



**LIFE CONCEPTS**

**Life Concepts Holdings Limited**

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8056

**INTERIM REPORT  
2021/22**



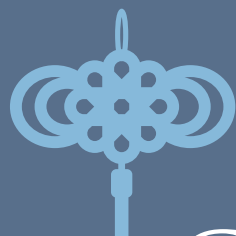
## CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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*This report, for which the directors (the “**Directors**”) of Life Concepts Holdings Limited (the “**Company**” and 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 of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company and the Group. 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. James Fu Bin Lu (*Chairman and Chief Executive Officer*)

Ms. Li Qing Ni

Mr. Long Hai

#### Independent Non-executive Directors:

Mr. Lu Cheng

Mr. Kim Jin Tae

Mr. Shi Kangping

### COMPLIANCE OFFICER

Mr. Long Hai

### AUTHORISED REPRESENTATIVES

Mr. James Fu Bin Lu

Ms. Cheng Lucy

### COMPANY SECRETARY

Ms. Cheng Lucy

### AUDIT COMMITTEE

Mr. Shi Kangping (*Chairman*)

Mr. Kim Jin Tae

Mr. Lu Cheng

### REMUNERATION COMMITTEE

Mr. Lu Cheng (*Chairman*)

Mr. Kim Jin Tae

Mr. Long Hai

### NOMINATION COMMITTEE

Mr. James Fu Bin Lu (*Chairman*)

Mr. Lu Cheng

Mr. Shi Kangping

### REGISTERED OFFICE

Windward 3, Regatta Office Park

PO Box 1350, Grand Cayman KY1-1108

Cayman Islands

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Suites 1701-3, 17th Floor

Chinachem Hollywood Centre

1,3,5,7,9,11 and 13 Hollywood Road

Central, Hong Kong

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Trust (Cayman) Limited

Windward 3, Regatta Office Park

PO Box 1350, Grand Cayman KY1-1108

Cayman Islands

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

Boardroom Share Registrars (HK) Limited

Room 2103B, 21/F

148 Electric Road

North Point

Hong Kong

## **LEGAL ADVISER TO THE COMPANY**

Sidley Austin

## **PRINCIPAL BANKER**

The Hong Kong and Shanghai Banking Corporation

Limited

## **INDEPENDENT AUDITOR**

PricewaterhouseCoopers

Certified Public Accountants

Registered Public Interest Entity Auditor

22/F, Prince's Building

Central

Hong Kong

## **COMPANY'S WEBSITE**

<http://www.lifeconcepts.com>

## **GEM STOCK CODE**

8056

The board of Directors (the “**Board**”) presents the unaudited condensed consolidated interim results of the Group for the six months ended 30 September 2021, together with the unaudited comparative figures for the corresponding period in 2020 as set out below.

## FINANCIAL HIGHLIGHTS

- The Group’s revenue for the six months ended 30 September 2021 was approximately HK\$107.8 million, representing an increase of approximately 53.7% when compared with that of the corresponding period in 2020.
- Loss and total comprehensive loss attributable to owners of the Company for the six months ended 30 September 2021 was approximately HK\$9.8 million, representing a decrease in loss and total comprehensive loss attributable to owners of the Company of approximately 51.6% when compared with that of the corresponding period in 2020.
- The Board did not declare any dividend for the six months ended 30 September 2021 (for the six months ended 30 September 2020: Nil).



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

For the six months ended 30 September 2021

	Notes	For the three months ended		For the six months ended	
		30 September		30 September	
		2021	2020	2021	2020
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	5	47,204	29,230	107,767	70,110
Cost of sales and inventories consumed		(9,634)	(8,064)	(20,759)	(17,667)
Loan referral and guarantee expenses		(979)	—	(9,772)	—
Employee benefit expenses		(16,755)	(17,558)	(36,396)	(36,005)
Depreciation of property, plant and equipment		(780)	(2,664)	(2,255)	(5,227)
Amortisation of intangible assets		(1,046)	(1,190)	(2,018)	(3,540)
Amortisation of right-of-use assets		(5,838)	(10,603)	(12,100)	(21,188)
Rental and related expenses		(3,098)	(336)	(5,164)	(896)
Utilities and consumables		(1,576)	(1,311)	(3,301)	(2,892)
Franchise and licensing fees		(863)	(455)	(1,683)	(1,010)
Government grants		—	5,014	562	9,761
Net impairment losses on financial instruments and contract assets		(7,507)	—	(13,606)	—
Other expenses		(8,079)	(6,651)	(15,653)	(13,742)
Other (losses)/gains, net		(407)	985	1,205	849
Finance income/(costs), net	6	2,400	(361)	6,065	(803)
<b>Loss before income tax</b>		(6,958)	(13,964)	(7,108)	(22,250)
Income tax credit	7	722	238	387	510
<b>Loss for the period</b>	8	(6,236)	(13,726)	(6,721)	(21,740)
<b>Other comprehensive (loss)/income</b>					
Item that may be reclassified to profit or loss:					
Exchange differences on translation of foreign operations		(3,741)	77	(3,743)	59
<b>Total comprehensive loss for the period</b>		(9,977)	(13,649)	(10,464)	(21,681)
<b>Loss attributable to:</b>					
Owners of the Company		(5,946)	(12,722)	(6,361)	(19,841)
Non-controlling interests		(290)	(1,004)	(360)	(1,899)
<b>Loss for the period</b>		(6,236)	(13,726)	(6,721)	(21,740)
<b>Total comprehensive loss attributable to:</b>					
Owners of the Company		(9,403)	(13,152)	(9,820)	(20,277)
Non-controlling interests		(574)	(497)	(644)	(1,404)
		(9,977)	(13,649)	(10,464)	(21,681)
<b>Loss per share attributable to owners of the Company</b>					
Basic and diluted (HK\$)	10	(0.01)	(0.02)	(0.01)	(0.02)

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2021

	Notes	30 September 2021 HK\$'000 (Unaudited)	31 March 2021 HK\$'000 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11	6,089	8,798
Right-of-use assets	11	21,716	32,144
Intangible assets	11	11,436	13,365
Rental and utilities deposits		11,456	13,036
Deposit for property, plant and equipment		430	429
Restricted bank deposits	13	60,982	64,250
Loan to a related party	17	—	13,524
Contract assets	12	40,053	57,715
		152,162	203,261
<b>Current assets</b>			
Inventories		2,059	2,544
Trade and other receivables	12	23,020	14,492
Contract assets	12	10,014	14,429
Advances to related parties	17	1,774	640
Loan to a related party	17	14,426	—
Income tax recoverable		1,524	3,575
Cash and cash equivalents		4,070	12,193
		56,887	47,873
<b>Total assets</b>		209,049	251,134
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	15	63,037	63,037
Reserves		(147,771)	(137,951)
		(84,734)	(74,914)
Non-controlling interests		14,316	14,960
		(70,418)	(59,954)



	Notes	30 September 2021 HK\$'000 (Unaudited)	31 March 2021 HK\$'000 (Audited)
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities		8,762	18,596
Other payables	14	5,170	7,014
Amounts due to directors	17	—	69,892
Amount due to a related party	17	—	87,437
Provision		3,084	3,570
Deferred tax liabilities		12,496	12,725
		29,512	199,234
<b>Current liabilities</b>			
Trade and other payables	14	32,282	36,089
Contract liabilities		1,102	1,185
Lease liabilities		31,344	42,006
Amounts due to related parties	17	79,861	6,647
Amounts due to directors	17	78,385	71
Bank borrowing	18	1,200	—
Guarantee liabilities		25,425	25,144
Current tax liabilities		356	712
		249,955	111,854
<b>Total liabilities</b>		279,467	311,088
<b>Total equity and liabilities</b>		209,049	251,134

