)
– Prepayments for life insurance policy	**–**	(1,566)
– Prepayment for license fee (Note b)	**(269)**	–
– Deposits for acquisitions of property, plant and equipment	**(79)**	(825)
– Deposit for acquisition of a business	**(1,100)**	(130)
– Other receivables	**(140)**	–
	11,560	10,335

Notes:

(a) In January 2012, the Group entered into a life insurance policy with an insurance company to insure Mr. Wong, a director of the Company (the "Policy"). Under this Policy, the Group is the beneficiary and policy holder and the total insured sum is US$1,080,000 (equivalent to approximately HK$8,370,000). The Group is required to pay a single premium of US$172,925 (equivalent to approximately HK$1,340,000) at inception. The Group can, at any time, withdraw cash based on the account value of the policy ("Account Value") at the date of withdrawal, which is determined by the gross premium paid plus accumulated guaranteed interest earned and minus any charges made in accordance with the terms and conditions of the policy. If withdrawal is made between the 1st to 15th policy year, there is a specified amount of surrender charge deducted from the Account Value. This insurance company will pay the Group a guaranteed interest rate of 4.4% per annum for the first year and a variable return per annum afterwards (with minimum guaranteed interest rate of 3% per annum) during the effective period of the policy.

At the date of initial application of HKFRS 9 on 1 April 2018, the Group reclassified the prepayments for life insurance policy previously carried at amortised cost to financial asset at FVTPL. Details are set out in Note 2.

(b) During the period ended 30 September 2018, the Group entered into a licensing agreement with an independent third party ("Licensor") for a Japanese ramen brand for a licensing period of 8 years with a total license fees of HK$1,526,000. As at 30 September 2018, the Group has prepaid HK$463,000 to the Licensor and the remaining balance has been fully settled in early October 2018.

The revenue from sales of food and beverages are on cash or credit card settlement. The Group allows a credit period of 30 days to its trade receivables arising from sales of food and beverages through food delivery service agents.

As at 30 September 2018 and 31 March 2018, the Company's trade receivables represents receivables from financial institutions in relation to the payment settled by credit cards by customers of which the settlement period is normally within 2 days from the service rendered date, and receivables from the food delivery agents. Based on transaction date, all trade receivables as based on invoice date are aged within 30 days as at the end of each reporting date. All trade receivables are settled subsequent to the end of the reporting period. None of the trade receivables are past due but not impaired as at 30 September 2018 and 31 March 2018.

None of the Group's trade receivables was individually or collectively considered to be impaired. The Group does not hold any collateral over these balances.

No impairment allowance was made since the Directors consider the probability of default and the loss upon default is minimal after assessing the counter-parties' financial background, creditability, historical credit loss experience and all available forward looking information, including but not limited to changes in economic environment.

12. AMOUNTS DUE FROM A SHAREHOLDER/JOINT VENTURE

(a) Amount due from a shareholder

The amount is non-trade in nature, unsecured, interest free and repayable on demand.

(b) Amount due from a joint venture

The amount is due from Long Sea Limited which is non-trade in nature, unsecured, interest free and repayable on demand. In the opinion of the Directors, the amount is not expected to be repaid within twelve months from the end of the reporting period. Accordingly, the balance is classified as non-current.

No impairment allowance was made for the amounts due from a shareholder and a joint venture since the Directors consider the probability of default and the loss upon default is minimal after assessing the their financial background, creditability, historical credit loss experience and all available forward looking information, including but not limited to changes in economic environment.

13. BANK BALANCES AND CASH

Bank balances and cash comprise cash held and short-term bank deposits within an original maturity of three months or less and carry interest at prevailing market rates ranging from nil to 0.02% per annum as at 30 September 2018 (31 March 2018: nil to 0.02% per annum).

14. TRADE AND OTHER PAYABLES

	As at 30 September 2018 HK$'000 (Unaudited)	As at 31 March 2018 HK$'000 (Audited)
Trade payables		
– aged within 30 days (based on invoice date)	**5,455**	4,383
Accrued employee benefit expense	**8,096**	5,629
Deferred rent	**3,502**	2,347
Other payable for property, plant and equipment	**307**	275
Accruals	**2,207**	2,886
	19,567	15,520
Less item expected to be realised over one year shown under non-current liabilities:		
– Deferred rent	**(2,711)**	–
	16,856	15,520

The credit period granted by suppliers on purchase of goods is 0 to 30 days. No interest is charged by the trade creditors.

