

# TASTY CONCEPTS HOLDING LIMITED

(Incorporated in the Cayman Islands with limited liability)



賞之味控股有限公司  
Stock Code: 8096

INTERIM REPORT  
2021/2022

## **CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

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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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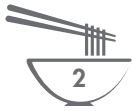
*This report, for which the directors (the “**Directors**”) of Tasty Concepts Holding Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) of the Stock Exchange 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.*

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive Directors:

Mr. Tang Chun Ho Chandler (*Chief Executive Officer*)  
Mr. Tang Hing Chee (*Chairman*)

#### Independent non-executive Directors:

Mr. Ho Lai Chuen  
Mr. Lee Koon Tak  
Mr. Lai Man Hin

### BOARD COMMITTEES

#### Audit Committee

Mr. Lee Koon Tak (*Chairman*)  
Mr. Ho Lai Chuen  
Mr. Lai Man Hin

#### Remuneration Committee

Mr. Ho Lai Chuen (*Chairman*)  
Mr. Tang Chun Ho Chandler  
Mr. Lee Koon Tak

#### Nomination Committee

Mr. Tang Hing Chee (*Chairman*)  
Mr. Ho Lai Chuen  
Mr. Lee Koon Tak

### COMPANY SECRETARY

Ms. Yim Sau Ping (*FCPA*)

### AUTHORISED REPRESENTATIVES

Mr. Tang Chun Ho Chandler  
Ms. Yim Sau Ping (*FCPA*)

### COMPLIANCE OFFICER

Mr. Tang Chun Ho Chandler

### COMPLIANCE ADVISER

Frontpage Capital Limited  
26/F, Siu On Centre  
188 Lockhart Road  
Wan Chai  
Hong Kong

### AUDITOR

D & PARTNERS CPA LIMITED  
Room 2201, 22/F, West Exchange Tower  
322 Des Voeux Road Central  
Sheung Wan  
Hong Kong

### REGISTERED OFFICE IN THE CAYMAN ISLANDS

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

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

6/F, Goldsland Building  
22-26 Minden Avenue  
Tsim Sha Tsui  
Kowloon  
Hong Kong

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Ocorian Trust (Cayman) Limited  
Windward 3, Regatta Office Park  
PO Box 1350  
Grand Cayman KY1-1108  
Cayman Islands

### BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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

### PRINCIPAL BANK

The Hongkong and Shanghai Banking Corporation Limited

### COMPANY'S WEBSITE

[www.butaooramen.com](http://www.butaooramen.com)

### STOCK CODE

8096



## FINANCIAL HIGHLIGHTS

- The Group's revenue for the six months ended 30 September 2021 was approximately HK\$24.7 million, representing a decrease of approximately 1.4% when compared with that of the corresponding period in 2020.
- Loss for the six months ended 30 September 2021 was approximately HK\$2.8 million, when compared with a profit for corresponding period in 2020 of approximately HK\$0.8 million.
- The Board did not recommend payment of any dividend for the six months ended 30 September 2021 (2020: Nil).




## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and six months ended 30 September 2021

|   | Notes | For the three months ended 30 September |                                 | For the six months ended 30 September |                                 |
|---|-------|---|---------------------------------|---------------------------------------|---------------------------------|
|   |       | 2021<br>HK\$'000<br>(Unaudited)         | 2020<br>HK\$'000<br>(Unaudited) | 2021<br>HK\$'000<br>(Unaudited)       | 2020<br>HK\$'000<br>(Unaudited) |
| Revenue   | 4     | <b>11,425</b>                           | 12,087                          | <b>24,685</b>                         | 25,047                          |
| Cost of inventories   |       | <b>(2,603)</b>                          | (2,873)                         | <b>(5,624)</b>                        | (5,365)                         |
| Other income  | 5     | <b>34</b>                               | 3,312                           | <b>239</b>                            | 5,922                           |
| Other gains and losses  | 5     | <b>—</b>                                | 741                             | <b>1</b>                              | 794                             |
| Staff costs   |       | <b>(4,581)</b>                          | (5,102)                         | <b>(10,615)</b>                       | (10,657)                        |
| Rental and related expenses   |       | <b>(814)</b>                            | (870)                           | <b>(1,543)</b>                        | (1,701)                         |
| Depreciation and amortisation   |       | <b>(1,460)</b>                          | (2,521)                         | <b>(2,941)</b>                        | (4,841)                         |
| Other expenses  |       | <b>(3,984)</b>                          | (3,783)                         | <b>(7,295)</b>                        | (7,517)                         |
| Finance costs   | 6     | <b>(177)</b>                            | (220)                           | <b>(370)</b>                          | (579)                           |
| (Loss) profit before taxation   |       | <b>(2,160)</b>                          | 771                             | <b>(3,463)</b>                        | 1,103                           |
| Taxation  | 8     | <b>449</b>                              | (306)                           | <b>629</b>                            | (298)                           |
| (Loss) profit for the period  |       | <b>(1,711)</b>                          | 465                             | <b>(2,834)</b>                        | 805                             |
| <b>Other comprehensive income (expense) for the period</b>            |       |   |                                 |                                       |                                 |
| <i>Item that may be reclassified subsequently to profit or loss:</i>  |       |   |                                 |                                       |                                 |
| Exchange differences arising on the translation of foreign operations |       | <b>15</b>                               | (12)                            | <b>30</b>                             | (6)                             |
| Total comprehensive (expense) income for the period                   |       | <b>(1,696)</b>                          | 453                             | <b>(2,804)</b>                        | 799                             |
| (Loss) earnings per share   |       |   |                                 |                                       |                                 |
| Basic (HK cents)  | 10    | <b>(0.34)</b>                           | 0.09                            | <b>(0.57)</b>                         | 0.16                            |

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION


As at 30 September 2021

|  | Notes | 30 September<br>2021<br>HK\$'000<br>(Unaudited) | 31 March<br>2021<br>HK\$'000<br>(Audited) |
|---|-------|---|---|
| <b>Non-current assets</b>   |       |   |   |
| Right-of-use assets   | 11    | <b>6,830</b>                                    | 6,055                                     |
| Property and equipment  | 11    | <b>4,627</b>                                    | 3,047                                     |
| Deposits  | 12    | <b>2,240</b>                                    | 2,207                                     |
| Deferred tax assets   |       | <b>2,165</b>                                    | 1,474                                     |
|   |       | <b>15,862</b>                                   | 12,783                                    |
| <b>Current assets</b>   |       |   |   |
| Inventories   |       | <b>941</b>                                      | 691                                       |
| Trade and other receivables, deposits and prepayments                             | 12    | <b>7,226</b>                                    | 7,296                                     |
| Tax recoverable   |       | <b>120</b>                                      | 2,554                                     |
| Bank balances and cash  |       | <b>22,004</b>                                   | 29,141                                    |
|   |       | <b>30,291</b>                                   | 39,682                                    |
| <b>Current liabilities</b>  |       |   |   |
| Trade and other payables and accruals   | 13    | <b>4,948</b>                                    | 6,369                                     |
| Tax payable   |       | <b>356</b>                                      | 178                                       |
| Bank borrowings   | 14    | <b>1,435</b>                                    | 1,845                                     |
| Lease liabilities   |       | <b>13,345</b>                                   | 12,138                                    |
| Provisions  |       | <b>648</b>                                      | 520                                       |
|   |       | <b>20,732</b>                                   | 21,050                                    |
| Net current assets  |       | <b>9,559</b>                                    | 18,632                                    |
| Total assets less current liabilities   |       | <b>25,421</b>                                   | 31,415                                    |
| <b>Non-current liabilities</b>  |       |   |   |
| Lease liabilities   |       | <b>6,363</b>                                    | 9,460                                     |
| Provisions  |       | <b>260</b>                                      | 330                                       |
| Deferred tax liabilities  |       | <b>257</b>                                      | 280                                       |
|   |       | <b>6,880</b>                                    | 10,070                                    |
| Net assets  |       | <b>18,541</b>                                   | 21,345                                    |
| <b>Capital and reserves</b>   |       |   |   |
| Share capital   | 15    | <b>5,000</b>                                    | 5,000                                     |
| Reserves  |       | <b>13,541</b>                                   | 16,345                                    |
| Total equity  |       | <b>18,541</b>                                   | 21,345                                    |



## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2021

|  | Share capital<br>HK\$'000 | Share premium<br>HK\$'000 | Other reserve<br>HK\$'000 | Statutory reserve<br>HK\$'000<br><i>(Note)</i> | Translation reserve<br>HK\$'000 | Accumulated losses<br>HK\$'000 | Total<br>HK\$'000 |
|---|---------------------------|---------------------------|---------------------------|--|---------------------------------|--------------------------------|-------------------|
| At 1 April 2020 (audited)   | 5,000                     | 64,646                    | 9,107                     | 26   | 5                               | (43,958)                       | 34,826            |
| Profit for the period   | —                         | —                         | —                         | —  | —                               | 805                            | 805               |
| Other comprehensive expense for the period  | —                         | —                         | —                         | —  | (6)                             | —                              | (6)               |
| Total comprehensive (expense) income for the period                               | —                         | —                         | —                         | —  | (6)                             | 805                            | 799               |
| At 30 September 2020 (unaudited)  | 5,000                     | 64,646                    | 9,107                     | 26   | (1)                             | (43,153)                       | 35,625            |
| At 1 April 2021 (audited)   | <b>5,000</b>              | <b>64,646</b>             | <b>9,107</b>              | <b>26</b>                                      | <b>(92)</b>                     | <b>(57,342)</b>                | <b>21,345</b>     |
| Loss for the period   | —                         | —                         | —                         | —  | —                               | (2,834)                        | (2,834)           |
| Other comprehensive income for the period   | —                         | —                         | —                         | —  | 30                              | —                              | 30                |
| Total comprehensive income (expense) for the period                               | —                         | —                         | —                         | —  | 30                              | (2,834)                        | (2,804)           |
| At 30 September 2021 (unaudited)  | <b>5,000</b>              | <b>64,646</b>             | <b>9,107</b>              | <b>26</b>                                      | <b>(62)</b>                     | <b>(60,176)</b>                | <b>18,541</b>     |


Notes: In accordance with statutory requirements in the People's Republic of China (the "PRC"), other than Hong Kong, subsidiaries registered in the PRC are required to transfer a certain percentage of the annual net income from accumulated profits to the statutory funds, until the statutory funds are accumulated up to 50% of its registered capital. Under normal circumstances, the statutory funds are not allowed to be distributed to the subsidiaries' shareholders as dividends. The statutory funds shall only be used for offsetting accumulated losses, capitalisation into paid-in capital and expansion of its production and operations.





## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2021

|  | For the six months ended<br>30 September |                                 |
|--|--|---------------------------------|
|  | 2021<br>HK\$'000<br>(Unaudited)          | 2020<br>HK\$'000<br>(Unaudited) |
|  Net cash generated from operating activities | 649                                      | 3,579                           |
| Net cash used in investing activities  | (2,356)                                  | (2,059)                         |
| Net cash used in financing activities  | (5,430)                                  | (4,578)                         |
| Cash and cash equivalents at the beginning of the period   | 29,141                                   | 37,733                          |
| Net decrease in cash and cash equivalents  | (7,137)                                  | (3,058)                         |
| Cash and cash equivalents at the end of the period   | 22,004                                   | 34,675                          |



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

## 1. GENERAL

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 23 July 2018 under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The shares of the Company were listed on GEM of the Stock Exchange on 15 March 2019 (the “**Listing**”). The immediate holding company of the Company is Brilliant Trade Enterprises Limited (“**Brilliant Trade**”), which was incorporated in the British Virgin Islands, and 35%, 35%, 15% and 15% owned by Mr. Tang Chun Ho Chandler (“**Mr. C Tang**”), Mr. Tang Hing Chee (“**Mr. HC Tang**”), father of Mr. C Tang, Ms. Tai Shiu Bun Mariana (“**Ms. Tai**”), mother of Mr. C Tang, and Ms. Tang Wing Shan Ariel (“**Ms. A Tang**”), sister of Mr. C Tang (hereinafter Mr. C Tang, Mr. HC Tang, Ms. Tai and Ms. A Tang are collectively referred to as the “**Controlling Shareholders**”). The addresses of the registered office and the principal place of business of the Company are Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands and 6th Floor, Goldsland Building, 22-26 Minden Avenue, Tsim Sha Tsui, Kowloon, Hong Kong respectively.

The Company acts as an investment holding company and its subsidiaries are principally engaged in operation of Japanese ramen restaurants in Hong Kong.

The unaudited condensed consolidated financial statements for the six months ended 30 September 2021 are presented in Hong Kong Dollar (“**HK\$**”), which is also the functional currency of the Company.

## 2. BASIS OF PREPARATION

These unaudited condensed consolidated financial statements for the six months ended 30 September 2021 have been prepared in accordance with the accounting principles generally accepted in Hong Kong and comply with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). In addition, the unaudited condensed consolidated financial statements include the applicable disclosure provisions of Chapter 18 of the GEM Listing Rules and the Companies Ordinance (Chapter 622 of the laws of Hong Kong). The unaudited condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 March 2021.

The accounting policies and methods of computation used in preparing the unaudited condensed consolidated financial statements for the six months ended 30 September 2021 are consistent with those used in the Group’s annual financial statements for the year ended 31 March 2021 except as described below.



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

### 3. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs

#### ADOPTION OF NEW AND AMENDMENTS TO HKFRSs

In the current period, the Group has adopted all the new and revised HKFRSs, including Hong Kong Accounting Standards (“HKASs”) and Interpretations, issued by the HKICPA that are relevant to its operations and effective for its accounting period beginning on 1 April 2021. The adoption of these new and revised HKFRSs in the current period has no material effect on the amounts and/or disclosures reported set out in these unaudited condensed consolidated financial statements.

|   |   |
|---|---|
| Amendment to HKFRS 16   | Covid-19-Related Rent Concessions                     |
| Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 | Interest Rate Benchmark Reform – Phase 2              |
| Amendment to HKFRS 16   | Covid-19-Related Rent Concessions beyond 30 June 2021 |

#### 3.1 Amendment to HKFRS 16 – Covid-19-Related Rent Concessions

The amendment is issued in June 2020 and is effective for annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted, including interim or annual financial statements not authorised for issue as at 4 June 2020, the date of the amendment is issued. The Group early adopted the amendment since the annual reporting period for the year ended 31 March 2020.

The amendment introduces a new practical expedient for lessees to elect not to assess whether a Covid-19-related rent concession is a lease modification. The practical expedient only applies to rent concessions occurring as a direct consequence of the Covid-19 that meets all of the following conditions:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- there is no substantive change to other terms and conditions of the lease.

A lessee applying the practical expedient accounts for changes in lease payments resulting from rent concessions the same way it would account for the changes applying HKFRS 16 Leases if the changes were not a lease modification. Forgiveness or waiver of lease payments are accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognised in the profit or loss in the period in which the event occurs.

#### 3.2 Amendment to HKFRS 16 – Covid-19-Related Rent Concessions beyond 30 June 2021

The amendment extends the practical expedient available to lessees in accounting for COVID-19-related rent concessions by one year. The reduction in lease payments could only affect payments originally due on or before 30 June 2021 is extended to 30 June 2022. The amendment is effective for annual reporting periods beginning on or after 1 April 2021, with earlier application permitted.

#### NEW AND AMENDMENTS TO HKFRSs IN ISSUED BUT NOT YET EFFECTIVE

Except for the amendments to HKFRSs mentioned above, the Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs and anticipates that the application of these new HKFRSs would have no material impact on its results of operations and financial position.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

### 4. REVENUE AND SEGMENT INFORMATION

#### Revenue

Revenue represents the fair value of amounts received and receivable for services provided and goods sold and net of discount, during the period.

|  | For the three months ended<br>30 September |                                 | For the six months ended<br>30 September |                                 |
|--|--|---------------------------------|--|---------------------------------|
|  | 2021<br>HK\$'000<br>(Unaudited)            | 2020<br>HK\$'000<br>(Unaudited) | 2021<br>HK\$'000<br>(Unaudited)          | 2020<br>HK\$'000<br>(Unaudited) |
| Recognised at a point in time:                                     |  |                                 |  |                                 |
| Operation of restaurants in Hong Kong                              | 10,072                                     | 10,663                          | 22,069                                   | 22,832                          |
| Operation of restaurants in the PRC                                | —  | 501                             | —  | 1,163                           |
| Sales of food and related products<br>to franchisees               | 1,065                                      | 669                             | 2,016                                    | 669                             |
| Recognised over time:  |  |                                 |  |                                 |
| Royalty fee income from franchisees <i>(Note i)</i>                | 237  | 152                             | 496                                      | 190                             |
| License fee income from a licensee <i>(Note ii)</i>                | 5  | 9                               | 12                                       | 23                              |
| Consultancy services income from<br>a franchisee <i>(Note iii)</i> | 46   | 93                              | 92                                       | 170                             |
|  | <b>11,425</b>                              | 12,087                          | <b>24,685</b>                            | 25,047                          |

#### Notes:

- (i) Royalty fee income is calculated with reference to the revenue or the number of the restaurants run by the franchisees for a term of three or five years.
- (ii) License fee income is calculated with reference to the production volume of the licensed products produced by the licensee for a term of two years.
- (iii) Consultancy services income is calculated with reference to the number of restaurants run by the franchisee for a term of five years.