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2021

	Attributable to owners of the Company						Attributable to non-controlling interests	Total
	Share capital	Share premium	Other reserve	Translation reserve	Accumulated losses	Subtotal		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
At 1 April 2020 (audited)	63,037	28,785	27,313	89	(132,037)	12,813	11,168	(1,645)
Loss for the period	—	—	—	—	(19,841)	(19,841)	(1,899)	(21,740)
Exchange differences on translation of foreign operations	—	—	—	(436)	—	(436)	495	59
Total comprehensive loss for the period	—	—	—	(436)	(19,841)	(20,277)	(1,404)	(21,681)
Capital injection from non-controlling shareholders	—	—	—	—	—	—	4,393	4,393
At 30 September 2020 (unaudited)	63,037	28,785	27,313	(347)	(151,878)	(33,090)	14,157	(18,933)
At 1 April 2021 (audited)	63,037	28,785	27,313	2,420	(196,469)	(74,914)	14,960	(59,954)
Loss for the period	—	—	—	—	(6,361)	(6,361)	(360)	(6,721)
Exchange differences on translation of foreign operations	—	—	—	(3,459)	—	(3,459)	(284)	(3,743)
Total comprehensive loss for the period	—	—	—	(3,459)	(6,361)	(9,820)	(644)	(10,464)
At 30 September 2021 (unaudited)	63,037	28,785	27,313	(1,039)	(202,830)	(84,734)	14,316	(70,418)

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2021

	For the six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	19,046	(7,001)
INVESTING ACTIVITIES		
Purchase of and deposits paid for property, plant and equipment	(3,595)	(1,125)
Purchase of intangible assets	(172)	—
Proceeds from disposals of property, plant and equipment	—	162
Advance to a related party	(435)	(8,781)
Inflow of cash and cash equivalents in respect of the disposal of subsidiaries	—	1,754
Decrease/(Increase) of restricted bank deposits	4,191	(27,650)
NET CASH USED IN INVESTING ACTIVITIES	(11)	(35,640)
FINANCING ACTIVITIES		
New bank borrowings raised	1,205	16,303
Inception of loan from third parties	—	16,303
Repayment of lease liabilities	(20,982)	(25,929)
Advance from directors	8,996	40,839
Interest paid	(3)	(59)
Inception of loan from related parties	459	—
Repayment of loan from related parties	(16,926)	(7,113)
Capital injection from non-controlling shareholders	—	4,393
NET CASH (USED IN)/FROM FINANCING ACTIVITIES	(27,251)	28,434
NET DECREASE IN CASH AND CASH EQUIVALENTS	(8,216)	(14,207)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	12,193	26,877
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	93	(574)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4,070	12,096

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

## 1. GENERAL INFORMATION

The Company is incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on GEM. Its immediate holding company is Strong Day Holdings Limited, a company incorporated in the British Virgin Islands with limited liability. Its registered office is located at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands and its principal place of business is located at Suites 1701-3, 17/F, Chinachem Hollywood Centre, 1, 3, 5, 7, 9, 11 and 13 Hollywood Road, Central, Hong Kong.

The Company is an investment holding company. The subsidiaries of the Company are principally engaged in (i) operation of restaurants in Hong Kong and People's Republic of China (the "PRC"); (ii) interior design and fitting-out business; (iii) provision of consulting services in relation to organic vegetables research and development, plantation and sales; and (iv) provision of financial institution intermediation services.

## 2. BASIS OF PREPARATION AND PRESENTATION

These unaudited condensed consolidated financial statements for the six months ended 30 September 2021 have been prepared in accordance with the applicable disclosure requirements of Chapter 18 of the GEM Listing Rules and comply with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

In preparing the unaudited condensed consolidated financial statements, the Directors have given careful consideration to the future liquidity of the Group. While recognising that the Group had net current liabilities of approximately HK\$193,068,000 as at 30 September 2021 and incurred a net loss of approximately HK\$6,721,000 for the six months then ended, the Directors are of the opinion that, after due and careful enquiry taking into account the internally generated funds available to the Group, the Group has, in the absence of unforeseeable circumstances, sufficient financial resources to meet its financial obligations as they fall due for the foreseeable future.

Accordingly, the Directors believe that it is appropriate to prepare the unaudited condensed consolidated financial statements on a going concern basis without including any adjustments that would be required should the Group fail to continue as a going concern.

These unaudited condensed consolidated financial statements for the six months ended 30 September 2021 are presented in Hong Kong dollars ("HK\$"), which is the functional currency of the Company.

## 3. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS

In the current interim period, the Group has applied, for the first time, new and revised Hong Kong Financial Reporting Standards ("HKFRSs") (which include all HKFRSs, HKASs, Interpretations and Amendments) issued by the HKICPA that are mandatorily effective for the accounting period beginning on or after 1 April 2021.

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

The Group has not applied new and revised standards, amendments or interpretations that have been issued but are not yet effective. The Group is currently assessing the impact of the adoption of such new and revised standards, amendments or interpretations to the Group but is yet to be in a position to state whether they would have any material financial impact on the Group's results of operations and financial position.

## 4. PRINCIPAL ACCOUNTING POLICIES

The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements for the six months ended 30 September 2021 are consistent with those adopted in the preparation of audited consolidated financial statements included in the Company's 2020/21 annual report, except for the adoption of the new and revised HKFRSs issued by the HKICPA that are adopted for the first time for the current period's unaudited condensed consolidated financial statements.

The unaudited condensed consolidated financial statements for the six months ended 30 September 2021 have been prepared on the historical cost basis.

The condensed consolidated financial statements have not been audited or reviewed by the Company's independent auditor, but have been reviewed by the audit committee of the Board (the "Audit Committee").

## 5. REVENUE AND SEGMENT INFORMATION

### (i) Disaggregation of revenue from contracts with customers

	For the three months ended 30 September		For the six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
<b>Revenue from contracts with customers</b>				
Restaurant operations				
Italian style	6,452	4,646	13,439	11,910
Western style	31,241	22,383	67,133	52,398
Asian style	783	1,781	3,130	4,909
Chinese style	1,174	—	2,158	—
	39,650	28,810	85,860	69,217
<b>Provision of financial intermediation services</b>				
Upfront loan facilitation service fees	4,988	—	12,709	—
Post loan facilitation service fees	899	—	2,856	—
Guarantee service fees	66	—	1,445	—
Early redemption penalty and service charges	682	—	3,171	—
	6,635	—	20,181	—
Provision of interior design and fitting-out services	—	—	—	—
Provision of organic vegetables consulting services	919	420	1,726	893
	47,204	29,230	107,767	70,110
<b>Geographical location</b>				
Mainland China	8,728	420	24,065	893
Hong Kong	38,476	28,810	83,702	69,217
	47,204	29,230	107,767	70,110
<b>Timing of revenue recognition</b>				
A point in time	45,386	28,810	103,185	69,217
Over time	1,818	420	4,582	893
	47,204	29,230	107,767	70,110

## 5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

### (i) Disaggregation of revenue from contracts with customers (continued)

For all contracts for provision of good and beverages and provision of interior design and fitting-out services for periods of one year or less, as permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

The transaction price allocated to the unsatisfied performance obligation for provision of organic vegetables consulting services is not disclosed because it is variable consideration and cannot be estimated as it is dependent on customers' future revenue.

### (ii) Performance obligations for contracts with customers

#### Restaurant operations

The Group operated a chain of restaurants. Revenue is recognised at a point in time upon the provision of food and beverages to customers. Payment of the transaction price is mostly due immediately at the point of providing food and beverages to customers. Customer deposits for corporate events are recognised as contract liability.

#### Provision of interior design and fitting-out business

The Group provides interior design and fitting-out services to customers. Such services are recognised as a performance obligation satisfied over time as the Group creates or enhances an asset that the customer controls as the asset is created or enhanced.

The progress towards complete satisfaction of a performance obligation is measured based on input method, which is to recognise revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depict the Group's performance in transferring control of goods or services.

#### Provision of organic vegetables consulting services

The Group provides consulting services in relation to organic vegetables research and development, plantation and sales. Revenue is recognised for such consulting services on a monthly basis based on a pre-determined percentage of customer's monthly revenue amount as agreed in contracts.

#### Provision of financial institutions intermediation services

In all arrangements where the Group is not the loan originator, the Group also generates non-interest service fees by facilitating transactions between borrowers and financial institutions. The Group determines that it is not the legal lender and legal borrower in the loan origination and repayment process. Therefore, the Group does not record loans receivable and payable arising from the loans.

The Group's services consist of:

- Upfront loan facilitation service: matching potential qualified borrowers to financial institutions and facilitating the execution of loan agreements between the parties;
- Post loan facilitation service: providing repayment processing services for the financial institutions over the loan term, including following up on late repayments;
- Guarantee service provided to financial institutions, if applicable.

