



TASTE·GOURMET  
GROUP LIMITED

嗜·高美集團有限公司

(Incorporated in the Cayman Island with limited liability)

STOCK CODE : 8371

# 2023/24 INTERIM REPORT



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive Directors

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

#### Non-executive Director

Mr. YU Man To Gerald Maximillian

#### Independent non-executive Directors

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

### COMPLIANCE OFFICER

Mr. YU Man To Gerald Maximillian

### AUTHORISED REPRESENTATIVES

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

### COMPANY SECRETARY

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

### AUDIT COMMITTEE

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

### REMUNERATION COMMITTEE

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

### NOMINATION COMMITTEE

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

### COMPLIANCE COMMITTEE

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

### AUDITORS

Deloitte Touche Tohmatsu  
*Registered Public Interest Entity Auditors*

### REGISTERED OFFICE

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

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

### PRINCIPAL SHARE REGISTRAR

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

### HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited  
17/F Far East Finance Centre  
16 Harcourt Road, Hong Kong

### PRINCIPAL BANKERS

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

### STOCK CODE

08371

### COMPANY'S WEBSITE

[www.tastegourmet.com.hk](http://www.tastegourmet.com.hk) (Corporate)  
[www.tastegourmet.co](http://www.tastegourmet.co) (Restaurants)



# TASTE • GOURMET GROUP LIMITED

## 嚐 • 高美集團有限公司

*(incorporated in the Cayman Islands with limited liability)*

**(Stock code: 8371)**

### **INTERIM REPORT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023**

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

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

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

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



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## BUSINESS REVIEW

During the six months ended 30 September 2023 (“FY2024 Interim”), the Group opened eleven new restaurants: (1) Match 2 at the Artmall in Tsim Sha Tsui in April 2023; (2) Moments Together at the Time Square in Causeway Bay in April 2023; (3) Tsukanto at the Elements in Tsim Sha Tsui in June 2023; (4) QUE at the MOKO in Mongkok in June 2023; (5) Nabe Urawa restaurant and (6) Khao San restaurant at The Wai in July 2023; (7) Azure restaurant at the Harbour City in July 2023; (8) Sankinn Taiwanese hotpot restaurant and (9) Yakiniku Guu at the APM in August 2023; (10) Takano Ramen restaurant at the Yoho Mall in August 2023; and (11) Same Same at the Taikoo Li Qian Tan in Shanghai in September 2023.

We no longer participate in the management of Xiang Hui, our 40% owned restaurant, which was equity accounted for in the financial statements of the Group.

For our Nabe Urawa Restaurant at the Hysan Place, we have taken up an additional unit next to the existing location therefore the restaurant will be closed for renovation and will reopen in December 2023 as two restaurants: (1) Nabe Urawa; and (2) Yakiniku Guu.

The number of restaurants as at 31 March 2023, 30 September 2023 and as at the date of this report are as follows:

<b>By Brands</b>	<b>31.03.2023</b>	<b>30.06.2023</b>	<b>30.09.2023</b>	<b>Date of Report</b>
<b>Hong Kong</b>				
Nabe Urawa	9	9	10	10
Dab-Pa	6	6	6	6
QUE	3	4	4	4
Sankinn	3	3	4	4
Yakiniku Guu	3	3	4	4
Rakuraku Ramen	3	3	3	3
Takano Ramen	2	2	3	3
Khao San	1	1	2	2
La'taste	2	2	2	2
Moments Together	1	2	2	2
Azure 80	–	–	1	1
Match 2	–	1	1	1
Parkview	1	1	1	1
Siu Siu Cuen	1	1	1	1
Tirpse	1	1	1	1
Tsukanto	–	1	1	1
Urawa	1	1	1	1
Wasyokuya Yamaichi	1	1	1	1
Xianghui*	1	–	–	–
<b>Hong Kong Total</b>	<b>39</b>	<b>42</b>	<b>48</b>	<b>48</b>
<b>Shanghai</b>				
Moments Together	2	2	2	2
Same Same	1	1	2	2
<b>Shanghai Total</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>4</b>
<b>Total</b>	<b>42</b>	<b>45</b>	<b>52</b>	<b>52</b>

<b>By Cuisine/Type</b>	<b>31.03.2023</b>	<b>30.06.2023</b>	<b>30.09.2023</b>	<b>Date of Report</b>
Japanese	22	24	27	27
Chinese	14	15	17	17
Southeast Asian	4	4	6	6
Western	2	2	2	2

<b>Total</b>	<b>42</b>	<b>45</b>	<b>52</b>	<b>52</b>
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<b>Movement during each period</b>	<b>Full Year 31.03.2023</b>	<b>Three Months 30.06.2023</b>	<b>Three Months 30.09.2023</b>	<b>FY2024 Cumulative</b>
At the Beginning of the Period	38	42	45	42
New Restaurants	7	4	7	11
Closed Restaurants	(3)	(1)	–	(1)

<b>At the End of the Period</b>	<b>42</b>	<b>45</b>	<b>52</b>	<b>52</b>
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\* Xiang Hui is 40% owned by the Group and is equity accounted for in the financial statements of the Group.

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

<b>Restaurant</b>	<b>Location</b>	<b>Mall Operator</b>	<b>Lease Term (Years)</b>	<b>option to renew</b>	<b>Expected Commencement Date</b>
(1) QUE	Yoho Mall	SHK Properties	5	none	Q4 2023
(2) QUE	Hysan Place	Hysan Group	3	3	Q4 2023
(3) QUE + Tsukanto	Metroplaza	SHK Properties	5	none	Q2 2024

For details of these leases, please refer to the announcements issued by the Company dated 10 October 2023 and 11 October 2023.

### **Significant Investments, Material Acquisitions or Disposals**

There were no other significant investments held, material acquisitions or disposals of subsidiaries and affiliated companies during FY2024 Interim.