Contracts for royalty fee income are under 3- or 5-year non-cancellable term in which the Group bills at a fixed rate on the sales generated from the use of trademark by the franchisees or the number of the restaurants run by the franchisees under the trademark. The Group elected to apply the practical expedient by recognising revenue in the amount to which the Group has the right to invoice. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied performance obligations is not disclosed.

Contracts for license fee income are under 2-year non-cancellable term in which the Group bills at a fixed amount for each licensing product produced by the licensee. The Group elected to apply the practical expedient by recognising revenue in the amount to which the Group has the right to invoice. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied performance obligations is not disclosed.

Consultancy services income is recognised over time as the Group provides consultancy services and the franchisee simultaneously receives and consumes the benefit provided by the Group. Consultancy services income is charged at respective fixed amounts based on number of restaurants operated by the franchisee. Consultancy services income is due on a quarterly basis.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

### 4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

#### Segment information

The Group is principally engaged in operation of Japanese ramen restaurants in Hong Kong. This operating segment has been identified on the basis of internal management reports prepared in accordance with the Group's accounting policies. The executive Directors have been identified as the chief operating decision maker ("CODM"). The CODM reviews the Group's revenue analysis by geographical location in order to assess performance and allocation of resources.

Other than revenue analysis, no operating results or other discrete financial information is available for the assessment of performance and allocation of resources. The CODM reviews the results of the Group as a whole to make decisions. Accordingly, other than entity wide information, no analysis of this single operating segment is presented.

#### Geographical information

The Group's current operations are mainly located in Hong Kong. Information about the Group's revenue from external customers is presented based on the location of the customers together with the information about its non-current assets, excluding deferred tax assets, by geographical location of assets are detailed below:

|  | Revenue                                    |                                 |  |                                 | Non-current assets (Note iii)   |                               |
|--|--|---------------------------------|--|---------------------------------|---------------------------------|-------------------------------|
|  | For the three months ended<br>30 September |                                 | For the six months ended<br>30 September |                                 | As at<br>30 September           | As at<br>31 March             |
|  | 2021<br>HK\$'000<br>(Unaudited)            | 2020<br>HK\$'000<br>(Unaudited) | 2021<br>HK\$'000<br>(Unaudited)          | 2020<br>HK\$'000<br>(Unaudited) | 2021<br>HK\$'000<br>(Unaudited) | 2021<br>HK\$'000<br>(Audited) |
| Hong Kong  | <b>10,077</b>                              | 10,672                          | <b>22,081</b>                            | 22,855                          | <b>13,697</b>                   | 11,309                        |
| The PRC (Note i)   | <b>70</b>                                  | 617                             | <b>137</b>                               | 1,379                           | —                               | —                             |
| Macau Special Administrative<br>Region of the PRC<br>("Macau") (Note ii) | <b>1,278</b>                               | 798                             | <b>2,467</b>                             | 813                             | —                               | —                             |
|  | <b>11,425</b>                              | 12,087                          | <b>24,685</b>                            | 25,047                          | <b>13,697</b>                   | 11,309                        |

Note:

- (i) The revenue is derived from operation of restaurant in the PRC, sales of food and related products to and the royalty fee and consultancy services income from a franchisee which is located in the PRC.
- (ii) The revenue is derived from the sales of food and related products to and royalty fee income from a franchisee which is located in Macau.
- (iii) Non-current assets excluded deferred tax assets.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

### 5. OTHER INCOME/OTHER GAINS AND LOSSES

|  | For the three months ended<br>30 September |                                 | For the six months ended<br>30 September |                                 |
|--|--|---------------------------------|--|---------------------------------|
|  | 2021<br>HK\$'000<br>(Unaudited)            | 2020<br>HK\$'000<br>(Unaudited) | 2021<br>HK\$'000<br>(Unaudited)          | 2020<br>HK\$'000<br>(Unaudited) |
| <b>Other income:</b>                       |  |                                 |  |                                 |
| Government grants (Note)                   | —  | 2,517                           | —  | 3,597                           |
| Rental concessions                         | —  | 519                             | 120                                      | 2,001                           |
| Imputed interest income                    | 34   | 46                              | 74                                       | 93                              |
| Bank interest income                       | —  | 32                              | —  | 33                              |
| Others                                     | —  | 198                             | 45                                       | 198                             |
|  | <b>34</b>                                  | 3,312                           | <b>239</b>                               | 5,922                           |
| <b>Other gains and losses:</b>             |  |                                 |  |                                 |
| Gain on termination of lease contracts     | —  | 739                             | —  | 739                             |
| Net exchange gains                         | —  | 2                               | 1  | 2                               |
| Gain on disposal of property and equipment | —  | —                               | —  | 53                              |
|  | —  | 741                             | 1  | 794                             |

Note: Government grants mainly represent subsidies received from the "Anti-epidemic Fund" and "Employment Support Scheme" from the government of Hong Kong Special Administrative Region (the "Hong Kong Government"). There were no unfulfilled conditions and other contingencies attached to the receipt of the grants.

### 6. FINANCE COSTS

|                                | For the three months ended<br>30 September |                                 | For the six months ended<br>30 September |                                 |
|--------------------------------|--|---------------------------------|--|---------------------------------|
|                                | 2021<br>HK\$'000<br>(Unaudited)            | 2020<br>HK\$'000<br>(Unaudited) | 2021<br>HK\$'000<br>(Unaudited)          | 2020<br>HK\$'000<br>(Unaudited) |
| Interests on lease liabilities | 159  | 193                             | 332                                      | 523                             |
| Interests on bank borrowings   | 18   | 27                              | 38                                       | 56                              |
|                                | <b>177</b>                                 | 220                             | <b>370</b>                               | 579                             |

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

### 7. (LOSS) PROFIT BEFORE TAXATION

|   | For the three months ended<br>30 September |                                 | For the six months ended<br>30 September |                                 |
|---|--|---------------------------------|--|---------------------------------|
|   | 2021<br>HK\$'000<br>(Unaudited)            | 2020<br>HK\$'000<br>(Unaudited) | 2021<br>HK\$'000<br>(Unaudited)          | 2020<br>HK\$'000<br>(Unaudited) |
| (Loss) profit before taxation has been arrived at after charging: |  |                                 |  |                                 |
| Auditor's remuneration  | 144  | 146                             | 285                                      | 287                             |
| Directors' remuneration   | 1,312                                      | 672                             | 2,623                                    | 1,256                           |
| Other staff costs:  |  |                                 |  |                                 |
| – salaries, bonuses and allowances                                | 3,105                                      | 4,197                           | 7,644                                    | 8,945                           |
| – retirement benefits schemes contributions                       | 164  | 233                             | 348                                      | 456                             |
| Total staff costs   | 4,581                                      | 5,102                           | 10,615                                   | 10,657                          |
| Depreciation of property and equipment                            | 449  | 531                             | 776                                      | 908                             |
| Depreciation of right-of-use assets                               | 1,011                                      | 1,984                           | 2,165                                    | 3,921                           |
| Amortisation of intangible assets                                 | –  | 6                               | –  | 12                              |
| Total depreciation and amortisation                               | 1,460                                      | 2,521                           | 2,941                                    | 4,841                           |

### 8. TAXATION

|   | For the three months ended<br>30 September |                                 | For the six months ended<br>30 September |                                 |
|---|--|---------------------------------|--|---------------------------------|
|   | 2021<br>HK\$'000<br>(Unaudited)            | 2020<br>HK\$'000<br>(Unaudited) | 2021<br>HK\$'000<br>(Unaudited)          | 2020<br>HK\$'000<br>(Unaudited) |
| The taxation comprises:                                 |  |                                 |  |                                 |
| Hong Kong Profits Tax charge for the period             | 34   | 63                              | 83                                       | 187                             |
| PRC Enterprise Income Tax ("EIT") charge for the period | 2  | –                               | 2  | –                               |
| Deferred tax (credit) charge for the period             | (485)                                      | 243                             | (714)                                    | 111                             |
|   | (449)                                      | 306                             | (629)                                    | 298                             |

Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of profits of qualifying corporations will be taxed at 8.25%, and profits above HK\$2,000,000 will be taxed at 16.5%. The profits of corporations not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

For the six months ended 30 September 2020 and 2021, Hong Kong Profits Tax is calculated at 8.25% on the first HK\$2,000,000 of the estimated assessable profits of one of the subsidiaries of the Company and at 16.5% on the estimated assessable profits above HK\$2,000,000 of that subsidiary, if any. The profits of corporations not qualified for the two-tier profits tax regime will continue to be taxed at a flat rate of 16.5%.