The Group does not receive upfront payments from borrowers and financial institutions at loan inception but receives subsequent payments from financial institutions over the term of the loan. The total service fees are first allocated to the guarantee liabilities at fair value which meets the definition of a financial guarantee under HKFRS 9. The remaining amount is then allocated to upfront loan facilitation service and post loan facilitation service using best estimated selling price, as neither vendor specific objective evidence or third party evidence of selling price is available.

## 5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

### (ii) Performance obligations for contracts with customers (continued)

Upfront loan facilitation service fees are recognised at loan inception. When the cash received is not equal to the fee allocated to the upfront loan facilitation service, a “contract asset” or “contract liability” is recognised in the condensed consolidated statement of financial position. Post loan facilitation service fees are recognised over the term of the loan, which approximates the pattern of when the underlying services are performed. Gains from guarantee are recognised ratably over the term of the loan.

The Group expects to have any contracts where the period between the transfer of the promised services to the customer and payment by the customer exceeds one year. As a consequence, the Group adjusts the transaction prices for the time value of money.

The segment information reported to the executive Directors, being the chief operating decision maker (the “CODM”), is being regularly reviewed in order to allocate resources to segments and to assess their performance is prepared under HKFRSs, based on the style of restaurants, including Italian style, Western style, Asian style and Chinese style. In addition, the CODM also reviews performance of catering management and design services, provision of interior design and fitting-out service, provision of organic vegetables consulting services and provision of financial institution intermediation services for resources allocation.

### Segment revenue and results

For the six months ended 30 September 2021 (unaudited)

The segment information provided to the Group’s CODM for the reportable segments for the six months ended 30 September 2021 are as follow:

	Italian style HK\$'000	Western style HK\$'000	Asian style HK\$'000	Chinese style HK\$'000	Catering management and design services and others HK\$'000	Provision of interior design and fitting-out services HK\$'000	Provision of organic vegetables consulting services HK\$'000	Provision of financial intermediation services HK\$'000	Elimination HK\$'000	Total HK\$'000
REVENUE										
Total segment revenue	13,439	67,133	3,130	2,158	5,352	—	1,726	20,181	(5,352)	107,767
Inter-segment revenue	—	—	—	—	(5,352)	—	—	—	5,352	—
Revenue from external customers	13,439	67,133	3,130	2,158	—	—	1,726	20,181	—	107,767
Segment results	515	4,003	1,611	(686)	107	(21)	(67)	(834)	(107)	4,521
Unallocated employee benefit expenses										(7,653)
Unallocated depreciation and amortisation										(818)
Unallocated rental and related expenses										(131)
Unallocated utilities and consumables										(216)
Unallocated other expenses										(2,786)
Finance costs, net										(25)
Loss before income tax										(7,108)
Income tax credit										387
Loss for the period										(6,721)



## 5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

### Segment revenue and results (continued)

For the six months ended 30 September 2020 (unaudited)

	Italian style HK\$'000	Western style HK\$'000	Asian style HK\$'000	Catering management and design services and others HK\$'000	Provision of interior design and fitting-out services HK\$'000	Provision of organic vegetables consulting services HK\$'000	Provision of financial intermediation services HK\$'000	Elimination HK\$'000	Total HK\$'000
REVENUE									
Total segment revenue	11,910	52,398	4,909	4,481	—	893	—	(4,481)	70,110
Inter-segment revenue	—	—	—	(4,481)	—	—	—	4,481	—
Revenue from external customers	11,910	52,398	4,909	—	—	893	—	—	70,110
Segment results	(355)	(446)	(2,572)	90	(2,529)	(2,383)	(2,800)	(90)	(11,085)
Unallocated employee benefit expenses									(9,893)
Unallocated depreciation and amortisation									(1,374)
Unallocated rental and related expenses									(130)
Unallocated utilities and consumables									(214)
Unallocated other income									212
Unallocated other gain									282
Finance costs, net									(48)
Loss before income tax									(22,250)
Income tax credit									510
Loss for the period									(21,740)

## 5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

### Segment assets and liabilities (continued)

At 30 September 2021 (unaudited)

	Italian style HK\$'000	Western style HK\$'000	Asian style HK\$'000	Chinese style HK\$'000	Catering management and design services and others HK\$'000	Provision of interior design and fitting-out services HK\$'000	Provision of organic vegetables consulting services HK\$'000	Provision of financial intermediation services HK\$'000	Elimination HK\$'000	Consolidated total HK\$'000
Segment assets	90,980	202,521	42,811	5,592	108,590	2,377	44,714	131,156	(419,692)	209,049
Elimination of inter-segment receivables	(84,427)	(164,326)	(41,695)	(1,477)	(105,158)	(764)	(14,643)	(7,202)	419,692	—
	6,553	38,195	1,116	4,115	3,432	1,613	30,071	123,954	—	209,049
Segment liabilities	(87,742)	(222,717)	(65,718)	(3,925)	(85,956)	(27,222)	(8,883)	(118,611)	419,692	(201,082)
Elimination of inter-segment payables	82,011	170,822	64,311	—	78,462	24,086	—	—	(419,692)	—
	(5,731)	(51,895)	(1,407)	(3,925)	(7,494)	(3,136)	(8,883)	(118,611)	—	(201,082)
Amounts due to directors										(78,385)
										(279,467)

At 31 March 2021 (audited)

	Italian style HK\$'000	Western style HK\$'000	Asian style HK\$'000	Chinese style HK\$'000	Catering management and design services and others HK\$'000	Provision of interior design and fitting-out services HK\$'000	Provision of organic vegetables consulting services HK\$'000	Provision of financial intermediation services HK\$'000	Elimination HK\$'000	Consolidated total HK\$'000
Segment assets	92,324	208,099	43,801	5,586	101,644	42,418	42,323	152,641	(437,702)	251,134
Elimination of inter-segment receivables	(80,959)	(155,475)	(41,678)	(1,100)	(97,165)	(28,196)	(33,129)	—	437,702	—
	11,365	52,624	2,123	4,486	4,479	14,222	9,194	152,641	—	251,134
Segment liabilities	(88,622)	(228,113)	(68,130)	(3,625)	(81,378)	(65,877)	(7,383)	(135,699)	437,702	(241,125)
Elimination of inter-segment payables	79,870	157,993	63,452	—	73,961	62,426	—	—	(437,702)	—
	(8,752)	(70,120)	(4,678)	(3,625)	(7,417)	(3,451)	(7,383)	(135,699)	—	(241,125)
Amounts due to directors										(69,963)
										(311,088)

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 4. Segment results represents the profit/loss earned by each segment without allocation of the common employee benefit expenses, depreciation and amortisation, rental and related expenses, utilities and consumables, other expenses, other gains and finance income/(costs), net incurred. This is the measure reported to the CODM for the purpose of resource allocation and performance assessment. For the purposes of monitoring segment performances and allocating resources between segments, all assets and liabilities, other than amount due to directors, are allocated to operating segments.

Inter-segment sales are charged at cost-plus approach.

## 5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

### Other information

The following is included in the measure of segment results and segment assets.

	Depreciation and amortisation For the six months ended 30 September		Additions to non-current assets For the six months ended 30 September	
	2021	2020	2021	2020
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Italian style	3,176	4,730	80	159
Western style	9,572	18,359	1,608	224
Asian style	—	1,363	—	4,900
Chinese style	469	—	4	—
Catering management and design services	—	—	—	—
Provision of interior design and fitting-out services	22	1,165	—	—
Provision of organic vegetables consulting services	1,693	2,964	—	227
Provision of financial intermediation services	623	—	25	—
	15,555	28,581	1,717	5,510

	Loss on disposals of property, plant and equipment For the six months ended 30 September		Net impairment losses on financial instruments and contract assets For the six months ended 30 September	
	2021	2020	2021	2020
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Italian style	—	—	—	—
Western style	593	—	—	—
Asian style	—	604	—	—
Chinese style	—	—	—	—
Catering management and design services	—	—	—	—
Provision of interior design and fitting-out services	—	—	—	—
Provision of organic vegetables consulting services	—	—	—	—
Provision of financial intermediation services	—	—	13,606	—
	593	604	13,606	—

## 5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

	Loss on disposals of intangible assets For the six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Italian style	—	—
Western style	78	—
Asian style	—	—
Chinese style	—	—
Catering management and design services	—	—
Provision of interior design and fitting-out services	—	—
Provision of organic vegetables consulting services	—	—
Provision of financial intermediation services	—	—
	78	—

The unallocated depreciation and amortisation amounted to approximately HK\$818,000 (2020: HK\$1,374,000) for the six months ended 30 September 2021.