## Restaurant Operations

During FY2024 Interim, a total of 1,992,954 customers patronized our restaurants (excluding Xiang Hui as it is equity accounted for in the consolidated financial statements of the Group), an increase of 561,680 customers or 39.2% when compared to the six months ended 30 September 2022 (“**FY2023 Interim**”). The increase in the number of customers is attributable to: (1) those restaurants opened during the year ended 31 March 2023 (“**FY2023**”) having a full six months of operations; (2) new restaurants opened during FY2024 Interim; and (3) no dine-in after 6 p.m. policy enforced by the Hong Kong Government until 20 April 2022. The average spending per customer increased from HK\$234.4 to HK\$246.6 for FY2024 Interim compared to the same period in 2022. The key operating information by cuisine are summarized as follows:

	Six Months Ended											
	30.09.2023						30.09.2022					
	Revenue HK\$'000	Number of Seats	Average Daily Sales HK\$	Number of Customers	Average Spending per Customer HK\$	Daily Seating Turnover Rate	Revenue HK\$'000	Number of Seats	Average Daily Sales HK\$	Number of Customers	Average Spending per Customer HK\$	Daily Seating Turnover Rate
<b>Vietnamese/ Southeast Asian</b>	31,940	597	262,919	219,933	145.2	3.0	18,790	381	118,645	148,042	126.9	2.5
<b>Japanese</b>	247,676	2,706	1,496,475	992,763	249.5	2.2	172,125	1,998	943,378	708,009	243.1	1.9
- Nabe Urawa/ Yakiniku Gyu	139,657	1,712	881,854	466,421	299.4	1.7	121,958	1,498	669,239	433,175	281.5	1.6
- Ramen	39,059	309	247,438	255,206	153.1	5.2	32,741	265	178,912	214,576	152.6	4.4
- Others	68,960	685	367,183	271,136	254.3	2.1	17,426	235	95,227	60,258	289.2	1.4
<b>Chinese</b>	183,062	1,751	1,116,252	672,772	272.1	2.3	104,973	1,147	653,340	397,166	264.3	2.2
<b>Western</b>	27,802	209	225,313	107,486	258.7	4.2	38,658	433	264,544	178,057	217.1	2.8
	490,480	5,263	3,100,959	1,992,954	246.1	2.4	334,546	3,959	1,979,907	1,431,274	233.7	2.1
<b>Others</b>	1,049	-	-	-	-	-	940	-	-	-	-	-
	491,529	5,263	3,100,959	1,992,954	246.6	2.4	335,486	3,959	1,979,907	1,431,274	234.4	2.1

## FINANCIAL REVIEW

### Revenue

For FY2024 Interim, the Group recorded revenue of HK\$491,529,000, representing an increase of 46.5% when compared to the same period in 2022.

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

	Six months ended				Changes
	30.09.2023		30.09.2022		
	HK\$'000 (unaudited)	% of Revenue	HK\$'000 (unaudited)	% of Revenue	
Vietnamese	31,940	6.5%	18,790	5.6%	70.0%
Japanese	247,676	50.4%	172,125	51.3%	43.9%
Chinese	183,062	37.2%	104,973	31.3%	74.4%
Western	27,802	5.7%	38,658	11.5%	-28.1%
Others	1,049	0.2%	940	0.3%	11.6%
Total revenue	491,529	100.0%	335,486	100.0%	46.5%

When compared to the same period in 2022, the increase in revenue is attributable to (1) those restaurants opened during FY2023 having a full six months of operations; (2) new restaurants opened during FY2024 Interim; (3) no dine-in after 6 p.m. policy enforced by the Hong Kong Government until 20 April 2022; and (4) increase in the average spending per customer.

### Subsidies from the Hong Kong Government

No subsidies from the Hong Kong Government was received during FY2024 Interim. Approximately HK\$1.7 million relating to the Anti-epidemic Fund and approximately HK\$14.3 million relating to the 2022 Employment Support Scheme for the months of May to July 2022 was recorded during FY2023 Interim.

### Rental Concessions

No rental concessions were received by the Group during FY 2024 Interim. During FY2023 Interim, we received approximately HK\$2.6 million in rental concessions from our landlords which has been set-off against depreciation of Right-of-Use Assets.



## Major Cost Components

	Six months ended				Changes
	30.09.2023		30.09.2022		
	HK\$'000 (unaudited)	% of Revenue	HK\$'000 (unaudited)	% of Revenue	
Raw materials and consumables used	133,556	27.2%	99,943	29.8%	33.6%
Staff costs	142,881	29.1%	104,416	31.1%	36.8%
Depreciation of property, plant and equipment	19,304	3.9%	13,713	4.1%	40.8%
Depreciation of ROU Assets	67,752	13.8%	44,560	13.3%	52.0%
Property rental and related expenses	26,224	5.3%	20,196	6.0%	29.8%
Utilities and cleaning expenses	16,447	3.3%	11,533	3.4%	42.6%
Other expenses	24,154	4.9%	18,083	5.4%	33.6%
Finance Costs	6,898	1.4%	5,024	1.5%	37.3%

**Raw materials and consumables used** increased by approximately 33.6% during FY2024 Interim when compared to FY2023 Interim which is in line with the increase in revenue. As a percentage of revenue raw materials and consumables used decreased slightly from 29.8% to 27.2%.

**Staff costs** increased by approximately 36.8% during FY2024 Interim when compared to FY2023 Interim is mainly due to the increase in the number of key staff in order to optimize the roles within Group and the opening of larger restaurants and the closure of smaller restaurants. As a percentage of revenue staff costs decreased from 31.1% to 29.1% when compared to FY2023 Interim. Although no pay leaves were taken by our staff during the month of April 2022, headcount was not reduced due to the subsidy from the 2022 Employment Support Scheme which has been accounted for under other income. If the subsidy is set-off against staff costs, staff costs as a percentage of revenue would be reduced to 26.9%.

**Property rental and related expenses** increased by approximately 29.8% when compared to FY2023 Interim. The increase is primarily due to more restaurants were in operations during FY2024 Interim. As a percentage of revenue, property rental and related expenses decreased from 6.0% to 5.3% is primarily due to the lower revenue in April 2022 from the no dine-in after 6 p.m. policy enforced by the Hong Kong Government. Property rental and related expenses includes expenses such as turnover rents, building management fees and rates, which are mostly fixed expenses in nature.