Under the Law of the PRC on EIT (the "EIT Law") and Implementation Regulations of the EIT Law, the tax rate of the PRC subsidiaries is 25% for the six months ended 30 September 2020 and 2021.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

### 9. DIVIDENDS

The board of Directors (the “Board”) of the Company did not recommend the payment of any dividend for the six months ended 30 September 2021 (2020: Nil).

### 10. (LOSS) EARNINGS PER SHARE

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

|   | For the three months ended<br>30 September |                                 | For the six months ended<br>30 September |                                 |
|---|--|---------------------------------|--|---------------------------------|
|   | 2021<br>HK\$'000<br>(Unaudited)            | 2020<br>HK\$'000<br>(Unaudited) | 2021<br>HK\$'000<br>(Unaudited)          | 2020<br>HK\$'000<br>(Unaudited) |
| <b>(Loss) profit</b>  |  |                                 |  |                                 |
| (Loss) profit for the period attributable to owners of the Company for the purpose of basic (loss) earnings per share | (1,711)                                    | 465                             | (2,834)                                  | 805                             |
| <b>Number of shares</b>   |  |                                 |  |                                 |
| Weighted average number of ordinary shares for the purpose of basic (loss) earnings per share                         | 500,000,000                                | 500,000,000                     | 500,000,000                              | 500,000,000                     |

No separate diluted (loss) earnings per share information has been presented as there were no potential ordinary shares outstanding in issue for the six months ended 30 September 2020 and 2021.

### 11. PROPERTY AND EQUIPMENT AND RIGHT-OF-USE ASSETS

- During the six months ended 30 September 2021, the Group has acquired property and equipment of approximately HK\$2,356,000 (2020: approximately HK\$3,198,000) among which, approximately HK\$2,058,000 (2020: approximately HK\$2,900,000) represented addition in leasehold improvement and fixture and equipment for the central kitchen, while approximately HK\$298,000 (2020: Nil) represented leasehold improvement for the central kitchen completed and transferred from construction in progress.
- During the six months ended 30 September 2021, the Group entered into leases for the use of 2 years with the right-of-use assets additionally recognised in respect of leased properties amounted to approximately HK\$2,940,000 (2020: approximately HK\$1,076,000) and motor vehicles amounted to nil (2020: approximately HK\$320,000), of which the rights to the leased motor vehicles are reverted to the lessor in the event of default of the lease liabilities by the Group.


Impairment losses of approximately HK\$4,562,000 and HK\$5,124,000 were recognised for the Group's property and equipment and right-of-use assets respectively as at 31 March 2021.



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

### 12. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

|  | 30 September<br>2021<br>HK\$'000<br>(Unaudited) | 31 March<br>2021<br>HK\$'000<br>(Audited) |
|---|---|---|
| Trade receivables from restaurant operations                                      | 234   | 194                                       |
| Trade receivables from franchisees  | 1,257   | 1,254                                     |
| Trade receivables from a licensee   | 5   | 42  |
| Rental deposits   | 4,359   | 4,349                                     |
| Utilities and other deposits  | 1,735   | 1,641                                     |
| Other receivables   | 689   | 1,118                                     |
| Prepayments   | 1,187   | 905                                       |
| <b>Total trade and other receivables, deposits and prepayments</b>                | <b>9,466</b>                                    | <b>9,503</b>                              |
| Analysed for reporting purposes as:   |   |   |
| Non-current assets  | 2,240   | 2,207                                     |
| Current assets  | 7,226   | 7,296                                     |
|   | <b>9,466</b>                                    | <b>9,503</b>                              |

An ageing analysis of the trade receivables from restaurant operations, based on the invoice date, which approximate the revenue recognition date, is as follows:

|  | 30 September<br>2021<br>HK\$'000<br>(Unaudited) | 31 March<br>2021<br>HK\$'000<br>(Audited) |
|---|---|---|
| 0-30 days   | 234   | 194                                       |

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

### 12. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS *(continued)*

An ageing analysis of the trade receivables from franchisees, based on the invoice date, which approximate the revenue recognition date, is as follows:

|  | 30 September<br>2021<br>HK\$'000<br>(Unaudited) | 31 March<br>2021<br>HK\$'000<br>(Audited) |
|---|---|---|
| 0-30 days   | 496   | 926                                       |
| 31-60 days  | 16  | 105                                       |
| 61-90 days  | 17  | 35  |
| Over 90 days  | 728   | 188                                       |
|   | <b>1,257</b>                                    | 1,254                                     |

There was no credit period granted to individual customers for the restaurant operations.

The Group's trading terms with its customers are mainly by cash, electronic or mobile payments. Electronic or mobile payments will normally be settled within 7 to 21 days after trade date. Trade receivables also include royalty fee and consultancy services income and sales income receivable from franchisees and license fee income receivable from a licensee with credit periods up to 30 to 90 days.

### 13. TRADE AND OTHER PAYABLES AND ACCRUALS

|  | 30 September<br>2021<br>HK\$'000<br>(Unaudited) | 31 March<br>2021<br>HK\$'000<br>(Audited) |
|---|---|---|
| Trade payables  | 1,000   | 1,250                                     |
| Salary payables   | 1,148   | 1,772                                     |
| Other payables and accruals   | 2,800   | 3,347                                     |
|   | <b>4,948</b>                                    | 6,369                                     |

The credit period on purchases is ranging from 0 to 30 days. An ageing analysis of trade payable, based on the invoice date, is as follows:

|  | 30 September<br>2021<br>HK\$'000<br>(Unaudited) | 31 March<br>2021<br>HK\$'000<br>(Audited) |
|---|---|---|
| 0-30 days   | 1,000   | 1,240                                     |
| 31-60 days  | —   | 2   |
| Over 90 days  | —   | 8   |
|   | <b>1,000</b>                                    | 1,250                                     |

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

### 14. BANK BORROWINGS

|                                     | 30 September<br>2021<br>HK\$'000<br>(Unaudited) | 31 March<br>2021<br>HK\$'000<br>(Audited) |
|--|---|---|
| Unsecured and guaranteed bank borrowings   | 1,435   | 1,845                                     |
| The carrying amounts are repayable*:   |   |   |
| Within one year  | 848   | 829                                       |
| Within a period of more than one year but not more than two years  | 587   | 867                                       |
| Within a period of more than two years but not more than five years  | —   | 149                                       |
| Total  | 1,435   | 1,845                                     |
| Less: bank borrowings due within one year or contain a repayable<br>on demand clause shown under current liabilities | (1,435)   | (1,845)                                   |
| Amounts shown under non-current liabilities  | —   | —   |


\* The amounts due are based on scheduled repayment dates set out in the loan agreements.

The unsecured and guaranteed bank borrowings as at 31 March 2021 and 30 September 2021 is guaranteed by the Company and certain subsidiaries of the Group.

As at 30 September 2021, the bank borrowings of the Group carry variable interest rate at HK\$ Best Lending Rate minus 0.5% (31 March 2021: minus 0.5%) per annum.