Non-current assets included property, plant and equipment, right-of-use assets and intangible assets.

### Geographical information

The geographical location is based on the location at which the services were rendered or the goods delivered.

The amount of revenue from external customers broken down by geographical location is as follows:

	For the six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Hong Kong	83,702	69,217
Mainland China	24,065	893
	107,767	70,110

The non-current assets, other than rental and utilities deposits, deposit for property, plant and equipment, restricted bank deposits and loan to a related party broken down by geographical location of the assets, is shown as below:

	Non-current assets	
	30 September 2021 HK\$'000 (Unaudited)	31 March 2021 HK\$'000 (Audited)
Hong Kong	22,649	35,160
Mainland China	56,645	76,862
	79,294	112,022

## 5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

### Information about major customers

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

## 6. FINANCE INCOME/(COSTS), NET

	For the three months ended 30 September		For the six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Interest income from contract assets	2,672	—	7,110	—
Bank interest income	60	24	121	34
Interest income from loan to a related party	180	—	362	—
Finance income	2,912	24	7,593	34
Interest expense on lease liabilities	(282)	(383)	(630)	(802)
Interest expense on accrued loan referral expenses	(182)	—	(847)	—
Interest expense on bank borrowings	(3)	—	(3)	—
Other interest expenses	(45)	(2)	(48)	(35)
Finance costs	(512)	(385)	(1,528)	(837)
Finance income/(costs), net	2,400	(361)	6,065	(803)

## 7. INCOME TAX CREDIT

	For the three months ended 30 September		For the six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
<b>Current tax</b>				
Hong Kong profits tax	—	—	—	—
Under-provision in respect of prior years	—	(42)	—	(42)
PRC enterprise income tax	—	—	(3)	—
<b>Deferred tax</b>	722	280	390	552
Income tax credit	722	238	387	510

## 7. INCOME TAX CREDIT (CONTINUED)

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “**Bill**”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Under the Law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

No provision for Hong Kong Profits Tax has been made for Hong Kong subsidiaries, as there was no estimated assessable profit during the six months ended 30 September 2021 (2020: Nil).

Deferred tax credit of approximately HK\$390,000 for the six months ended 30 September 2021 (2020: HK\$552,000) arose from the temporary differences in relation to amortisation of intangible assets and unrealised gains in the PRC.

## 8. LOSS FOR THE PERIOD

	For the three months ended 30 September		For the six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Loss for the period has been arrived at after charging:				
Depreciation of property, plant and equipment	780	2,664	2,255	5,227
Depreciation of right-of-use assets	5,838	10,603	12,100	21,188
Amortisation of intangible assets	1,046	1,190	2,018	3,540
Loss on disposals of property, plant and equipment	510	—	593	604
Loss on disposals of intangible assets	78	—	78	—

## 9. DIVIDEND

The Board does not declare any dividend for the six months ended 30 September 2021 (2020: Nil).

## 10. LOSS PER SHARE

### (a) Basic

Basic loss per share is calculated by dividing the loss attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the period.

	For the three months ended 30 September		For the six months ended 30 September	
	2021 (Unaudited)	2020 (Unaudited)	2021 (Unaudited)	2020 (Unaudited)
Loss for the period attributable to owners of the Company (HK\$'000)	(5,946)	(12,722)	(6,361)	(19,841)
Weighted average number of ordinary shares in issue (thousands)	810,250	810,250	810,250	810,250
Basic loss per share (HK\$)	(0.01)	(0.02)	(0.01)	(0.02)

### (b) Diluted

Diluted loss per share presented is the same as the basic loss per share as there was no potentially dilutive ordinary share outstanding as at 30 September 2021 and 2020.

## 11. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND INTANGIBLE ASSETS

During the current interim period, the Group acquired property, plant and equipment and intangible assets of approximately HK\$122,000 and Nil (2020: HK\$6,114,000 and Nil), respectively. In addition, the Group has disposed of property, plant and equipment and intangible assets with carrying amount of approximately HK\$593,000 and HK\$78,000 (2020: HK\$766,000 and Nil), respectively.

During the current interim period, the Group entered into new rental agreements for the use of restaurant operation and management office. The Group is required to make fixed monthly payments and additional variable payments depending on the relevant restaurants' turnover pursuant to the terms and conditions as set out in the respective rental agreements. On lease commencement, the Group recognised HK\$1,619,000 (2020: HK\$18,198,000) of right-of-use assets and HK\$1,619,000 (2020: HK\$18,198,000) of lease liabilities.



## 12. TRADE AND OTHER RECEIVABLES AND CONTRACT ASSETS

	30 September 2021 HK\$'000 (Unaudited)	31 March 2021 HK\$'000 (Audited)
Trade receivables	4,230	1,971
Other receivables and deposits	20,881	13,045
Contract assets	50,150	79,920
	75,261	94,936
Loss allowances	(2,174)	(8,300)
	73,087	86,636

Trade receivables from restaurant operation business are receivables from financial institutions in relation to the payment settled by credit cards by customers of which the settlement period is normally within 3 days from transaction date. Generally, for restaurant operation business, there is no credit period granted to customers, except for certain well-established corporate customers in which credit period of 20 days is granted by the Group. Trade receivables from the provision of interior design and fitting-out services and organic vegetables consulting services are normally settled within 30 days from invoice date. As at 30 September 2021, the ageing analysis at the gross trade receivables based on invoice date were as follows:

	30 September 2021 HK\$'000 (Unaudited)	31 March 2021 HK\$'000 (Audited)
0 - 20 days	778	879
21 to 90 days	533	561
Over 90 days	2,919	531
	4,230	1,971
Loss allowances	(2,091)	(524)
	2,139	1,447

Before accepting any new corporate customers, management of the Group will base on the credit quality of the potential customers to define credit limits. Credit limits to customers are reviewed annually.

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. All of the trade receivables that are neither past due nor impaired are mainly from the reputable financial institutions.

## 12. TRADE AND OTHER RECEIVABLES AND CONTRACT ASSETS (CONTINUED)

As at 30 September 2021, included in the Group's trade receivables balances are debtors with aggregate carrying amount of HK\$2,101,000 (31 March 2021: HK\$568,000) which are past due as at the reporting date. Out of the past due balances, HK\$10,000 (31 March 2021: HK\$7,000) has been past due 90 days or more and is not considered as default as the Group considered such balances could be recovered based on repayment history, the financial conditions and the current credit worthiness of each debtors.

	30 September 2021 HK\$'000 (Unaudited)	31 March 2021 HK\$'000 (Audited)
Other receivables and deposits:		
Prepayments for insurances, consumables and services	4,600	4,140
Prepayments for rental	83	—
Prepayments for loan guarantee expenses	8,145	2,697
Advance to employees	154	2,415
Rental and utilities deposits	3,552	3,793
Others	4,347	—
	20,881	13,045

	30 September 2021 HK\$'000 (Unaudited)	31 March 2021 HK\$'000 (Audited)
(Contract assets)		
Interior design and fitting out services	—	—
Upfront loan facilitation service fees	50,150	79,920
Loss allowances	(83)	(7,776)
	50,067	72,144
Less: Contract assets-non-current portion	(40,053)	(57,715)
Contract assets-current portion	10,014	14,429

The contract assets are transferred to trade receivables when the rights become unconditional. The Group typically transfers contract assets to trade receivables upon achieving the specified milestones in the contracts. There are no past due as at the reporting date.

For the provision of interior design and fitting out services, the contract assets primarily relate to the Group's right to consideration for work completed and not billed because the rights are conditioned on the Group's future performance in achieving specified milestones at the reporting date.