**Depreciation of property, plant and equipment and Depreciation of ROU Assets** increased by approximately 40.8% and approximately 52.0%, respectively when compared to FY2023 Interim, which is primarily due to more new restaurants were in operations during FY2024 Interim. In addition, the increase in depreciation of ROU Assets is also attributed by new leases under rent free periods that were under renovation which is partially set-off by the rental concession received during FY2023 Interim. As a percentage of revenue, depreciation of property, plant and equipment and depreciation of ROU Assets decreased from 4.1% to 3.9% and increased slightly from 13.3% to 13.8%. The decrease in the depreciation of property, plant and equipment as a percentage of revenue is primarily due to the lower revenue in April 2022 from the no dine-in after 6 p.m. policy enforced by the Hong Kong Government. The increase in depreciation of ROU Assets as a percentage of revenue is primarily due to the rental concession received during FY2023 Interim.

**Other expenses** include items such as advertising expenses, credit card charges, delivery fees, entertainment expenses, insurance, printing and stationery, medical expenses and repairs and maintenance. Other expenses amounted to approximately HK\$24,154,000, representing an increase of approximately 33.6% when compared FY2023 Interim, primarily due to more restaurants were in operations during FY2024 Interim. As a percentage of revenue, other expenses decreased slightly from 5.4% to 4.9% of revenue when compared to FY2023 Interim primarily due to the increase in the average revenue per restaurant per day when compared to the COVID-19 impacted revenue during FY2023 Interim as some expenses are fixed expenses in nature.

### **Net Profit and Profit Attributable to Owners of the Company**

For the six months ended 30 September 2023, net profit and profit attributable to owners of the Company amounted to approximately HK\$48,179,000 and HK\$47,763,000, respectively. Net profit increased by approximately HK\$16,087,000 or 50.1% and net profit attributable to owners of the Company increased by approximately HK\$14,686,000 or 44.4%. Adjusted for the impact the Anti-epidemic subsidies and 2022 Employment Support Scheme from the Hong Kong Government recorded during FY2023 Interim, net profit increased by approximately HK\$32,042,000 or 198.6% and net profit attributable to owners of the Company increased by approximately HK\$30,641,000 or 179.0%.

## **Financial Resources and Position**

As at 30 September 2023, the Group did not have any bank borrowings.

Cash and cash equivalents amounted to HK\$133.4 million as at 30 September 2023 which are mostly denominated in Hong Kong Dollars. Although the Group is subject to the exchange rate exposure of the Renminbi through its subsidiary on the Mainland China, the Group's main businesses are still conducted in Hong Kong, therefore the Group does not expect to be exposed to any material foreign exchange risks in the next twelve months.

As at 30 September 2023, the Group was in a net cash position (net debt divided by equity attributable to owners of the Company plus net debt).

## **Staff Training and Development**

As at 30 September 2023, the Group had a total of 1,392 employees, of which approximately 92% are situated in Hong Kong. In addition to offering competitive remuneration packages to employee discretionary bonuses and share options may also be granted to eligible employees based on individual performance.

The Group also encourages its employees to pursue a balanced life and provides a good working environment for its employees to maximise their potential and contribution to the Group.

The remuneration committee of the Company, having regard to the Company's operating results, individual performance and comparable market statistics, decides the emoluments of the Directors. No Director, or any of his associates, and executive, is involved in dealing with his own remuneration.

The Company has adopted a share option scheme as an incentive to Directors and eligible employees, details of the schemes is set out under the heading "Share Option Scheme" below.

## **Re-designation of Director**

On 1 July 2023, Mr. Yu Man To Gerald Maximillian was re-designated from executive Director, chief financial officer, company secretary and compliance officer to non-executive Director, company secretary and compliance officer. For details, please refer to the announcement issued by the Company dated 23 June 2023.

## **Contingent Liabilities**

As at 30 September 2023, the Group did not have any significant contingent liabilities.

## **Capital Commitments**

As at 30 September 2023, the Group's outstanding capital commitments was approximately HK\$421,000.

## **Interim Dividend**

The Board resolved to declare an interim cash dividend of HK\$0.055 per Share for the six months ended 30 September 2023 (2022: HK\$0.048 per Share). The interim dividend will be paid out of the retained earnings under reserves of the Company. Based on the number of shares in issue as at the date of this report, a total amount of approximately HK\$20,828,000 will be distributed.

The interim dividend will be distributed to shareholders of the Company whose names appear on the register of members of the Company at the close of business on Thursday, 30 November 2023. The register of members of the Company will close from Wednesday, 29 November 2023 to Thursday, 30 November 2023 (both days inclusive), during such period no share transfer will be registered. To qualify for the interim dividend, all transfer of shares accompanied by the relevant share certificates must be lodged with the branch register of the Company in Hong Kong, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on Tuesday, 28 November 2023. It is expected that the cheques for cash dividends will be sent by ordinary mail to the Shareholders at their own risk on or about 19 December 2023.

The current dividend payout policy adopted by the Group is not less than 50% of the profit attributable to owners of the Company.

## **Future Prospects**

With Hong Kong and the rest of the world returning to normal and with number of visitors increasing each month, we believe our business will continue to improve for this financial year. We will continue to improve the quality of our food together with the highest standard of services. Value-for-money is the key to our success, customers need to feel that they are getting their money's worth by providing a dining experience that matches their expectation.

As for our expansion, in addition to committed two new leases thus far and we will continue to discuss with shopping mall landlords for new potential locations in Hong Kong and in the Mainland China.

## OTHER INFORMATION

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

As at 30 September 2023, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rule 5.46 of the GEM Listing Rules, were as follows:

#### Long Positions in Shares

Name of Directors	Capacity/Nature of interest	Interest in Shares	Interest in underlying Shares pursuant to share options	Aggregate Interests	Approximate Percentage of Shareholding
Mr. Wong	Interest in controlled corporation and interest of spouse	260,302,000	–	260,302,000	68.74%
Ms. Chan	Interest in controlled corporation and interest of spouse	260,302,000	–	260,302,000	68.74%
Mr. Yu Man To Gerald Maximilian	Beneficial owner	76,000	950,000	1,026,000	0.27%
Mr. Tsang Siu Chun	Beneficial owner	20,000	–	20,000	0.01%

Notes:

1. IKEAB Limited is owned by Mr. Wong as to 70% and Ms. Chan as to 30%. As such Mr. Wong and Ms. Chan are deemed to be interested in the shares of the Company owned by IKEAB Limited by virtue of the SFO.
2. Elite China Enterprises Limited ("**Elite China**") is owned by Mr. Wong as to 50% and Ms. Chan as to 50%. As such Mr. Wong and Ms. Chan are deemed to be interested in 9,984,000 shares of the Company held by Elite China as at 30 September 2023 by virtue of the SFO.
3. Mr. Wong is the spouse of Ms. Chan.