15. AMOUNT DUE TO A SHAREHOLDER

The amount is of trade nature, unsecured, interest free and with a credit term of 30 days. The trade balance as at 30 September 2018 and 31 March 2018 based on the invoice date is aged within 30 days and not past due nor impaired.

16. BANK BORROWING

	As at 30 September 2018 HK$'000 (Unaudited)	As at 31 March 2018 HK$'000 (Audited)
Bank loan, secured and guaranteed	**3,903**	4,504
Carrying amount repayable (according to scheduled repayment term as set out in the loan agreement):		
– Within one year	**1,229**	1,212
– More than one year, but not exceeding two years	**1,264**	1,246
– More than two years, but not exceeding five years	**1,410**	2,046
	3,903	4,504
Carrying amount that contain a repayment on demand clause (shown under current liabilities)	**3,903**	4,504

The Group's bank borrowing carries variable-rate interest at Hong Kong Dollar Best Lending Rate less 2.2% per annum as at 30 September 2018 and 31 March 2018.

The range of effective interest rates (which are also equal to contractual interest rates) on the Group's borrowing is as follows:

	As at 30 September 2018 (Unaudited)	As at 31 March 2018 (Audited)
Effective interest rate (per annum):		
Variable-rate borrowing	**2.80%**	2.80%

The secured bank borrowing of HK$3,903,000 as at 30 September 2018 (31 March 2018: HK$4,504,000), represent term loans borrowed by the Group for its operation. As at 30 September 2018 and 31 March 2018, such term loans are secured by the corporate guarantee of the Company.

17. OBLIGATIONS UNDER FINANCE LEASES

	As at 30 September 2018 (Unaudited)	As at 31 March 2018 (Audited)
Analysed for reporting purposes as:		
Current liabilities	**299**	381
Non-current liabilities	**25**	176
	324	557

It is the Group's policy to lease motor vehicles under finance leases. The average lease term is 3 years (31 March 2018: 3 years). The average interest rates underlying all obligations under finance leases were 1.23% (31 March 2018: 1.23%) per annum.

	Minimum lease payments		**Present value of Minimum lease payments**	
	30 September 2018 HK$'000 (Unaudited)	31 March 2018 HK$'000 (Audited)	**30 September 2018 HK$'000 (Unaudited)**	31 March 2018 HK$'000 (Audited)
Obligations under finance leases payable				
– within one year	**305**	391	**299**	381
– in more than one year but not more than two years	**25**	179	**25**	176
	330	570		
Less: Future finance charges	**(6)**	(13)	**324**	557
Present value of lease obligations	**324**	557		
Less: Amount due for settlement within one year shown under current liabilities			**(299)**	(381)
Amount due for settlement after one year			**25**	176

18. SHARE CAPITAL

	Number of shares	Amount HK$'000
Ordinary shares of HK$0.1 each		
Authorised:		
At 26 May 2017 (date of incorporation) and 30 September 2017 (unaudited)	3,800,000	380
Increase in authorised share capital on 20 December 2017 (Note a)	996,200,000	99,620
At 31 March 2018 (audited) and 30 September 2018 (unaudited)	**1,000,000,000**	**100,000**
Issued and fully paid:		
Issue of share at date of incorporation (Note a)	1	–
Issue of shares on 23 June 2017 pursuant to the Group Reorganisation (Note b)	2,999,999	300
At 30 September 2017 (unaudited)	3,000,000	300
Capitalisation issue (Note c)	297,000,000	29,700
Issue of shares on 17 January 2018 (Note d)	100,000,000	10,000
At 31 March 2018 (audited)	**400,000,000**	**40,000**
Shares repurchased and cancelled (Note e)	**(6,472,000)**	**(647)**
At 30 September 2018 (unaudited)	**393,528,000**	**39,353**

Notes:

(a) The Company was incorporated and registered as an exempted company in the Cayman Islands on 26 May 2017 with an authorised share capital of HK$380,000 divided into 3,800,000 shares of a nominal value of HK$0.1 each. Upon incorporation of the Company, one subscriber share was allotted and issued as nil paid to independent third party as initial subscriber and the nil paid share was transferred to IKEAB on the same day. Pursuant to the written resolutions passed by the then shareholders of the Company on 20 December 2017, the authorised share capital has been increased to HK$100,000,000 divided into 1,000,000,000 shares of a nominal value of HK$0.1 each.

(b) On 23 June 2017, as part of the Group Reorganisation as disclosed in Note 1, the Company allotted and issued 2,494,999 shares to IKEAB, a company which is wholly-owned by the Controlling Shareholders, and 505,000 shares to the then non-controlling shareholders of certain subsidiaries of Better World Holdings.