## 13. RESTRICTED BANK DEPOSITS

As at 30 September 2021, the restricted bank deposits represented variable rate deposits placed in banks pursuant to the Group's obligations under certain operating leases and service agreements in relation to the provision of financial institution intermediation services of HK\$1,848,000 (31 March 2021: HK\$1,848,000) and HK\$59,134,000 (31 March 2021: HK\$62,402,000), respectively. The restricted bank deposits carry interest ranging from 0.02% to 1.8% (31 March 2021: from 0.02% to 1.8%) per annum. The deposits will be released upon termination or expiry of the agreements which is expected to be beyond one year from the end of respective reporting periods. Accordingly, the amounts are included in non-current assets.

## 14. TRADE AND OTHER PAYABLES

	30 September 2021 HK\$'000 (Unaudited)	31 March 2021 HK\$'000 (Audited)
Trade payables to third parties	9,507	9,997
Accruals and other payables:		
Accrued staff salaries	4,338	5,158
Rental and management fee payables	—	2,560
Franchise and licensing fee payables	4,122	3,674
Payable for property, plant and equipment	1,002	4,476
Audit fee accrual	2,954	2,608
Payable for repair and maintenance	4,487	1,806
Payable for utilities and consumables	2,071	1,944
Payable for cleaning suppliers	1,387	1,481
Other tax payables	216	267
Accrued loan referral expenses	5,170	7,014
Others	2,198	2,118
	27,945	33,106
Trade and other payables	37,452	43,103
Less: Accrued loan referral expenses – non-current portion	(5,170)	(7,014)
Trade and other payables – current portion	32,282	36,089

The ageing analysis of the trade payables based on invoice date were are follows:

	30 September 2021 HK\$'000 (Unaudited)	31 March 2021 HK\$'000 (Audited)
0 – 60 days	5,980	7,131
Over 60 days	3,527	2,866
	9,507	9,997

The credit period on purchases of goods and services is about 60 days. The Group has financial risk management policies in place to ensure that all payables are within the credit timeframe.

## 15. SHARE CAPITAL

Ordinary shares of US\$0.01 each

	Number of shares	Amount	
		US\$	HK\$'000
AUTHORISED:			
At 1 April 2020, 30 September 2020, 1 April 2021 and 30 September 2021	10,000,000,000	100,000,000	778,000
ISSUED AND FULLY PAID:			
At 1 April 2020, 30 September 2020, 1 April 2021 and 30 September 2021	810,250,000	8,102,500	63,037

## 16. CAPITAL COMMITMENTS

	30 September 2021 HK\$'000 (Unaudited)	31 March 2021 HK\$'000 (Audited)
Capital expenditure in respect of the acquisition of property, plant and equipment and intangible assets contracted for but not provided in the condensed consolidated financial statements	1,038	1,038

## 17. RELATED PARTY TRANSACTIONS AND BALANCES

### (a) Significant transactions with related parties

上海愛娥蔬菜種植專業合作社 is controlled by a director of a subsidiary of the Company, who is also a non-controlling shareholder of that subsidiary. The following transactions occurred with related parties:

Name of related parties	Nature of transactions	For the six months ended 30 September	
		2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
上海愛娥蔬菜種植專業合作社	Interest income	362	—
上海愛娥蔬菜種植專業合作社	Revenue from provision of organic vegetables consulting services	1,726	893

### (b) Amounts due from/(to) related parties

Details of the amounts due from/(to) related parties are shown as follows:

	30 September 2021 HK\$'000 (Unaudited)	31 March 2021 HK\$'000 (Audited)
Loan to a related party (Note (v))	15,538	14,584
Loss allowances (Note (v))	(1,112)	(1,060)
	14,426	13,524
Advances to related parties (Note (i))	1,774	640
Total amounts due from related parties	16,200	14,164
Amounts due to directors (Note (ii))	(78,385)	(69,963)
Loan from related parties (Note (iii))	(74,391)	(88,523)
Other payables to a related party (Note (iv))	(5,470)	(5,561)
Total amounts due to related parties	(79,861)	(94,084)

Notes:

- (i) Within the balance includes interest receivable in relation to loan to a related party, a company controlled by a non-controlling interest, in note (v) of HK\$855,000 (31 March 2021: HK\$487,000). The balance is non-trade in nature, unsecured and interest-free.
- (ii) The amount due to directors is non-trade in nature, unsecured and interest-free. Other than HK\$78,307,000 (31 March 2021: HK\$69,892,000) which will mature on 31 July 2022, the remaining balance of HK\$78,000 (31 March 2021: HK\$71,000) is payable on demand as at reporting date.
- (iii) Loan from related parties, non-controlling interest of a subsidiary, is non-trade in nature, unsecured and interest-free. Other than HK\$73,289,000 (31 March 2021: HK\$87,437,000) which will mature on 31 July 2022, the remaining balance of HK\$1,102,000 (31 March 2021: HK\$1,086,000) is payable on demand as at reporting date.
- (iv) The amount due to a related party, a company controlled by a non-controlling interest, represents payable for acquisition of certain intangible assets occurred during the year ended 31 March 2020. The balance is trade in nature, unsecured and interest-free.

## 17. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

### (b) Amounts due from/(to) related parties (continued)

- (v) As at 30 September 2021, the loan to a related party, a company controlled by a non-controlling interest, is interest bearing at 4.785% per annum and is denominated in Renminbi ("RMB"). The balance is secured by the trade receivables, certain plant and equipment, certain inventories and equity interest of the related party. The balance is repayable on maturity date at 30 June 2022. Loss allowances in relation to this balance amounted to HK\$1,112,000 (31 March 2021: HK\$1,060,000) as at 30 September 2021. Loss allowance movement for the six months ended 30 September 2021 is as follows:

	HK\$'000
Opening net book amount	1,060
Exchange realignment	52
Ending net book amount	1,112

## 18. BANK BORROWINGS

During the current interim period, the Group obtained new bank borrowings amounting to HK\$1,200,000 (six months ended 30 June 2020: Nil). The loans carry interest at fixed market rates of 3.85% and are repayable in 1 year. The proceeds were used as working capital.

## MANAGEMENT DISCUSSION AND ANALYSIS

During the six months ended 30 September 2021 and up to the date of this report, the Group had been principally engaged in (i) operating a variety of cuisines, mainly Asian, Western, Italian and Chinese, targeting different customer segments with mid to high spending power; (ii) provision of interior design proposals, engaging subcontractors to carry out fitting-out works and coordinating, managing and supervising the fitting-out works in the PRC; (iii) provision of consulting services in relation to organic vegetables research and development, plantation and sales in the PRC; and (iv) provision of financial institution intermediation services in the PRC.

### Business Review

#### Food and Beverage Business

During the six months ended 30 September 2021, the Group maintained its focus in serving a variety of cuisines at varying prices under different brands to a diversified customer base in Hong Kong. The Group has kept its strength in striving to uphold its core value, “Value for Money”, through providing the customers with a boutique dining experience of quality dishes, attentive service and a relaxing environment.

During the six months ended 30 September 2021, the operating results of the Group’s restaurants have slightly recovered from the outbreak of the novel coronavirus pneumonia (COVID-19) (the “**COVID-19 Pandemic**”). Although several short-term measures were still in place including but not limited to the implementation of travel restrictions, several restrictions in relation to catering business and prohibition on group gathering, the government has relaxed some social distancing measures and promoted the electronic consumption voucher scheme in order to encourage and boost local consumption. As a result, the Company recorded an increase in revenue from restaurant operations for the six months ended 30 September 2021. In the long run, the COVID-19 Pandemic may continue to have unforeseeable impact to the global economy which may affect the Group’s business.

To cope with the impact of the COVID-19 Pandemic, during the six months ended 30 September 2021, the Group continued to perform comprehensive risk study and contingency plan, and communicated with the investors of each project on the progress of the projects in a timely manner. The Group will also continue to adhere to its professionalism and stick to the bottom line of every investment to protect the funds of investors and strive to minimise the impact of the COVID-19 Pandemic.

#### Interior Design and Fitting-out Business

During the six months ended 30 September 2021, the business suffered operating loss of approximately HK\$21,000 (2020: HK\$2.5 million). The loss incurred in the previous financial period was mainly due to the fact that it was still in a start-up stage. During the six months ended 30 September 2021, as a contract was still temporarily suspended due to the impact of the COVID-19 Pandemic and other factors, no revenue had been recognised in this segment.