Save as disclosed above, as at 30 September 2023, none of the Directors and chief executive of the Company has any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rules 5.48 to 5.67 of the GEM Listing Rules.

## Directors' Rights to Acquire Shares or Debentures of the Company and Associated Corporation

Pursuant to the Company's share option scheme adopted by the Shareholders on 20 December 2017 (the "SOS"), the Company has granted certain Directors of the Company options to subscribe for shares of the Company, details of which as at 30 September 2023 were as follows:

Name of Directors	Date of Grant	Exercise Period	Exercise Price (HK\$)	Number of Shares Subject to Outstanding Share Options as at 01.04.2023	Number of Shares Subject to Outstanding Share Options as at 30.09.2023	Approximate Percentage of Shareholding
Mr. Yu Man To Gerald Maximillian	29 June 2018	29 June 2019 to 28 June 2028	0.92	105,000	105,000	0.03%
	29 June 2018	29 June 2020 to 28 June 2028	0.92	105,000	105,000	0.03%
	29 June 2018	29 June 2021 to 28 June 2028	0.92	140,000	140,000	0.04%
	9 August 2019	9 August 2020 to 8 August 2029	0.85	90,000	90,000	0.02%
	9 August 2019	9 August 2021 to 8 August 2029	0.85	90,000	90,000	0.02%
	9 August 2019	9 August 2022 to 8 August 2029	0.85	120,000	120,000	0.03%
	16 December 2021	16 December 2022 to 15 December 2031	0.90	90,000	90,000	0.02%
	16 December 2021	16 December 2023 to 15 December 2031	0.90	90,000	90,000	0.02%
	16 December 2021	16 December 2024 to 15 December 2031	0.90	120,000	120,000	0.03%

Notes:

1. The vesting period of the share options is from the date of grant until the commencement of the exercise period.
2. These share options represent personal interest held by the Directors as beneficial owners.

Other than the SOS mentioned below, at no time during the period was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries, a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and neither the Directors nor the chief executive of the Company, nor any of their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right.

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

As at 30 September 2023, the interests and short positions of substantial shareholders and other persons (other than a Director or chief executive of the Company) in the shares and underlying shares which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or required to be entered in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

#### **Long Positions in Shares**

<b>Name of Substantial Shareholder</b>	<b>Capacity/Nature of interest</b>	<b>Number of Shares Held</b>	<b>Approximate Percentage of Shareholding</b>
Mr. Wong	Interest in controlled corporation and interest of spouse	260,302,000	68.74%
Ms. Chan	Interest in controlled corporation and interest of spouse	260,302,000	68.74%
IKEAB Limited	Beneficial owner	250,318,000	66.10%

Notes:

1. IKEAB Limited is owned by Mr. Wong as to 70% and Ms. Chan as to 30%. As such Mr. Wong and Ms. Chan are deemed to be interested in the shares of the Company owned by IKEAB Limited by virtue of the SFO.
2. Elite China is owned by Mr. Wong as to 50% and Ms. Chan as to 50%. As such Mr. Wong and Ms. Chan are deemed to be interested in 9,984,000 shares of the Company held by Elite China as at 30 September 2023 by virtue of the SFO.
3. Mr. Wong is the spouse of Ms. Chan.

Save as disclosed above, as at 30 September 2023, the Directors are not aware of any interests and short positions owned by any parties (other than a Director) in the shares and underlying shares which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or required to be entered in the register maintained by the Company pursuant to Section 336 of the SFO.

### **Purchase, Sale or Redemption of Listed Securities**

During the six months ended 30 September 2023 and up to the date of this report, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

### **Share Option Scheme**

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

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

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

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

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



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

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

- (a) representing in aggregate over 0.1% of the Shares in issue; and
- (b) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million, such further grant of share options must be approved by our Shareholders.

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

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

As at the Date of this report, a total of 40,000,000 shares may be granted under the SOS, representing approximately 10.6% of the issued share capital of the Company.

As at 30 September 2023, the Company had 6,420,000 share options outstanding under the SOS, representing approximately 1.7% of the issued share capital of the Company. Details of the share options outstanding as at the date of this report are as follows:

<b>Option Type</b>	<b>Date of Grant</b>	<b>Exercisable Period</b>	<b>Exercise Price (HK\$)</b>
2018 Options	29 June 2018	29 June 2019 to 28 June 2028	0.92
	29 June 2018	29 June 2020 to 28 June 2028	0.92
	29 June 2018	29 June 2021 to 28 June 2028	0.92
2019 Options	9 August 2019	9 August 2020 to 8 August 2029	0.85
	9 August 2019	9 August 2021 to 8 August 2029	0.85
	9 August 2019	9 August 2022 to 8 August 2029	0.85
2021 Options	16 December 2021	16 December 2022 to 15 December 2031	0.90
	16 December 2021	16 December 2023 to 15 December 2031	0.90
	16 December 2021	16 December 2024 to 15 December 2031	0.90

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

Eligible Person	Options Type	Date of Grant	Exercisable Period	Exercise Price (HK\$)	Number of Shares subject to the outstanding options as at 01.04.2023	Reclassification between Categories	Granted during the period	Exercised during the period	Lapsed during the period	Number of Shares subject to the outstanding options as at 30.09.2023	Weighted average closing price of Shares immediately before the date on which the options were exercised
<b>Category 1: Directors</b>											
Mr. Yu	2018 Options	29 June 2018	29 June 2019 to 28 June 2028	0.92	105,000	-	-	-	-	105,000	-
			29 June 2020 to 28 June 2028	0.92	105,000	-	-	-	-	105,000	-
			29 June 2021 to 28 June 2028	0.92	140,000	-	-	-	-	140,000	-
	2019 Options	9 August 2019	9 August 2020 to 8 August 2029	0.85	90,000	-	-	-	-	90,000	-
			9 August 2021 to 8 August 2029	0.85	90,000	-	-	-	-	90,000	-
			9 August 2022 to 8 August 2029	0.85	120,000	-	-	-	-	120,000	-
	2021 Options	16 December 2021	16 December 2022 to 15 December 2031	0.90	90,000	-	-	-	-	90,000	-
			16 December 2023 to 15 December 2031	0.90	90,000	-	-	-	-	90,000	-
			16 December 2024 to 15 December 2031	0.90	120,000	-	-	-	-	120,000	-
<b>Total for Directors</b>					<b>950,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>950,000</b>	