(c) Pursuant to the written resolutions passed by the then shareholders of the Company on 20 December 2017, conditional upon the share premium account of the Company being credited as a result of the proposed public offer and placing of shares of the Company on GEM of the Stock Exchange, the Directors were authorised to capitalise the amount of HK$29,700,000 from the amount standing to the credit of the share premium account of the Company to pay up in full at par a total of 297,000,000 ordinary shares of HK$0.1 each for allotment and issue to the shareholders as of 20 December 2017, on a pro rata basis.

(d) On 17 January 2018, the Company was successfully listed on GEM of the Stock Exchange following the completion of listing of 100,000,000 new shares of HK$0.1 each issued at a price of HK$0.92 per share. Proceeds of HK$10,000,000, representing the par value of the share issued, was credited to the share capital of the Company. The remaining proceeds of HK$82,000,000 was credited to the share premium account.

(e) During the six months ended 30 September 2018, the Company repurchased 6,472,000 shares at prices ranging from HK$0.72 to HK$0.74 per share at a total consideration of HK$4,778,000 including transaction cost of HK$38,000. The 6,472,000 repurchased ordinary shares were canceled during the period. The premium of HK$4,093,000 paid on the repurchase of such shares was debited to the share premium account and an amount of HK$647,000 was transferred from retained profits of the Company to the capital redemption reserve.

The shares allotted and issued above rank pari passu in all respects with the then existing shares of the Company.

19. SHARE-BASED PAYMENT TRANSACTIONS

The Company's share option scheme (the "Share Option Scheme") was adopted pursuant to an extraordinary general meeting of the shareholders of the Company held on 20 December 2017 for the primary purpose of motivating employees (whether full time or part-time), proposed employees, directors or proposed directors, or business associates of the Group ("Eligible Person(s)"), for their past or future contributions to the Group and to attract and retain or otherwise maintain on-going relationships with Eligible Persons so as to encourage them to work towards enhancing the value of the Group.

On 29 June 2018, a total number of 2,810,000 options was granted to certain eligible employees under the share option scheme at an exercise price of HK$0.92 per share. The exercise price is the same as the offer price of the shares of the Company at its initial public offering on 17 January 2018 which is higher than: (i) the closing price of HK$0.74 per share as stated in the daily quotation sheet issued by the Stock Exchange on 29 June 2018, being the date of the grant; (ii) the average closing price of HK$0.74 per share as stated in the daily quotation sheet issued by the Stock Exchange for five business days immediately preceding the date of the grant; and (iii) HK$0.10, being the nominal value of the each share. The share options granted will be vested as to 30%, 30%, and 40% from the first, second and third anniversary from the date of grant and is all exercisable till 28 June 2028.

The table below discloses movement of the Company's share options held by the Group's employees:

	Number of share options (Unaudited)
As at 1 April 2018	–
Granted during the period	**2,810,000**
As at 30 September 2018	**2,810,000**

The closing price of the Company's shares immediately before 29 June 2018, the date of grant, was HK$0.74. The fair value of the options determined at the date of grant using the Binomial model was approximately HK$527,000, of which approximately HK$79,000 was charged to the profit or loss for the six months ended 30 September 2018.

The following assumptions were used to calculate the fair value of the share options granted:

Grant date share price	HK$0.74
Exercise price	HK$0.92
Expected life	10 years
Expected volatility	32.85%
Dividend yield	2.97%
Risk-free interest rate	2.17%

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. Changes in variables and assumptions may result in changes in the fair value of the options.

20. COMMITMENTS

The Group as lessee

At the end of each reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating which fall due as follows:

	As at 30 September 2018 HK$'000 (Unaudited)	As at 31 March 2018 HK$'000 (Audited)
Within one year	**39,545**	35,567
In the two to fifth year inclusive	**89,698**	61,868
Over five years	**3,873**	–
	133,116	97,435

Capital commitments

	As at 30 September 2018 HK$'000 (Unaudited)	As at 31 March 2018 HK$'000 (Audited)
Capital expenditure in respect of:		
– acquisition of property, plant and equipment contracted for but not provided in the condensed consolidated financial statements	**238**	549
– acquisition of business operation contracted for but not provided in the condensed consolidated financial statements	**4,400**	–
– licencing arrangement contracted for but not provided in the condensed consolidated financial statements	**1,063**	–
	5,701	549

21. RELATED PARTY TRANSACTIONS

Apart from details of the balances with related parties disclosed in the condensed consolidated statement of financial position and other details disclosed elsewhere in the condensed consolidated financial statements, the Group also entered into the following transactions with related parties during the periods:

Name of related party	Nature of transactions	For the six months ended 30 September 2018 HK$'000 (Unaudited)	2017 HK$'000 (Unaudited)
Chiu Kee (Note a)	Purchases of food ingredients	**2,735**	2,581
Mr. Wong and Ms. Chan (Note b)	Rental of office premises and central kitchen	**382**	81

Notes:

(a) This related party is owned by a non-controlling shareholder of subsidiaries who became a shareholder of the Company since 23 June 2017 following the Group Reorganisation.