#### Provision of Organic Vegetables Consulting Services

During the six months ended 30 September 2021, the business suffered operating loss of approximately HK\$67,000 (2020: HK\$2.4 million). The loss incurred in the previous financial was mainly due to the fact that it was still in a start-up stage. During the six months ended 30 September 2021, as the size of such business of the Group is relatively small with a narrow base of customers at the moment, the revenue generated in this segment is comparable to the revenue generated in the second half of 2020/21 financial year.



## Financial institution intermediation Services

The Group has laid out a one-stop and professional financial services platform for financial practitioners and financial institutions based on the macro background of China's consistent policy of vigorously supporting small and medium-sized enterprises. Currently, the Group cooperates with financial practitioners and financial institutions to contact potential qualified borrowers through financial practitioners, and then the Group recommends potential qualified borrowers to financial institutions and facilitates both parties to enter into loan agreements, and the financial institutions provide loans to the borrowers. As of 30 September 2021, the Group facilitated financial institutions to provide a total of RMB825.6 million of loans to borrowers. During the six months ended 30 September 2021, the business of the Group generated loss of approximately HK\$834,000 (2020: HK\$2,800,000), as more revenue was generated after the start-up stage of operation.

## Financial Review

### Revenue

During the six months ended 30 September 2021, the Group's revenue was generated from (i) the operation of restaurants in Hong Kong and the PRC; (ii) provision of interior design and fitting-out services in the PRC; (iii) provision of organic vegetables consulting services in the PRC; and (iv) provision of financial institution intermediation services in the PRC. As at 30 September 2021, the Group had 10 (30 September 2020: 13) operating restaurants in Hong Kong and the PRC, of which Nil (30 September 2020: 1) was newly established and 4 restaurants (30 September 2020: 4) had been closed or were disposed of during the six months ended 30 September 2021.

The Group's restaurants served mainly four categories of cuisines during the six months ended 30 September 2021. The table below sets forth a breakdown of the Group's revenue generated by (i) operation of restaurants by type of cuisines; (ii) provision of interior design and fitting-out services; (iii) provision of organic vegetables consulting services; and (iv) provision of financial institution intermediation services, and as a percentage of the total revenue for the periods as indicated.

	For the three months ended 30 September				For the six months ended 30 September			
	2021		2020		2021		2020	
	Revenue (HK\$'000) (Unaudited)	% of total Revenue (%)	Revenue (HK\$'000) (Unaudited)	% of total Revenue (%)	Revenue (HK\$'000) (Unaudited)	% of total Revenue (%)	Revenue (HK\$'000) (Unaudited)	% of total Revenue (%)
Western style	31,241	66.2	22,383	76.6	67,133	62.3	52,398	74.7
Italian style	6,452	13.7	4,646	15.9	13,439	12.5	11,910	17.0
Asian style	783	1.7	1,781	6.1	3,130	2.9	4,909	7.0
Chinese style	1,174	2.4	—	—	2,158	2.0	—	—
Operation of restaurants	39,650	84.0	28,810	98.6	85,860	79.7	69,217	98.7
Provision of interior design and fitting-out services	—	—	—	—	—	—	—	—
Provision of organic vegetables consulting services	919	1.9	420	1.4	1,726	1.6	893	1.3
Provision of financial institution intermediation services	6,635	14.1	—	—	20,181	18.7	—	—
Total	47,204	100.0	29,230	100.0	107,767	100.0	70,110	100.0

#### Western style restaurants

The revenue generated from operation of Western style restaurants of the Group increased by approximately HK\$14.7 million, or approximately 28.1%, from approximately HK\$52.4 million for the six months ended 30 September 2020 to approximately HK\$67.1 million for the six months ended 30 September 2021. Such increase was mainly due to the relaxation of some social distancing measures by the government and the promotion of the electronic consumption voucher scheme in order to encourage and boost local consumption.

#### Italian style restaurants

The revenue generated from operation of Italian style restaurants of the Group increased by approximately HK\$1.5 million, or approximately 12.8%, from approximately HK\$11.9 million for the six months ended 30 September 2020 to approximately HK\$13.4 million for the six months ended 30 September 2021. The increase was resulted from the reasons as mentioned above.

#### Asian style restaurants

The revenue generated from operation of Asian style restaurants of the Group decreased by approximately HK\$1.8 million, or approximately 36.2%, from approximately HK\$4.9 million for the six months ended 30 September 2020 to approximately HK\$3.1 million for the six months ended 30 September 2021. The decrease was resulted from the closure of the Asian style restaurants of the Group during the year ended 31 March 2021 and the current interim period.

#### Chinese style restaurants

The revenue generated from operation of the Chinese style restaurant was approximately HK\$2.2 million for the six months ended 30 September 2021 (2020: Nil).

#### Provision of interior design and fitting-out services

The revenue generated from provision of interior design and fitting-out services was Nil for the six months ended 30 September 2021 (2020: Nil), as the contracts were suspended temporarily due to the impact of the COVID-19 Pandemic.

#### Provision of organic vegetables consulting services

The revenue generated from provision of consulting services by the Group in relation to organic vegetables research and development, plantation and sales was approximately HK\$1.7 million for the six months ended 30 September 2021 (2020: HK\$0.9 million). The main reason for the increase was resulted from the expansion of Shanghai Aie Agriculture Technology Company Limited\* (上海愛娥蔬菜種植專業合作社), being a customer of the Group's subsidiary, during the current interim period, which led to the increase in consulting service income.

#### Provision of financial institution intermediation services

The revenue generated from the provision of financial institution intermediation services by the Group was approximately HK\$20.2 million for the six months ended 30 September 2021 (2020: Nil).

\* for identification purposes only

### **Cost of sales and inventories consumed**

The cost of sales mainly represents the costs of provision of financial institution intermediation services. The major component includes corporate service fees.

The cost of inventories consumed mainly represents the costs of food ingredients and beverages for the operation of the Group's restaurants. The major food ingredients purchased by the Group includes, but is not limited to, vegetable, meat, seafood and frozen food.

Cost of sales and inventories consumed is one of the major components of the Group's operating expenses which amounted to approximately HK\$17.7 million and HK\$20.8 million for the six months ended 30 September 2020 and 2021, respectively, representing approximately 25.2% and 19.3% of the Group's total revenue for the corresponding periods. The increase in cost of inventories consumed was in consistent with the increase in revenue during the six months ended 30 September 2021.

### **Loan referral and guarantee expenses**

Loan referral and guarantee expenses, which represents the cost of financial institution intermediation services, including customer service cost and third party guarantee fee, which amounted to approximately HK\$9.8 million for the six months ended 30 September 2021 (2020: Nil), representing approximately 48.4% of the Group's revenue generated from the financial institution intermediation business segment for the six months ended 30 September 2021.

### **Employee benefits expenses**

Employee benefits expenses represented one of the major components of the Group's operating expenses, which primarily consisted of Directors' emoluments, salaries, retirement benefit scheme contributions and other benefits.

The employee benefits expenses incurred in the Hong Kong food and beverage business decreased by approximately HK\$1.2 million from approximately HK\$34.2 million to approximately HK\$33.0 million for the six months ended 30 September 2020 and 2021, respectively. The decrease was mainly due to the decrease in number of staff for Hong Kong office and restaurants as a result the closure or disposal of the restaurants, as well as the reduction of headcounts in existing restaurants as a measure of cost control.

The employee benefits expenses incurred in the food and beverage business in the PRC increased by approximately HK\$0.5 million from Nil to approximately HK\$0.5 million for the six months ended 30 September 2020 and 2021, respectively. The increase was due to the newly established restaurant in the PRC during the second half of the year ended 31 March 2021.

The employee benefits expenses regarding the interior design and fitting-out, organic vegetables consulting and financial institution intermediation business increased by approximately HK\$1.1 million from approximately HK\$1.8 million for the six months ended 30 September 2020 to approximately HK\$2.9 million for the six months ended 30 September 2021. The increase was mainly due to the increase in staff costs in financial institution intermediation business as a result of a longer operation period.