Eligible Person	Options Type	Date of Grant	Exercisable Period	Exercise Price (HK\$)	Number of Shares subject to the outstanding options as at 01.04.2023	Reclassification between Categories	Granted during the period	Exercised during the period	Lapsed during the period	Number of Shares subject to the outstanding options as at 30.09.2023	Weighted average closing price of Shares immediately before the date on which the options were exercised
Category 2: Employees	2018 Options	29 June 2018	29 June 2019 to 28 June 2028	0.92	555,000	-	-	(36,000)	(33,000)	486,000	1.40
			29 June 2020 to 28 June 2028	0.92	555,000	-	-	(36,000)	(33,000)	486,000	1.40
			29 June 2021 to 28 June 2028	0.92	740,000	-	-	(48,000)	(44,000)	648,000	1.40
	2019 Options	9 August 2019	9 August 2020 to 8 August 2029	0.85	411,000	-	-	(21,000)	(24,000)	366,000	1.40
			9 August 2021 to 8 August 2029	0.85	411,000	-	-	(21,000)	(24,000)	366,000	1.40
			9 August 2022 to 8 August 2029	0.85	548,000	-	-	(28,000)	(32,000)	488,000	1.40
	2021 Options	16 December 2021	16 December 2022 to 15 December 2031	0.90	867,000	-	-	(30,000)	(48,000)	789,000	1.40
			16 December 2023 to 15 December 2031	0.90	867,000	-	-	-	(78,000)	789,000	-
			16 December 2024 to 15 December 2031	0.90	1,156,000	-	-	-	(104,000)	1,052,000	-
<b>Total for Employees</b>					<b>6,110,000</b>	-	-	<b>(220,000)</b>	<b>(420,000)</b>	<b>5,470,000</b>	
<b>Total</b>					<b>7,060,000</b>	-	-	<b>(220,000)</b>	<b>(420,000)</b>	<b>6,420,000</b>	

Note:

- The vesting period of the share options is from the date of grant until the commencement of the exercise period.

No share options were granted during the six months ended 30 September 2023.

During the six months ended 30 September 2023, approximately HK\$51,000 of the options fair value was amortised in the accounts of the Company.

## **Corporate Governance**

During the six months ended 30 September 2023, the Company had complied with the code provisions as set out in the Corporate Governance Code contained in Appendix 15 of the GEM Listing Rules.

## **Competing Interests**

As at 30 September 2023, none of the Directors or substantial shareholders of the Company or any of their respective associates (as defined in the GEM Listing Rules) has engaged in any business that competes or may compete with the business of the Group or have any other conflict of interests with the Group.

## **Directors' Securities Transactions**

The Company has adopted written guidelines regarding directors' securities transactions on terms no less exacting than the required standard of dealings set out in Rule 5.48 to 5.67 of the GEM Listing Rules. All directors have confirmed, following specific enquiries by the Company, that they have complied with the required standard of dealings during the six months ended 30 September 2023.

## **Audit Committee**

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

An Audit Committee meeting was held on 14 November 2023 to review the unaudited condensed consolidated quarterly financial statements of the Group for six months ended 30 September 2023 and is of the opinion that such financials complied with the applicable accounting standards, legal and disclosure requirements applicable to the Group.

## Appreciation

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

By Order of the Board

**WONG Ngai Shan**

*Chairman and Executive Director*

Hong Kong, 14 November 2023

As at the date of this report, the Board comprises:

*Executive Directors:*

WONG Ngai Shan (*Chairman*)

CHAN Wai Chun (*Chief Executive Officer*)

*Non-executive Director:*

YU Man To Gerald Maximilian

(*Company Secretary*)

*Independent Non-executive Directors:*

CHAN Yuen Ting

TSANG Siu Chun

WANG Chin Mong

# REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

# Deloitte.

# 德勤

## TO THE BOARD OF DIRECTORS OF TASTE • GOURMET GROUP LIMITED

*(incorporated in the Cayman Islands with limited liability)*

### Introduction

We have reviewed the condensed consolidated financial statements of Taste • Gourmet Group Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 3 to 20, which comprise the condensed consolidated statement of financial position as of 30 September 2023 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“**HKAS 34**”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

### Scope of Review

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



## **Conclusion**

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

## **Deloitte Touche Tohmatsu**

*Certified Public Accountants*

Hong Kong

14 November 2023



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

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

	NOTES	For the three months ended		For the six months ended	
		30 September		30 September	
		2023	2022	2023	2022
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	3	<b>270,893</b>	185,351	<b>491,529</b>	335,486
Other income		<b>1,769</b>	5,452	<b>3,468</b>	17,053
Other gains and losses, net		<b>(233)</b>	(155)	<b>(218)</b>	(141)
Raw materials and consumables used		<b>(73,169)</b>	(54,456)	<b>(133,556)</b>	(99,943)
Staff costs		<b>(78,184)</b>	(55,415)	<b>(142,881)</b>	(104,416)
Depreciation of property, plant and equipment		<b>(10,543)</b>	(7,075)	<b>(19,304)</b>	(13,713)
Depreciation of right-of-use assets		<b>(35,096)</b>	(23,828)	<b>(67,752)</b>	(44,560)
Property rentals and related expenses		<b>(14,021)</b>	(10,902)	<b>(26,224)</b>	(20,196)
Utilities and cleaning expenses		<b>(8,973)</b>	(6,181)	<b>(16,447)</b>	(11,533)
Other expenses		<b>(13,086)</b>	(10,982)	<b>(24,154)</b>	(18,083)
Finance costs		<b>(3,432)</b>	(2,563)	<b>(6,898)</b>	(5,024)
Profit before tax	4	<b>35,925</b>	19,246	<b>57,563</b>	34,930
Income tax expense	5	<b>(5,596)</b>	(2,697)	<b>(9,384)</b>	(2,838)
Profit for the period		<b>30,329</b>	16,549	<b>48,179</b>	32,092
<b>Other comprehensive expense:</b>					
Item that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations		<b>(840)</b>	(761)	<b>(1,196)</b>	(1,680)
Total comprehensive income for the period		<b>29,489</b>	15,788	<b>46,983</b>	30,412