### 15. SHARE CAPITAL

Details of the Company's shares are disclosed as follows:

|  | Number of shares | Amount<br>HK\$'000 |
|---|------------------|--------------------|
| Authorised:   |                  |                    |
| At 1 April 2020, 31 March, 1 April and 30 September 2021                            | 10,000,000,000   | 100,000            |
| Issued and paid:  |                  |                    |
| At 1 April 2020, 31 March, 1 April and 30 September 2021                            | 500,000,000      | 5,000              |

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

### 16. CAPITAL COMMITMENT


|    | 30 September<br>2021<br>HK\$'000<br>(Unaudited) | 31 March<br>2021<br>HK\$'000<br>(Audited) |
|---|---|---|
| Capital expenditure in respect of the acquisition, installation and construction in progress of property and equipment contracted for but not provided in the condensed consolidated financial statements | —   | 1,550                                     |

### 17. RELATED PARTY TRANSACTIONS

Saved as disclosed elsewhere in these condensed consolidated financial statements, the Group had the following transactions with its related parties during the period:

#### COMPENSATION OF KEY MANAGEMENT PERSONNEL

The remuneration of the Directors and other member of key management personnel during the period were as follows:

|  | For the three months ended<br>30 September |                                 | For the six months ended<br>30 September |                                 |
|---|--|---------------------------------|--|---------------------------------|
|   | 2021<br>HK\$'000<br>(Unaudited)            | 2020<br>HK\$'000<br>(Unaudited) | 2021<br>HK\$'000<br>(Unaudited)          | 2020<br>HK\$'000<br>(Unaudited) |
| Short-term benefits   | 1,764                                      | 1,100                           | 3,527                                    | 2,117                           |
| Post-employment benefits  | 26   | 30                              | 51                                       | 59                              |
|   | <b>1,790</b>                               | 1,130                           | <b>3,578</b>                             | 2,176                           |

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

### 18. EVENTS AFTER THE REPORTING PERIOD


#### ON-GOING COVID-19 PANDEMIC DEVELOPMENT

Subsequent to 30 September 2021 and up to now, the on-going COVID-19 pandemic had caused certain level of adverse impacts to the Group's business and financial performance. The local COVID-19 pandemic in Hong Kong seems gradually alleviating with the raise of the public epidemic prevention awareness as well as the Vaccination Programme implemented by the Hong Kong Government since early of year 2021. However, the risk of an explosive community outbreak and a rebound of the epidemic situation remains considerably at a high level.

Up to the date of this report, the Group keeps an eye on monitoring the development of the pandemic as well as its impacts on the Group's ongoing performance and is currently unable to estimate the quantitative impacts to the Group.

#### LITIGATIONS

The Group are involved in several claims in relation to rent arrears during the six months ended 30 September 2021 and certain cases are still active up to the date of this report, related estimated financial impacts and provisions of the potential claims have already recorded in the Group's condensed consolidated financial statements. The management and the legal advisors of the Company have taken collective effort to resolve these cases. As at 30 September 2021 and up to the date of this report, the following cases are open and might affect the Group:

|  | Action Number | Filing Date     | Status |
|---|---------------|-----------------|--------|
| (a)   | DCDT4016/2020 | 30 October 2020 | Live   |
| (b)   | DCCJ30/2021   | 5 January 2021  | Live   |

Further details are set out in Note 38 to the Group's consolidated financial statement for the year ended 31 March 2021, which are set out in the Company's annual report 2021 dated 24 June 2021.

#### DISCLOSEABLE TRANSACTIONS

On 12 October 2021, Prosperous Food and Beverage Company Limited, an indirect wholly-owned subsidiary of the Company, as tenant entered into the tenancy agreement with Shum Sao Jane, the intended administratrix of Shum Kai Yan, deceased, as landlord, an independent third party, in relation to the lease of the property at Shop B on Ground Floor, Chiu Lung Building, Nos. 15-25 Chiu Lung Street, Hong Kong erected on Inland Lot No. 5568, Inland Lot No. 5567, Inland Lot No. 5566, Inland Lot No. 5565 and Inland Lot No. 5564.

Further details are set out in the Company's announcement dated 12 October 2021.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

During the six months ended 30 September 2021 and up to the date of this report, the Group has been principally engaged in operating ramen restaurants in Hong Kong, generating revenue from provision of catering services. Besides, the Group also generates revenue from (i) franchising its own brand to franchisees to operate ramen restaurants in Macau and the PRC and receives royalty fee and consultancy services income and income from sales of food and accessories products to franchisees; and (ii) granting an exclusive licence to a licensee to use the Group's trademarks on licensed products, license fee income is charged based on the production volume.


As at 30 September 2021 and up to the date of this report, the Group operated 6 ramen restaurants in Hong Kong.

### FINANCIAL REVIEW

#### REVENUE

The revenue of the Group decreased by approximately 1.4% from approximately HK\$25.0 million for the six months ended 30 September 2020 to approximately HK\$24.7 million for the six months ended 30 September 2021. Revenue generated from operating restaurants by the Group in both Hong Kong and the PRC decreased during the six months ended 30 September 2021 because some non-profitable restaurants were closed during the financial year 2021 as well as the closure of restaurants due to the expiration of tenancy agreements in relation to the properties occupied for business during the six months ended 30 September 2021. However, revenue generated from sales of food and related products to and royalty fee income from a franchisee in Macau increased significantly, of which, the restaurant operated by the franchisee in Macau was once closed during corresponding period in year 2020 due to the coronavirus disease 2019 ("COVID-19") epidemic, but already have resumed to normal operation during the six months ended 30 September 2021.

Information about the Group's revenue from external customers presented based on the location of the customers is detailed below:

|   | For the three months ended<br>30 September |                                 | For the six months ended<br>30 September |                                 |
|---|--|---------------------------------|--|---------------------------------|
|   | 2021<br>HK\$'000<br>(Unaudited)            | 2020<br>HK\$'000<br>(Unaudited) | 2021<br>HK\$'000<br>(Unaudited)          | 2020<br>HK\$'000<br>(Unaudited) |
|  Hong Kong | 10,077                                     | 10,672                          | 22,081                                   | 22,855                          |
| The PRC (Note i)  | 70   | 617                             | 137                                      | 1,379                           |
| Macau (Note ii)   | 1,278                                      | 798                             | 2,467                                    | 813                             |
|   | <b>11,425</b>                              | 12,087                          | <b>24,685</b>                            | 25,047                          |

Note:

- (i) The revenue is derived from operation of restaurant in the PRC, sales of food and related products to and the royalty fee and consultancy services income from a franchisee which is located in the PRC.
- (ii) The revenue is derived from the sales of food and related products to and royalty fee income from a franchisee which is located in Macau.

## MANAGEMENT DISCUSSION AND ANALYSIS

### COST OF INVENTORIES

Cost of inventories increased by approximately HK\$0.3 million, or approximately 4.8%, from approximately HK\$5.4 million for the six months ended 30 September 2020 to approximately HK\$5.6 million for the six months ended 30 September 2021. The cost of inventories sold amounted to approximately 21.4% and 22.8% of the Group's total revenue for the six months ended 30 September 2020 and 2021, respectively. The ratio increased as compared to corresponding period in year 2020, which is mainly attributed to several value set meal bundles have been launched at preferential price during the six months ended 30 September 2021, which led to a higher cost of inventories to revenue ratio. Besides, the increasing food costs given to the instability in supply of the main ingredients, e.g. pork, triggered by the outbreaks of the COVID-19 epidemic worldwide in the past year, which also giving rise to the increase in logistic and delivery costs for ingredients.

### OTHER INCOME

Other income mainly comprised of subsidies granted by the Hong Kong Government, rental concessions received, imputed interest income, bank interest income and other miscellaneous income. The decrease in amount of approximately HK\$5.7 million was mainly attributed to (i) the decrease in government grants received under the "Anti-epidemic Fund" and "Employment Support Scheme" amounted to approximately HK\$3.6 million as corresponding subsidies were fully received and recognised during the financial year 2021 and (ii) the decrease in rental concessions received from landlords amounted to approximately HK\$1.9 million during the six months ended 30 September 2021.

### OTHER GAINS AND LOSSES

Other gains and losses mainly represented the gain on termination of a lease contracts, net exchange gains and the gain on disposal of property and equipment for the six months ended 30 September 2020. Insignificant amount of other gains or losses were recognised during the six months ended 30 September 2021.

### STAFF COSTS

Staff costs were relatively stable with only less than 1% decreased from HK\$10.7 million for the six months ended 30 September 2020 to approximately HK\$10.6 million for the six months ended 30 September 2021. Despite less restaurants were operated by the Group during the six months ended 30 September 2021, no significant fluctuation was noted in the staff cost. It is mainly due to (i) discretionary bonus distributed to Directors and (ii) all of the Group's restaurants had resumed to normal business hour during the six months ended 30 September 2021 as the local COVID-19 pandemic in Hong Kong became gradually alleviated. Staff costs were the most significant portion of the operating costs, as a percentage of revenue, staff costs amounted to approximately 42.5% for the six months ended 30 September 2020 and approximately 43.0% for the six months ended 30 September 2021.

The Group understands the importance of recruiting the skilled personnel and retaining experienced staff in the highly competitive labour market in order to properly manage the Group's restaurants and interact with the customers, which is critical to maintaining the quality and consistency of the Group's services as well as the brand reputation.