## Rental and related expenses

Upon the adoption of Hong Kong Financial Reporting Standards 16 “Leases” (“**HKFRS 16**”), rental expenses were no longer recognised. Instead, depreciation on right-of-use assets was recognised in profit or loss and included in The Group’s depreciation and amortisation.

The Group’s depreciation expense in respect of right-of-use assets plus rental and related expenses regarding the food and beverage business in Hong Kong amounted to approximately HK\$16.0 million for the six months ended 30 September 2021. Comparing to the depreciation expenses of right-of-use assets plus rental and related expenses of approximately HK\$19.9 million for the six months ended 30 September 2020, the decrease was mainly due to (i) reduction of tenancy agreements entered into upon closure and disposal of restaurants during the current interim period and the year ended 31 March 2021, and (ii) impairment loss on right-of-use assets recognised in previous financial years.

The Group’s depreciation expense in respect of right-of-use assets plus rental and related expenses regarding the food and beverage business in the PRC amounted to approximately HK\$0.5 million for the six months ended 30 September 2021. Comparing to the depreciation expenses of right-of-use assets plus rental and related expenses of approximately Nil for the six months ended 30 September 2020, the increase was due to the newly established restaurant in the PRC in the second half of the year ended 31 March 2021.

The Group’s depreciation expense in respect of right-of-use assets plus rental and related expenses regarding the interior design, fitting-out business, organic vegetables consulting business and financial institution intermediation business amounted to approximately HK\$0.7 million for the six months ended 30 September 2021. Comparing to the depreciation expenses of right-of-use assets plus rental and related expenses of approximately HK\$2.1 million for the six months ended 30 September 2020, the decrease was due to the impairment loss on right-of-use assets recognised in previous years.

## Other expenses

Other expenses mainly include advertising, cleaning and laundry expenses, credit card commission, packing and printing materials, music performance show, repair and maintenance, legal and professional fee and insurance. During the six months ended 30 September 2020 and 2021, the Group recognised other expenses of approximately HK\$13.7 million and HK\$15.7 million, respectively, representing approximately 19.6% and 14.5% of the Group’s total revenue for the corresponding periods. There was no material fluctuation in other expenses in the two periods.

## Finance income/(costs), net

Finance income mainly included interest income from contract assets. The increase in finance income is mainly derived from the provision of financial intermediation services segment.

Finance costs mainly represent (i) finance costs recognised in relation to the lease liabilities regarding the rental contracts upon adoption of HKFRS 16; and (ii) finance costs recognised on accrued loan referral expenses. The increase in finance costs for the six months ended 30 September 2021 was mainly due to the increase in interest expense on accrued loan referral expenses derived from the provision of financial intermediation services segment.

## Loss attributable to owners of the Company

Loss attributable to owners of the Company for the six months ended 30 September 2021 was approximately HK\$6.4 million, while the loss attributable to owners of the Company for the six months ended 30 September 2020 was approximately HK\$19.8 million.

The decrease in loss attributable to owners of the Company for the six months ended 30 September 2021 was primarily attributable to the following factors:

- (i) The revenue and operating results of the Group's restaurants in Hong Kong have slightly recovered from the outbreak of the COVID-19 Pandemic since January 2020, as the government has relaxed some social distancing measures and promoted the electronic consumption voucher scheme in order to encourage and boost local consumption;
- (ii) The decrease in loss from the Group's interior design and fitting-out business, provision of organic vegetables consulting services and financial institution intermediation services as more revenue was generated after the start-up stage of operation; and
- (iii) The disposal and closure of certain loss-making restaurants of the Group during the last and the current financial periods led to the decrease in the operating costs of the Group's food and beverage business, comprising mainly cost of inventories consumed, staff costs, rental expenses and other operating expenses.

The decrease in loss of the Group during the six months ended 30 September 2021 is partially offset by the increase in net impairment losses on financial instruments and contract assets during the six months ended 30 September 2021 due to the early repayment of the borrowers to the financial institutions in the Group's provision of financial institutions intermediation service segment.

## Liquidity and Financial Resources

As at 30 September 2021, total assets of the Group amounted to approximately HK\$209.0 million (31 March 2021: HK\$251.1 million) and the cash and cash equivalents amounted to approximately HK\$4.1 million (31 March 2021: HK\$12.2 million). The cash and cash equivalents were denominated in HK\$ and RMB. The Group's working capital was approximately negative HK\$114.7 million (31 March 2021: negative HK\$63.9 million), represented by total current assets of approximately HK\$56.9 million (31 March 2021: HK\$47.9 million) against total current liabilities, net of amounts due to directors, of approximately HK\$171.6 million (31 March 2021: HK\$111.8 million). The current ratio, being the proportion of total current assets against total current liabilities, was 0.23 (31 March 2021: 0.43). The gearing ratio (being net debt divided by the aggregate of net debt and total capital) of the Group as at 30 September 2021 was approximately 156.3% (31 March 2021: 140.8%). Net debt was approximately HK\$195.5 million (31 March 2021: HK\$206.9 million) which is calculated based on the sum of total lease liabilities, amounts due to directors, amounts due to related parties and bank borrowings, less cash and cash equivalents. Total deficit and net debt was approximately HK\$125.0 million (31 March 2021: HK\$146.9 million). The bank borrowings were denominated in RMB. Details of the bank borrowings of the Group are set out in note 18 to the condensed consolidated financial statements.

## Outlook

Despite the keen competition and challenging operating environment in the food and beverage industry in Hong Kong, the Group has emerged as one of the well-known restaurant chains in Hong Kong. During the six months ended 30 September 2021, the Group continued to maintain its focus in serving a variety of cuisines at varying prices under different brands to a diversified customer base in Hong Kong and the PRC. As at 30 September 2021, the Group was operating 9 restaurants, with 8 restaurants in Hong Kong and 1 restaurant in the PRC.

The Group also provides interior design and fitting-out services, organic vegetables consulting services and financial institution intermediation services in the PRC.

The Group's interior design and fitting-out services featured with fashionable and customized one-stop solution aims to provide affordable luxury and environmental-friendly service to the PRC clients. The business is facing fierce competition in the market. The Group will pay close attention to the market environment and endeavor to develop and grow the business by combining its own advantageous resources.

Consulting services in relation to organic vegetables research and development, plantation and sales rely on the extensive managerial experience of the operating team and advanced patents and technologies. As living standards are rising, the demands towards quality of food ingredients are increasing, which could be a critical component of the Group's diversified development structure and deployment.

The Group has established a one-stop and professional financial service platform with excellent performance for financial market practitioners to support the development of micro, small and medium-sized enterprises in the PRC during the period. The Group will continue to observe the changes of business environment and government policies in this segment and adjust its business strategy in accordingly.

The Group will take opportunities to continue to invest in and develop new business.

## Foreign Exchange Exposure

The Group mainly operates in Hong Kong and the PRC. The Directors consider that the Group's exposure to foreign currency exchange risk is insignificant as the Group collects most of the revenue and incur most of the expenditure in HK\$ and RMB, being the local currencies of the operating subsidiaries in Hong Kong and the PRC. Moreover, the Group adopted a conservative treasury policy with most of the bank deposits being kept in HK\$, or in RMB to minimise exposure to foreign exchange risks. The management will closely monitor the fluctuation in these currencies and take appropriate actions when needed.

## Pledge of Assets

As at 30 September 2021, save for restricted bank deposits of approximately HK\$60,982,000 (31 March 2021: HK\$64,250,000) for the Group's obligations under certain operating leases or service agreements in relation to the provision of financial institution intermediation services, the Group did not pledge any other assets (31 March 2021: Nil).

## Contingent Liabilities

As at 30 September 2021, the Group did not have any significant contingent liabilities (31 March 2021: Nil).

## Capital Commitments

As at 30 September 2021, the Group's outstanding capital commitments were approximately HK\$1,038,000 (31 March 2021: HK\$1,038,000).

## Interim Dividend

The Board has resolved not to declare any interim dividend for the six months ended 30 September 2021 (2020: Nil).

## Employees and Remuneration Policies

As at 30 September 2021, the total number of employees of the Group was 241 (31 March 2021: 357). Total staff costs (including Directors' emoluments) were approximately HK\$36,396,000 for the six months ended 30 September 2021 (2020: HK\$36,005,000).