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

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

	NOTE	For the three months ended		For the six months ended	
		30 September		30 September	
		2023	2022	2023	2022
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit (loss) for the period attributable to:					
– Owners of the Company		<b>30,266</b>	16,696	<b>47,763</b>	33,077
– Non-controlling interest		<b>63</b>	(147)	<b>416</b>	(985)
		<b>30,329</b>	16,549	<b>48,179</b>	32,092
Total comprehensive income (expense) for the period attributable to:					
– Owners of the Company		<b>29,762</b>	16,239	<b>47,045</b>	32,069
– Non-controlling interest		<b>(273)</b>	(451)	<b>(62)</b>	(1,657)
		<b>29,489</b>	15,788	<b>46,983</b>	30,412
Earnings per share					
– Basic	7	<b>8.0</b>	4.3	<b>12.6</b>	8.5
– Diluted	7	<b>7.9</b>	4.3	<b>12.5</b>	8.5

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2023

		As at <b>30 September</b> <b>2023</b> <b>HK\$'000</b> <b>(Unaudited)</b>	As at 31 March 2023 HK\$'000 (Audited)
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	<b>146,544</b>	105,508
Right-of-use assets	8	<b>409,476</b>	384,282
Interest in a joint venture		–	–
Interest in an associate		–	–
Goodwill		<b>2,400</b>	2,400
Intangible assets		<b>736</b>	766
Financial asset at fair value through profit or loss	14	<b>1,814</b>	1,785
Rental and utilities deposits		<b>56,564</b>	52,496
Prepayments and other deposits		–	2,870
Amount due from a joint venture		–	–
Deferred tax assets		<b>4,547</b>	4,247
		<b>622,081</b>	554,354
<b>CURRENT ASSETS</b>			
Inventories		<b>2,483</b>	1,393
Trade and other receivables, prepayments and deposits	9	<b>19,182</b>	12,740
Amount due from a shareholder		<b>97</b>	94
Amount due from an associate		–	35
Amount due from a joint venture		<b>25</b>	25
Tax recoverable		<b>20</b>	1,188
Cash and cash equivalents		<b>133,442</b>	118,720
		<b>155,249</b>	134,195

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 30 SEPTEMBER 2023

	NOTES	As at 30 September 2023 HK\$'000 (Unaudited)	As at 31 March 2023 HK\$'000 (Audited)
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	91,634	73,577
Contract liabilities		3,027	2,241
Lease liabilities		125,466	113,402
Tax payable		13,087	4,485
Provision for reinstatement costs		3,090	1,140
		<b>236,304</b>	194,845
<b>NET CURRENT LIABILITIES</b>			
		<b>(81,055)</b>	(60,650)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<b>541,026</b>	493,704
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		303,229	285,894
Provision for reinstatement costs		16,914	14,466
Provision for long service payments		349	349
Deferred tax liabilities		2,171	2,171
Deferred income		867	867
		<b>323,530</b>	303,747
<b>NET ASSETS</b>			
		<b>217,496</b>	189,957
<b>CAPITAL AND RESERVES</b>			
Share capital	11	37,870	37,848
Share premium and reserves		171,883	144,304
Equity attributable to owners of the Company		<b>209,753</b>	182,152
Non-controlling interest		7,743	7,805
<b>TOTAL EQUITY</b>			
		<b>217,496</b>	189,957

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

	Attributable to owners of the Company										Non-controlling interest	Total
	Share capital	Share premium	Special reserve	Other reserve	Share options reserve	Capital redemption reserve	Treasury share reserve	Translation reserve	Retained profits	Sub-total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2022 (audited)	38,693	13,946	(300)	313	741	2,027	-	927	91,287	147,634	7,306	154,940
Profit (loss) for the period	-	-	-	-	-	-	-	-	33,077	33,077	(985)	32,092
Other comprehensive expense for the period	-	-	-	-	-	-	-	(1,008)	-	(1,008)	(672)	(1,680)
Total comprehensive (expense) income for the period	-	-	-	-	-	-	-	(1,008)	33,077	32,069	(1,657)	30,412
Recognition of equity settled share-based payment	-	-	-	-	120	-	-	-	-	120	-	120
Lapse of share options	-	-	-	-	(12)	-	-	-	12	-	-	-
Shares repurchased	-	-	-	-	-	-	(372)	-	-	(372)	-	(372)
Dividends recognised as distribution (note 6)	-	-	-	-	-	-	-	-	(6,191)	(6,191)	-	(6,191)
At 30 September 2022 (unaudited)	38,693	13,946	(300)	313	849	2,027	(372)	(81)	118,185	173,260	5,649	178,909

	Attributable to owners of the Company										Non-controlling interest	Total
	Share capital	Share premium	Special reserve	Other reserve	Share options reserve	Capital redemption reserve	Treasury share reserve	Translation reserve	Retained profits	Sub-total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2023 (audited)	37,848	5,588	(300)	313	918	2,872	-	246	134,667	182,152	7,805	189,957
Profit for the period	-	-	-	-	-	-	-	-	47,763	47,763	416	48,179
Other comprehensive expense for the period	-	-	-	-	-	-	-	(718)	-	(718)	(478)	(1,196)
Total comprehensive (expense) income for the period	-	-	-	-	-	-	-	(718)	47,763	47,045	(62)	46,983
Recognition of equity settled share-based payment	-	-	-	-	51	-	-	-	-	51	-	51
Lapse of share options	-	-	-	-	(57)	-	-	-	57	-	-	-
Issuance of shares upon exercise of share options	22	211	-	-	(36)	-	-	-	-	197	-	197
Dividends recognised as distribution (note 6)	-	-	-	-	-	-	-	-	(19,692)	(19,692)	-	(19,692)
At 30 September 2023 (unaudited)	37,870	5,799	(300)	313	876	2,872	-	(472)	162,795	209,753	7,743	217,496

Note: The treasury share reserve represents the shares repurchased but not yet cancelled during the six months ended 30 September 2022 and all treasury shares have been cancelled subsequently in November 2022.