## MANAGEMENT DISCUSSION AND ANALYSIS

### RENTAL AND RELATED EXPENSES


Rental and related expenses represents (i) building management fee, (ii) government rent and rates, (iii) rental for machineries, (iv) contingent rents and (v) other leases for which the lease term ends within twelve months or leases of which the underlying assets are of low value. The rental and related expenses decreased by approximately HK\$0.2 million or 9.3% for the six months ended 30 September 2021 compared to corresponding period in 2020, which was mainly because less tenancy agreements were entered by the Group during the six months ended 30 September 2021 since certain restaurants were closed down during the financial year 2021 and during the six months ended 30 September 2021.

### DEPRECIATION AND AMORTISATION

Depreciation and amortisation represents depreciation charges for (i) leasehold improvements, (ii) fixtures and equipment, (iii) right-of-use assets and (iv) amortisation expenses of intangible assets of the Group. For the six months ended 30 September 2021, the Group has recorded depreciation of right-of-use assets amounted to approximately HK\$2.2 million (2020: approximately HK\$3.9 million) and depreciation charges for property and equipment and amortisation expenses of intangible assets amounted to approximately HK\$0.8 million (2020: approximately HK\$0.9 million). The decrease of depreciation and amortisation expenses amounted to approximately HK\$1.9 million or 39.2% owing to the impairment losses recognised for certain of the Group's property and equipment and right-of-use assets as at 31 March 2021.

### OTHER EXPENSES

Other expenses mainly consist of water, electricity, gas and other utilities expenses, repair and maintenance fee, audit and professional fees, business and product development expenses, cleaning expenses and motor vehicle and logistics expenses. Other expenses decreased from approximately HK\$7.5 million to approximately HK\$7.3 million from the six months ended 30 September 2020 to 2021, representing a decrease of approximately 3.0%. The decrease was mainly attributed to variable operating expenses decreased following with the drop in revenue as well as various cost control measures implemented by the Group.

|   | For the six months ended<br>30 September |                                 |
|---|--|---------------------------------|
|   | 2021<br>HK\$'000<br>(Unaudited)          | 2020<br>HK\$'000<br>(Unaudited) |
|  |  |                                 |
| Utilities expenses  | 1,268                                    | 1,139                           |
| Audit and professional fees   | 1,670                                    | 2,244                           |
| Advertising and marketing expenses  | 117                                      | 114                             |
| Repair & maintenance fees   | 733                                      | 514                             |
| Business and product development  | 374                                      | 223                             |
| Motor vehicle and logistics expenses  | 615                                      | 578                             |
| Consumables   | 482                                      | 449                             |
| Insurance expenses  | 319                                      | 496                             |
| Cleaning expenses   | 239                                      | 253                             |
| Provisions for surcharge and penalty for litigations (Note i)                       | 128                                      | —                               |
| Others (Note ii)  | 1,350                                    | 1,507                           |
|   | <b>7,295</b>                             | <b>7,517</b>                    |



## MANAGEMENT DISCUSSION AND ANALYSIS

Notes:

- (i) The Group has been involved in several claims in relation to rent arrears during the six months ended 30 September 2021, of which provisions for estimated surcharge and penalty that might be bore by the Group from the litigations amounted to approximately HK\$128,000 was provided and recognised during the six months ended 30 September 2021 (2020: nil).
- (ii) Others include office expenses, sundry expenses and other handling charges expenses to electronic payment or delivery platforms.

### FINANCE COSTS

Finance costs for the six months ended 30 September 2021 represents (i) interests on lease liabilities amounted to approximately HK\$0.3 million (2020: approximately HK\$0.5 million), and (ii) interests on bank borrowings amounted to approximately HK\$38,000 (2020: approximately HK\$56,000).

### TAXATION

Income tax credits amounted to approximately HK\$0.6 million was recognised for the six months ended 30 September 2021 (2020: income tax expenses approximately HK\$0.3 million), which is mainly due to deferred tax credited to profit or loss resulting from the tax impact in temporary difference between the tax base and the carrying amounts of the Group's property and equipment and right-of-use assets.

### (LOSS) PROFIT FOR THE PERIOD

The Group recorded a loss of approximately HK\$2.8 million for the six months ended 30 September 2021, whereas a profit of approximately HK\$0.8 million for corresponding period in 2020, which was primarily due to (i) the decrease in government grants received by the Group under the "Anti-epidemic Fund" and "Employment Support Scheme" from the Hong Kong Government; (ii) the decrease in rental concessions received from landlords.

## MANAGEMENT DISCUSSION AND ANALYSIS

### USE OF NET PROCEEDS FROM THE LISTING

The Company successfully listed its shares on GEM of the Stock Exchange on 15 March 2019 (the “Listing Date”) by way of public offer and placing and the net proceeds from the Listing of the Company were approximately HK\$46.1 million (after deducting underwriting fees and related listing expenses). The Company intends to apply the net proceeds in the same proportion and in the same manner as shown in the prospectus of the Company date 27 February 2019 (the “Prospectus”). An analysis of the utilisation of the net proceeds is set out below:

| Business objective and strategy        | Approximately % of net proceeds | Planned amount in total<br>HK\$'000 | Planned amount utilised as at 31 March 2021<br>HK\$'000 | Actual amount utilised as at 30 September 2021<br>HK\$'000 | Unutilised net proceeds up to 30 September 2021<br>HK\$'000 | Unutilised net proceeds expected to be utilised for the six months ending 31 March 2022<br>HK\$'000 | Notes  |
|--|---------------------------------|-------------------------------------|---|--|---|---|--|
|  |                                 |                                     |   |  |   |   |  |
| Setting up of new outlets in Hong Kong | 60.6                            | 27,964                              | <b>27,964</b>   | <b>13,983</b>  | 13,981  | 13,981  | <p>The outlet located in Nam Cheong and Tseung Kwan O were opened in August 2020 and September 2019 respectively.</p> <p>The Group is in the progress to identify and negotiate for suitable locations which match with the expansion business plan for new restaurants. Certain level of delay in the business expansion plan was caused by the social incidents during the financial year 2020 and the outbreak of COVID-19 during the financial year 2020, 2021 and the six months ended 30 September 2021, which affecting the local economy and the customers visited. Given considered the above, the original business expansion plan for opening the remaining two restaurants as shown in the Prospectus will be postponed for one year and expected to be accomplish by 31 March 2022.</p> <p>The management would be cautious for selection of location as well as the timing for opening new restaurant by continuously assessing the development of market environment.</p> |

## MANAGEMENT DISCUSSION AND ANALYSIS

| Business objective and strategy                    | Approximately % of net proceeds | Planned amount in total<br>HK\$'000 | Planned amount utilised as at 31 March 2021<br>HK\$'000 | Actual amount utilised as at 30 September 2021<br>HK\$'000 | Unutilised net proceeds                                     |   | Notes   |
|--|---------------------------------|-------------------------------------|---|--|---|---|---|
|  |                                 |                                     |   |  | Unutilised net proceeds up to 30 September 2021<br>HK\$'000 | Unutilised net proceeds expected to be utilised for the six months ending 31 March 2022<br>HK\$'000 |   |
| Expansion of existing central kitchen in Hong Kong | 20.0                            | 9,229                               | <b>9,229</b>  | <b>9,229</b>   | —   | —   | <p>Expansion of existing central kitchen by renting extra premises in June 2019.</p> <p>Certain leasehold improvement constructions in central kitchen like expansion of storage areas, upgrading the electrical connection systems were completed and put into production since February 2020 while some other constructions such as renovation and upgrading of the freezing system, enhancement of waterproof works were finished and ready for use in June 2021.</p> <p>Additional equipments such as, water filter system, food depositing machine and food transfer pump, were acquired and put into production during the financial year of 2020, 2021 and for the six months ended 30 September 2021.</p> |

## MANAGEMENT DISCUSSION AND ANALYSIS

| Business objective and strategy                      | Approximately % of net proceeds | Planned amount in total | Planned amount utilised as at 31 March 2021 | Actual amount utilised as at 30 September 2021 | Unutilised net proceeds                         |   | Notes  |
|--|---------------------------------|-------------------------|---|--|---|---|--|
|  |                                 |                         |   |  | Unutilised net proceeds up to 30 September 2021 | Unutilised net proceeds expected to be utilised for the six months ending 31 March 2022 |  |
|  | %                               | HK\$'000                | HK\$'000                                    | HK\$'000                                       | HK\$'000  | HK\$'000  |  |
| Further enhancement of brand recognition             | 5.2                             | 2,400                   | <b>2,400</b>                                | <b>2,147</b>                                   | 253   | 253   | Promotion campaigns and other marketing activities launched throughout the financial year of 2020 and 2021.<br><br>The Group is in the progress to sort out appropriate social platforms and marketing systems.  |
| Enhancement of operational capability and efficiency | 4.4                             | 2,030                   | <b>2,030</b>                                | <b>2,030</b>                                   | —   | —   | Upgraded the equipment and systems at back office in August 2019.<br><br>Recruited potential and capable staffs including, industrial experts/consultants, district managers and human resources assistant etc. to strengthen the operational capability and efficiency. |
| General working capital                              | 9.8                             | 4,523                   | <b>4,523</b>                                | <b>4,523</b>                                   | —   | —   |  |
|  | 100.0                           | 46,146                  | <b>46,146</b>                               | <b>31,912</b>                                  | 14,234  | 14,234  |  |

Given the social incidents during the financial year 2020 and outbreak of COVID-19 during the financial year 2020, 2021 and the six months ended 30 September 2021, certain business expansion plan has been affected and postponed. The Group has been continuously identifying and negotiating for suitable locations which match with the expansion business plan for opening new restaurants in order to accomplish all planning as shown in the Prospectus.