(b) On 30 June 2017, the leasehold land and building owned by the Group was disposed of to the Controlling Shareholders at a consideration of HK$2,640,000, which represented the market value of the leasehold land and building at 30 June 2017 as determined with reference to the transaction prices of comparable properties of similar size, character and location as assessed by Asset Appraisal Limited, a firm of independent qualified professional valuers not related to the Group. The address of Asset Appraisal Limited is Room 901, 9/F, On Hong Commercial Building, No. 145 Hennessy Road, Wan Chai, Hong Kong. The Group entered into a rental agreement with the Controlling Shareholders in respect of this leasehold land and building for a fixed term of one year commencing from 1 July 2017. Furthermore, the Group has entered into two additional rental agreements with the Controlling Shareholders for a central kitchen and another office premises, and both for lease term of one year during the period ended 30 September 2018.

Compensation of key management personnel

The remuneration of key management personnel during the period is as follows:

	For the six months ended 30 September 2018 HK$'000 (Unaudited)	2017 HK$'000 (Unaudited)
Short-term benefits	**3,299**	3,870
Post-employment benefits	**54**	61
	3,353	3,931

The remuneration of key management personal is determined by the management of the Company having regard to the performance of individuals and market trends.

22. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value measurement of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets	Fair value as at		Fair value hierarchy	Valuation techniques(s) and key input(s)	Significant unobservable input(s)
	30 September 2018 (unaudited)	31 March 2018 (audited)			
Financial asset at FVTPL	**HK$1,544,000**	–	Level 3	Based on credit rating, ages of life insured person and the discount rate	Latest information on the life insurance statements

There were no transfers between Level 1, 2 and 3 for the period.

Reconciliation of Level 3 fair value measurements of financial assets

	HK$'000
At 1 April 2018 (audited)	–
Transfer into Level 3 from initial application of HKFRS 9	**1,521**
Total gains in profit or loss	**23**
At 30 September 2018 (unaudited)	**1,544**

23. ACQUISITION OF BUSINESS

For the period ended 30 September 2018

Business combinations

On 1 April 2018, the Group entered into a sales and purchase agreement with an independent third party to acquire a restaurant operation business through acquisition of property, plant and equipment and trademark, for a consideration of HK$200,000. The transaction was completed on 1 April 2018.

	HK$'000 (Unaudited)
Fair value of assets (determined on a provisional basis) recognised at the date of acquisition:	
Property, plant and equipment	**103,000**
Intangible asset	**94,000**
Other receivable	**3,000**
Total identifiable net assets acquired	**200,000**
Consideration paid during the year ended 31 March 2018	**200,000**

The fair value is being valued by Asset Appraisal Limited, an independent qualified professional valuer not connected to the Group.

Included in the profit for the interim period is loss of HK$412,000 attributable to this restaurant business operation. Revenue for the interim period includes HK$4,359,000 attributable to this restaurant business operation.

24. MAJOR NON-CASH TRANSACTION

During the six months ended 30 September 2018, the Group entered into a subscription agreement with an independent third party to subscribe for a 50% equity interest in Long Sea Limited amounting to approximately HK$1,203,000 which was settled by the contribution of certain property, plant and equipment of the Group of approximately HK$1,149,000 with the remainder in cash of approximately HK$54,000.

25. EVENTS AFTER THE END OF THE REPORTING PERIOD

In September 2018, a subsidiary of the Company entered into a sales and purchase agreement with an independent third party to acquire business operation of three restaurants (the "Acquisition") for a cash consideration of HK$5,500,000 and the Group has paid HK$1,100,000 as deposit for such acquisition during the period ended 30 September 2018. Details of the Acquisition have been set out in the Company's announcement dated 26 September 2018. As the Acquisition was completed in October 2018, the fair value of the assets and liabilities of the business acquired, and the goodwill, arising on the Acquisition, if any, are not yet finalised up to the reporting date, and the Directors are currently assessing the financial impact of the Acquisition.