During the six months ended 30 September 2022, the Company repurchased in total of 344,000 shares through The Stock Exchange of Hong Kong Limited (the "Stock Exchange") at price ranging from HK\$1.07 to HK\$1.08 per share at a total consideration of approximately HK\$372,000 including transaction costs of approximately HK\$1,000.

In October 2022, the Company further repurchased in total of 8,112,000 shares through the Stock Exchange at price ranging from HK\$1.08 to HK\$1.09 per share at a total consideration of approximately HK\$8,834,000 including transaction costs of approximately HK\$35,000. All shares repurchased are subsequently cancelled in November 2022.

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

	For the six months ended	
	30 September	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Net cash from operating activities:		
Profit before tax	<b>57,563</b>	34,930
Adjustments for:		
Amortisation of intangible assets	<b>120</b>	114
Depreciation of property, plant and equipment	<b>19,304</b>	13,713
Depreciation of right-of-use assets	<b>67,752</b>	44,560
Gain from changes in fair value of financial asset at fair value through profit or loss	<b>(29)</b>	(28)
Finance costs	<b>6,898</b>	5,024
Interest income from bank deposits	<b>(1,792)</b>	(9)
Interest income on rental deposits	<b>(560)</b>	(385)
Loss on disposal of property, plant and equipment	<b>254</b>	74
Share-based payment expenses	<b>51</b>	120
Operating cash flows before movements in working capital	<b>149,561</b>	98,113
Increase in trade and other payables	<b>16,875</b>	32,700
Increase in trade and other receivables, prepayments and other deposits and rental and utilities deposits	<b>(6,959)</b>	(11,044)
Other operating activities	<b>(304)</b>	1,248
	<b>159,173</b>	121,017

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

	<b>For the six months ended 30 September</b>	
	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
Net cash used in investing activities:		
Purchase of property, plant and equipment	<b>(57,028)</b>	(16,078)
Purchase of an intangible asset	<b>(90)</b>	–
Proceeds from disposal of property, plant and equipment	<b>25</b>	–
Payments for rental deposits	<b>(3,882)</b>	(4,725)
Refund of rental deposits	–	515
Repayment from an associate	<b>35</b>	4
Repayments from directors	–	994
Advance to a shareholder	<b>(3)</b>	(2)
Receipt of government grants related to acquisition of intangible assets	–	559
Deposits paid for acquisition of property, plant and equipment	–	(703)
Interest received	<b>1,792</b>	9
	<b>(59,151)</b>	(19,427)
Net cash used in financing activities:		
Interest paid on lease liabilities	<b>(6,898)</b>	(5,024)
Repayments of lease liabilities	<b>(58,053)</b>	(36,360)
Issuance of shares upon exercises of share options	<b>197</b>	–
Payments on repurchase shares and transaction costs attributable to repurchase shares	–	(372)
Dividends paid	<b>(19,692)</b>	(6,191)
	<b>(84,446)</b>	(47,947)
Net increase in cash and cash equivalents	<b>15,576</b>	53,643
Cash and cash equivalents at the beginning of the period	<b>118,720</b>	64,505
Effect of foreign exchange rate changes	<b>(854)</b>	(786)
Cash and cash equivalents at the end of the period, represented by bank balances and cash	<b>133,442</b>	117,362

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

## 1. BASIS OF PREPARATION

Taste · Gourmet Group Limited (the “**Company**”) (hereinafter its subsidiaries together with the Company collectively referred to as the “**Group**”) was incorporated as an exempted company and registered in the Cayman Islands with limited liability under the Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, and the shares of the Company have been listed on GEM of the Stock Exchange since 17 January 2018.

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

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“**HKAS 34**”) *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) as well as with the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on GEM of the Stock Exchange.

In preparing the condensed consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group in light of the fact that the Group’s current liabilities exceeded its current assets by HK\$81,055,000 as at 30 September 2023. In the opinion of the directors of the Company, the Group will have sufficient funds available for its future operating cash flow. In addition, taking into account of the unutilised available banking facilities amounting to HK\$20,500,000, the directors of the Company are confident that the Group will be able to meet its financial obligations when they fall due in the foreseeable future. Accordingly, the condensed consolidated financial statements have been prepared on a going concern basis.



## 2. PRINCIPAL ACCOUNTING POLICIES

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

Other than additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2023 are the same as those presented in the Group’s annual financial statements for the year ended 31 March 2023.

### **Application of new and amendments to HKFRSs**

In the current interim period, the Group has applied the following new and amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on 1 April 2023 for the preparation of the Group’s condensed consolidated financial statements:

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

The application of the above new and amendments to HKFRSs in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures out in these condensed consolidated financial statements.

### 3. REVENUE AND SEGMENT INFORMATION

Revenue represents amounts received and receivable from restaurant operations, net of discounts, during the periods ended 30 September 2023 and 2022.

The principal activities of the Group are operating restaurants serving different kinds of cuisine in Hong Kong and the People's Republic of China ("**PRC**") during the periods ended 30 September 2023 and 2022.

The Group's revenue from external customers by type of cuisines is as follow:

	For the three months ended 30 September		For the six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Vietnamese	<b>20,363</b>	11,578	<b>31,940</b>	18,790
Japanese	<b>137,557</b>	92,104	<b>247,676</b>	172,125
Western	<b>14,296</b>	21,117	<b>27,802</b>	38,658
Chinese	<b>97,857</b>	59,838	<b>183,062</b>	104,973
Others	<b>820</b>	714	<b>1,049</b>	940
	<b>270,893</b>	185,351	<b>491,529</b>	335,486

Information reported to Mr. Wong Ngai Shan ("**Mr. Wong**") and Ms. Chan Wai Chun ("**Ms. Chan**") (collectively as the "**Controlling Shareholders**"), being the chief operating decision maker ("**CODM**"), for the purposes of resource allocation and performance assessment, focuses on the operating results of the Group by location of operation. The CODM has determined that the Group has only two reportable segments for the restaurants serving different kinds of cuisine in Hong Kong and the PRC, each of which is considered a separate operating segment by the CODM.