At 30 September 2021, approximately HK\$31.9 million out of the net proceeds from the Listing had been used. The Directors will continuously examine the Group's business objective and will change or modify the plans against the changing market conditions to pursuit the business growth of the Group. The plan for use of net proceeds detailed above is from time to time being reviewed by the management by reference to the actual economic conditions and the development of the market environment, and in case of any changes in plan subsequently, the Board will make further announcement for explanation immediately.

All the unutilised balances have been placed in licensed banks in Hong Kong.

## MANAGEMENT DISCUSSION AND ANALYSIS

### OUTLOOK

The Group's objective is to provide premium quality "Hakata-Style" Japanese ramen and unforgettable excellent service to the customers. The Group always strive for every possible opportunity to enhance the operation efficiency and profitability of its business.

Followed by the Vaccination Programme launched by the Hong Kong Government since early of year 2021, together with the enhanced awareness of hygiene and effective preventive measures taken by the public, the local COVID-19 pandemic in Hong Kong seems alleviated during the first half of year 2021. Therefore, for restaurants of the Group operated both for the six months ended 30 September 2020 and 2021, most of them had recorded improvement in financial results given that the local pandemic has been under control for the past few months.

However, a few of the Group's restaurants were closed during financial year 2021, including all restaurants in the PRC and several of restaurants in Hong Kong, and for the six months ended 30 September 2021 in order to cutting loss and due to expiration of lease contracts, the sources of income of the Group narrowed. The management would be continuously evaluating the appropriateness of the timing and selection of locations for the business expansion. Also, in order to diversify the Group's customer base, the Group is planning to collaborate with some local street-food restaurants to create traditional Hong Kong style dishes under a new brand.

Unfortunately, the worldwide COVID-19 pandemic is still considered unsteady and wayward, with sporadic waves of the outbreak recurred during the past few months, strict global travelling restriction measures are still implemented by many countries and cities. Measures like tourists restrictions and social distancing have led to a significant drop in customers visited, forming substantial challenges to the Group. The management will keep on monitor the market development and to react in a timely basis.

Despite that it could be difficult to predict the future development of the COVID-19 pandemic, in the long run, the COVID-19 pandemic may continue to have a negative impact to the global and local economy which may adversely affect the Group's business, the Group believes that every challenge is an opportunity. The COVID-19 pandemic equipped the management with the flexibility to handle unexpected and unfamiliar situations and enhanced the awareness and responsiveness to the changes in market environment.

Meanwhile, the management will be endeavouring to enhance the quality of the food and providing excellent services to our customers. As the Group understands that throughout the good times or bad times, quality of food and service matter to our customers.

The Group will also proactively seek potential business opportunities or cooperation with different potential parties to broaden the sources of income and bringing better return on investment for the shareholders.

## MANAGEMENT DISCUSSION AND ANALYSIS

### LIQUIDITY AND FINANCIAL RESOURCES, CAPITAL STRUCTURE AND GEARING RATIO

The Group financed its business with internally generated cash flows, borrowings and the proceeds received from the Listing. As at 30 September 2021, the Group's bank balances and cash amounted to approximately HK\$22.0 million, representing a decrease of approximately HK\$7.1 million from approximately HK\$29.1 million as at 31 March 2021. Most of the Group's bank deposits and cash were denominated in HK\$ and Renminbi.

As at 30 September 2021, the Group had interest-bearing bank borrowings of approximately HK\$1.4 million (31 March 2021: approximately HK\$1.8 million) and lease obligation of approximately HK\$19.7 million (31 March 2021: approximately HK\$21.6 million). The interest-bearing bank borrowings were unsecured, repayable on demand and denominated in Hong Kong dollar and bore variable interest rate at HK\$ Best Lending Rate minus 0.5% per annum. The Group did not use any financial instrument for hedging purpose.

As at 30 September 2021, the Group's total current assets and current liabilities were approximately HK\$30.3 million (31 March 2021: approximately HK\$39.7 million) and approximately HK\$20.7 million (31 March 2021: approximately HK\$21.1 million) respectively. The Group's current ratio, calculated by dividing the total current assets over the total current liabilities, was approximately 1.5 times (31 March 2021: approximately 1.9 times). The Group's gearing ratio, calculated as percentage of sum of bank borrowings to the total equity attributable to owners of the Company, was approximately 7.7% as at 30 September 2021 (31 March 2021: approximately 8.6%).

### TREASURY POLICY

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

### FOREIGN CURRENCY RISK

During the six months ended 30 September 2021, most of the transactions of the Group were denominated and settled in HK\$ and Renminbi. The Renminbi is not a freely convertible currency. Future exchange rates of the Renminbi could vary significantly from the current or historical exchange rates as a result of the capital controls that could be imposed by the PRC government. The exchange rates may also be affected by economic developments and political changes both domestically and internationally, and also from the demand and supply of the Renminbi. The appreciation or devaluation of the Renminbi against HK\$ may have an impact on the Group's results. The Group has currently not implemented any foreign currency hedging policy but the management will closely monitor the exposure and consider hedging against significant foreign exchange exposure should the need arise.

### CONTINGENT LIABILITIES

Except as disclosed elsewhere in this report, the Group did not have any material contingent liabilities, guarantees or any litigations or claims of material importance, pending or threatened against any member of the Group that is likely to have a material and adverse effect on the Group's business, financial condition or results of operations as at 30 September 2021.

## MANAGEMENT DISCUSSION AND ANALYSIS

### CHARGE OF ASSETS

As at 30 September 2021, motor vehicles with carrying amount of approximately HK\$1.8 million (31 March 2021: approximately HK\$2.2 million) was acquired under lease arrangements of which the rights to the leased assets are reverted to the lessors in the event of default of lease liabilities by the Group.

### DIVIDEND

The Board does not recommend the payment of interim dividend for the six months ended 30 September 2021 (2020: nil).

### SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not have any significant investments, material acquisitions and disposals of subsidiaries and associated companies during the six months ended 30 September 2021.

### SHARE OPTIONS

The Company has conditionally adopted by the resolutions in writing of all the shareholders passed on 21 February 2019 a share option scheme (the “**Share Option Scheme**”). The Share Option Scheme became effective on the Listing Date. The Share Option Scheme enables the Company to grant share options to any Director, employee or other stakeholders to the Company or any of its subsidiaries, as incentives or rewards for their contributions to the Group. As at the date of this report, there was no outstanding share option granted under the Share Option Scheme.

### SEGMENT INFORMATION

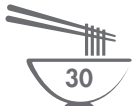
Segmental information is presented for the Group as disclosed on Note 4 to the condensed consolidated financial statements.

### FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in the Prospectus and in this report, the Group did not have other plans for material investments or capital assets as of 30 September 2021.

### CAPITAL COMMITMENT

|    | 30 September<br>2021<br>HK\$'000<br>(Unaudited) | 31 March<br>2021<br>HK\$'000<br>(Audited) |
|---|---|---|
| Capital expenditure in respect of the acquisition, installation and construction in progress of property and equipment contracted for but not provided in the condensed consolidated financial statements | —   | 1,550                                     |



## MANAGEMENT DISCUSSION AND ANALYSIS

### HUMAN RESOURCES AND REMUNERATION POLICY

As at 30 September 2021, the Group had a total of 99 employees (31 March 2021: 111). The staff costs (included Directors' emoluments) were approximately HK\$10.6 million for the six months ended 30 September 2021 (2020: approximately HK\$10.7 million). The remuneration package of the employees is determined by various factors such as their working experience and job performance, the market condition, industry practice and applicable employment law. Discretionary bonus based on job performance will be paid to employees as recognition of and reward for their contributions. The employees of the Group's subsidiaries which operate in the PRC are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute certain percentage of employees' salaries to the central pension scheme. The Group also maintains the Mandatory Provident Fund Scheme and insurance for its employees in Hong Kong. Various types of trainings were provided to the employees. Share options may also be granted to eligible employees by reference to the Group's performance as well as individual employees' contribution.