Employees' remuneration (including Directors' emoluments) is commensurate with their job nature, qualifications and experience. Salaries and wages are normally reviewed annually based on performance appraisals and other relevant factors.

The Group continues to offer competitive remuneration packages and bonus to eligible staff, based on the performance of the Group and the individual employee.

Furthermore, the Company has adopted a share option scheme as an incentive to the Directors and eligible employees. The Group also provides and arranges on-the-job training for the employees.

## Significant Investments

As at 30 September 2021, the Group did not hold any significant investments or capital assets.

## Future Plans for Material Investments or Capital Assets

The Group has no plan authorised by the Board for other material investments or additions of capital assets as at the date of this report.

## Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

The Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures during the six months ended 30 September 2021.



## DISCLOSURE OF ADDITIONAL INFORMATION

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 September 2021, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or 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")) as recorded in the register required to be kept 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 directors of listed issuer as referred to in Rule 5.46 of the GEM Listing Rules, were as follows:

#### Long positions

##### (a) Shares in the Company:

Name of Directors	Capacity/Nature of interests	No. of shares	Approximate percentage of shareholding
Mr. James Fu Bin Lu ("Mr. James Lu") <sup>Note</sup>	Interest of spouse/Family interest	607,600,000 (L)	74.99%
Ms. Li Qing Ni ("Ms. Li") <sup>Note</sup>	Interest in controlled corporation/ Corporate interest	607,600,000 (L)	74.99%

Note: These shares of the Company are held by Strong Day Holdings Limited ("Strong Day"). Strong Day is 29.9% owned by Ms. Li, an executive Director and the spouse of Mr. James Lu. By virtue of the SFO, Ms. Li is deemed to be interested in the shares of the Company held by Strong Day and Mr. James Lu, the spouse of Ms. Li, is deemed to be interested in the shares deemed to be held by Ms. Li. Mr. James Lu is also a director of Strong Day.

(L) Long position

##### (b) Shares in associated corporation of the Company:

Name of Director	Name of associated corporation	Capacity/ Nature of interests	No. of shares	Approximate percentage of shareholding
Ms. Li	Strong Day	Beneficial owner/ Personal interest	299	29.90%

Save as disclosed above, as at 30 September 2021, none of the Directors and the chief executive of the Company had 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) as recorded in the register required to be kept 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 directors of listed issuer as referred to in Rule 5.46 of the GEM Listing Rules.

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

As at 30 September 2021, the interests and short positions of substantial shareholders and other persons (not being a Director or the chief executive of the Company) in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

### Long positions in the shares of the Company:

Name of shareholders	Capacity/Nature of interests	No. of shares	Approximate percentage of shareholding
Strong Day <sup>Note</sup>	Beneficial owner/Personal interest	607,600,000 (L)	74.99%
Excel Precise International Limited ("Excel Precise") <sup>Note</sup>	Person having a security interest in shares/Others	607,600,000 (L)	74.99%
True Promise Investments Limited ("True Promise") <sup>Note</sup>	Interest in controlled corporation/ Corporate interest	607,600,000 (L)	74.99%
Mr. Law Fei Shing ("Mr. Law") <sup>Note</sup>	Interest in controlled corporation/ Corporate interest	607,600,000 (L)	74.99%

Note: These shares of the Company are held by Strong Day. Excel Precise is the lender of record which has direct interest on the shares of the Company pledged by Strong Day. Excel Precise is owned as to 73.50% by True Promise and 25% by Mr. Law. True Promise is wholly owned by Mr. Law. By virtue of the SFO, True Promise and Mr. Law are deemed to be interested in the shares of the Company pledged to Excel Precise.

(L) Long position

Save as disclosed above, as at 30 September 2021, so far as it was known by or otherwise notified to the Directors or the chief executive of the Company, no other corporations or persons (other than a Director or the chief executive of the Company) had interest or short positions in the shares and the underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO.

## SHARE OPTION SCHEME

The Company has adopted a share option scheme (the "Share Option Scheme") which was approved by the shareholders of the Company on 14 July 2016 for attracting and retaining the best available personnel of the Group, and providing incentives or rewards to eligible persons of the Group for their contribution to the success of the Group's business.

There was no share option outstanding as at 30 September 2021 and no share options were granted, exercised or cancelled or lapsed under the Share Option Scheme during the six months ended 30 September 2021.

## PURCHASE, SALE OR REDEMPTION OF SHARES OF THE COMPANY

The Company did not redeem any of the shares of the Company listed on GEM nor did the Company or any of its subsidiaries purchase or sell any such shares of the Company during the six months ended 30 September 2021.

## DIRECTORS' INTERESTS IN CONTRACTS

During the six months ended 30 September 2021, no Director had a significant beneficial interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or its holding company or any of its subsidiaries or fellow subsidiaries was a party.

## DIRECTORS' AND CONTROLLING SHAREHOLDERS' COMPETING INTERESTS

During the six months ended 30 September 2021, none of the Directors or the controlling shareholders (as defined in the GEM Listing Rules) of the Company or any of their respective close associates (as defined in the GEM Listing Rules) had engaged in any business that competed or might compete with the business of the Group, or have any other conflict of interests with the Group.

## DIRECTORS' SECURITIES TRANSACTIONS

The Group has adopted the required standard of dealings in the securities (the "**Required Standard of Dealings**") as contained in Rules 5.48 to 5.67 of the GEM Listing Rules as its own code of conduct for dealings in the securities of the Company by the Directors.

Having made specific enquiries by the Company, all the Directors have confirmed that they had complied with the Required Standard of Dealings during the six months ended 30 September 2021.

## COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

To the best knowledge of the Directors, the Directors consider that up to the date of this report, the Company has complied with all the applicable code provisions of the Corporate Governance Code as set out in Appendix 15 of the GEM Listing Rules (the "**CG Code**"), except for certain deviations as specified with considered reasons for such deviations as explained below.

- (a) Under code provision A.2.1 of the CG Code, the roles of the chairman and chief executive officer should be separated and should not be performed by the same individual.

During the six months ended 30 September 2021, the Company has not separated the roles of chairman and chief executive officer of the Company. Mr. James Lu is the chairman of the Board and the chief executive officer of the Company. The Board believes that vesting the roles of both the chairman and the chief executive officer in the same person provides the Company with strong and consistent leadership, and allows for effective and efficient planning and implementation of business decisions and strategies. The Board considers that the structure currently operated by the Company does not undermine the balance of power and authority between the Board and the management as the decisions of the Board are made collectively by way of voting and therefore the chairman of the Board should not be able to monopolize the voting result. The Board shall nevertheless review the structure from time to time to ensure appropriate move is being taken should suitable circumstances arise.

- (b) Code provision A.4.1 of the CG Code stipulates that non-executive directors should be appointed for a specific term, subject to re-election.

There was no service contract/letter of appointment entered into between the independent non-executive Directors and the Company, however their appointments are subject to retirement by rotation and re-election pursuant to the articles of association of the Company. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those provided in the CG Code.

## AUDIT COMMITTEE

Pursuant to Rule 5.28 of the GEM Listing Rules, the Board has established the Audit Committee with written terms of reference aligned with the code provisions set out in Appendix 15 of the GEM Listing Rules. 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. Shi Kangping (chairman of the Audit Committee), Mr. Lu Cheng and Mr. Kim Jin Tae, all of whom are independent non-executive Directors.

The unaudited condensed consolidated results of the Group for the six months ended 30 September 2021 and this report of the Company have been reviewed by the Audit Committee, which was of the opinion that the preparation of such results and report comply with the applicable accounting standards, the GEM Listing Rules and other legal requirements and that adequate disclosures have been made.

## EVENT AFTER REPORTING PERIOD

The Group does not have any material subsequent event after the six months ended 30 September 2021 and up to the date of this report.

By order of the Board

**Life Concepts Holdings Limited**

**James Fu Bin Lu**

*Chairman, Chief Executive Officer and Executive Director*

Hong Kong, 10 November 2021

*As at the date of this report, the executive Directors are Mr. James Fu Bin Lu (Chairman and Chief Executive Officer), Ms. Li Qing Ni and Mr. Long Hai; and the independent non-executive Directors are Mr. Lu Cheng, Mr. Shi Kangping and Mr. Kim Jin Tae.*