## OTHER INFORMATION

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2021, the interests and short positions of the Directors and chief executives 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 Rules 5.46 to 5.68 of the GEM Listing Rules, were as follows:

#### Long position in the shares

| Name                                    | Capacity/Nature   | Number of Shares held/interested | Percentage of shareholding |
|---|---|----------------------------------|----------------------------|
| Mr. Tang Chun Ho Chandler <i>(Note)</i> | Interested in a controlled corporation                        | 301,250,000                      | 60.25%                     |
| Mr. Tang Hing Chee <i>(Note)</i>        | Interested in a controlled corporation/<br>Interest of spouse | 301,250,000                      | 60.25%                     |

*Note: Brilliant Trade is owned as to 35% and 35% by Mr. C Tang and Mr. HC Tang, each of whom by virtue of the SFO is deemed to be interested in 60.25% of the issued share capital of the Company in which Brilliant Trade is interested in.*

Save as disclosed above, as at 30 September 2021, 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 Rules 5.46 to 5.68 of the GEM Listing Rules.

### SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 September 2021, the following persons/entity (other than the Directors and chief executives of the Company) had or were deemed to have an interest or a short position in the shares or the underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under Section 336 of the SFO, or who were directly or indirectly, to be interests in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group:

## OTHER INFORMATION

### Long position in the shares

| Name                              | Capacity/Nature    | Number of Shares held/interested | Percentage of shareholding |
|-----------------------------------|--------------------|----------------------------------|----------------------------|
| Brilliant Trade                   | Beneficial owner   | 301,250,000                      | 60.25%                     |
| Ms. Tai Shiu Bun Mariana (Note 1) | Interest of spouse | 301,250,000                      | 60.25%                     |
| Ms. Lee Wai Yu Giselle (Note 2)   | Interest of spouse | 301,250,000                      | 60.25%                     |

#### Notes:

(1) Ms. Tai is the spouse of Mr. HC Tang. Accordingly, Ms. Tai is deemed, or taken to be, interested in the shares in which Mr. HC Tang is interested for the purpose of the SFO.

(2) Ms. Lee Wai Yu Giselle is the spouse of Mr. C Tang. Accordingly, Ms. Lee Wai Yu Giselle is deemed, or taken to be, interested in the shares in which Mr. C Tang is interested for the purpose of the SFO.

Save as disclosed above, as at 30 September 2021, none of the substantial or significant shareholders or other persons, other than the Directors and chief executives of the Company whose interests are set out in the section "Other information – Directors' and chief executives' interests and short positions in shares, underlying shares and debentures" above, had or were deemed to have an interest or a short position in the shares or the underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under Section 336 of the SFO, or who were directly or indirectly, to be interests in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the shares during the six months ended 30 September 2021.

## COMPETITION AND CONFLICT OF INTERESTS

None of the Directors, the Controlling Shareholders or substantial shareholders of the Company or any of its respective close associates (as defined under the GEM Listing Rules) has engaged in any business that competes or may compete, either directly or indirectly, with the businesses of the Group or has any other conflict of interests with the Group during the six months ended 30 September 2021.

## DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings, as set out in Rules 5.48 to 5.68 of the GEM Listing Rules as the code of conduct for securities transactions by the Directors in respect of the shares of the Company. Having made specific enquiry of all Directors, all Directors have confirmed that they have complied with the required standard of dealings and the code of conduct for securities transactions by the Directors during the six months ended 30 September 2021.

## SHARE OPTION SCHEME

The Share Option Scheme was adopted pursuant to a resolution passed on 21 February 2019 for the primary purpose of providing incentives to eligible participants for their contributions to the Group. Under the Share Option Scheme, the Directors may grant options to employees (fulltime and part-time), Directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners or service providers.

## OTHER INFORMATION

An offer for the grant of options must be accepted within seven days inclusive of the day on which such offer was made. A nominal consideration of HK\$1 is payable by the grantee on acceptance of the grant of an option. The subscription price of a share in respect of any particular option granted under the Share Option Scheme shall be a price solely determined by the Board and notified to a participant and shall be at least the higher of: (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option, which must be a business day; (ii) the average of the closing prices of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the option; and (iii) the nominal value of a share on the date of grant of the option.

The maximum number of the shares that may be allotted and issued upon the exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option scheme of the Group) under the Share Option Scheme and any other share option scheme of the Group shall not exceed 10% of all the 500,000,000 shares in issue. The Company may seek approval of the shareholders in a general meeting to refresh the 10% limit provided that the total number of shares which may be allotted and issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme of the Group shall not exceed 10% of the number of shares in issue as at the date of approval of the limit.

The total number of shares issued and which may fall to be issued upon the exercise of the options granted under the Share Option Scheme and any other share option scheme of the Group (including both exercised or outstanding options) to each grantee in any 12-month period shall not exceed 1% of the shares of the Company in issue. Any further grant of options in excess of the 1% limit in any 12-month period up to and including the date of such further grant must be separately approved by the shareholders in a general meeting of the Company with such grantee and his associates abstaining from voting. The number and terms (including the exercise price) of options to be further granted must be fixed before the approval of the shareholders and the date of the Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price under the GEM Listing Rules.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the directors to each grantee, which period may commence from the date of offer for the grant of options is made, but shall end in any event not later than 10 years from the date of grant of the option subject to the provisions for early termination thereof.

The Share Option Scheme will remain in force for a period of 10 years commencing on the date on which the Share Option Scheme is adopted (i.e. 21 February 2019).

During the six months ended 30 September 2020 and 2021, the Group did not grant any share option under the Share Option Scheme.

## OTHER INFORMATION

### INTERESTS OF THE COMPLIANCE ADVISER

As confirmed by the Company's compliance adviser, Frontpage Capital Limited (the "**Compliance Adviser**"), save as the compliance adviser agreement entered into between the Company and the Compliance Adviser, none of the Compliance Adviser or its directors, employees or associates (as defined under the GEM Listing Rules) had any interest in the Group or in the share capital of any member of the Group which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

### CORPORATE GOVERNANCE PRACTICE

The Directors are committed to the maintenance of good corporate governance practices and procedures. The Company believes that good corporate governance provides a framework that is essential for effective management, a healthy corporate culture, successful business growth and enhancing shareholders' value. The corporate governance principles of the Company emphasise a quality Board, sound internal controls, and transparency and accountability to all shareholders. The Company has applied the principles and complied with all code provisions of Corporate Governance Code and Corporate Governance Report in Appendix 15 to the GEM Listing Rules (the "**CG Code**").

To the best knowledge of the Board, the Company has complied with the code provisions in the CG Code during the six months ended 30 September 2021 and up to the date of this report.

### AUDIT COMMITTEE

Pursuant to Rule 5.28 of the GEM Listing Rules, the Company established an audit committee (the "**Audit Committee**") with written terms of reference aligned with the provision of the code provisions set out in Appendix 15 of the GEM Listing Rules. The written terms of reference of the Audit Committee are posted on the Stock Exchange's website and on the Company's website. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control procedures of the Group. As at the date of this report, the Audit Committee comprises Mr. Lee Koon Tak (the chairman of the Audit Committee), Mr. Lai Man Hin and Mr. Ho Lai Chuen, all of whom are independent non-executive Directors.

The Audit Committee has reviewed with the management of the Company on the accounting principles and practices adopted by the Group in preparation of this report and the interim results announcement of the Group for the six months ended 30 September 2021. The condensed consolidated financial results for six months ended 30 September 2021 are unaudited, but have been reviewed by the Audit Committee. Such results comply with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

By order of the Board  
**Tasty Concepts Holding Limited**  
**Tang Chun Ho Chandler**  
*Executive Director*

Hong Kong, 8 November 2021

*As at the date of this report, the Board comprises Mr. Tang Chun Ho Chandler and Mr. Tang Hing Chee as executive Directors; and Mr. Lai Man Hin, Mr. Ho Lai Chuen and Mr. Lee Koon Tak as independent non-executive Directors.*