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

#### Segment revenue and results

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

	For the three months ended 30 September 2023			For the three months ended 30 September 2022		
	Hong Kong	The PRC	Total	Hong Kong	The PRC	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue from external sales	<b>259,351</b>	<b>11,542</b>	<b>270,893</b>	174,512	10,839	185,351
Segment profit	<b>37,835</b>	<b>1,684</b>	<b>39,519</b>	21,173	1,323	22,496
Unallocated other gains and losses, net			<b>14</b>			14
Unallocated expenses			<b>(3,608)</b>			(3,264)
Profit before tax			<b>35,925</b>			19,246

	For the six months ended 30 September 2023			For the six months ended 30 September 2022		
	Hong Kong	The PRC	Total	Hong Kong	The PRC	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue from external sales	<b>468,703</b>	<b>22,826</b>	<b>491,529</b>	323,710	11,776	335,486
Segment profit (loss)	<b>61,515</b>	<b>2,996</b>	<b>64,511</b>	43,621	(2,466)	41,155
Unallocated other gains and losses, net			<b>29</b>			28
Unallocated expenses			<b>(6,977)</b>			(6,253)
Profit before tax			<b>57,563</b>			34,930

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

#### **Segment revenue and results (Continued)**

Segment profit (loss) represents the profit earned (loss incurred) by the reportable segment excluding unallocated other gains and losses, net (i.e. gain from changes in fair value of financial asset at fair value through profit or loss ("FVTPL")) and without allocation of central administration costs. This is the measure reported to CODM for the purposes of resource allocation and performance assessment.

The CODM makes decisions according to operating results of each segment. No analysis of segment assets and segment liabilities is presented as the CODM does not regularly review such information for the purposes of resource allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

The Group's customer base is diversified and no individual customer had contributed more than 10% of the Group's revenue during the relevant periods.

## 4. PROFIT BEFORE TAX

	For the three months ended		For the six months ended	
	30 September		30 September	
	2023	2022	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit before tax has been arrived at after charging (crediting):				
Share-based payment expenses (included in staff costs)	26	59	51	120
Amortisation of intangible assets (included in other expenses)	61	57	120	114
Covid-19-related rent concessions (included in depreciation of right-of-use assets) (note 8)	–	–	–	(2,557)
Gain from changes in fair value of financial asset at FVTPL (included in other gains and losses, net)	(14)	(14)	(29)	(28)
Government subsidies (included in other income) (Note)	(375)	(5,040)	(563)	(15,955)
Loss on disposal of property, plant and equipment (included in other gains and losses, net)	254	74	254	74

Note:

During the six months ended 30 September 2022, the Group recognised government grants mainly in respect of COVID-19-related subsidies:

- included in the amount for the six months ended 30 September 2023 of HK\$14,255,000 relates to Employment Support Scheme provided by the Hong Kong government; and
- a one-off subsidy of HK\$1,700,000 received from the Food License Holders Subsidy Scheme operated by the Food and Environmental Hygiene Department under the Anti-epidemic Fund.

No such government grants are received during the six months ended 30 September 2023.

## 5. INCOME TAX EXPENSE

	For the three months ended		For the six months ended	
	30 September		30 September	
	2023	2022	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
The tax charge (credit) comprises				
Hong Kong Profits Tax:				
– Current tax	5,276	1,759	9,788	4,133
Deferred taxation	320	938	(404)	(1,295)
	<b>5,596</b>	2,697	<b>9,384</b>	2,838

## 6. DIVIDENDS

	For the six months ended	
	30 September	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Dividends for ordinary shareholders of the Company recognised as distribution during the period:		
2023 Final – HK5.2 cents (2022: 2022 Final – HK1.6 cents) per share	<b>19,692</b>	6,191

Subsequent to the end of the current interim period, the directors of the Company has declared that an interim dividend of HK5.5 cents per share, in aggregate amount of approximately HK\$20,828,000, will be paid to the shareholders of the Company whose names appear on the register of members of the Company on Thursday, 30 November 2023.

## 7. EARNINGS PER SHARE

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

	For the three months ended		For the six months ended	
	30 September		30 September	
	2023	2022	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Earnings</b>				
Earnings for the purposes of basic and diluted earnings per share – profit for the period attributable to owners of the Company	<b>30,266</b>	16,696	<b>47,763</b>	33,077
<b>Number of shares</b>				
Weighted average number of ordinary shares for the purpose of basic earnings per share (Note)	<b>378,696</b>	386,925	<b>378,680</b>	386,929
Effect of dilutive potential ordinary shares:				
Share options	<b>2,574</b>	409	<b>2,514</b>	512
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<b>381,270</b>	387,334	<b>381,194</b>	387,441

Note: For the six months ended 30 September 2022, the weighted average number of ordinary shares for the purpose of calculating basic earnings per share has been adjusted for the effect of the ordinary shares of the Company repurchased from the market in September 2022 and subsequently cancelled in November 2022.

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

- (a) During the six months ended 30 September 2023, the Group acquired property, plant and equipment of HK\$61,087,000 (six months ended 30 September 2022: HK\$19,848,000) and written off property, plant and equipment with carrying amounts of HK\$275,000 (six months ended 30 September 2022: HK\$74,000).
- (b) During the six months ended 30 September 2023 and 2022, the Group entered into several new lease agreements and lease modifications for its restaurants with lease terms ranged from 1 to 6 years. The Group is required to make fixed monthly payments and additional variable payments that are based on 11% to 15% of monthly sales and minimum monthly lease payment that are fixed over the terms, whichever is higher. On lease commencement or modified, the Group recognised right-of-use assets of HK\$94,008,000 (six months ended 30 September 2022: HK\$78,728,000) and lease liabilities of HK\$88,861,000 (six months ended 30 September 2022: HK\$72,775,000).

During the six months ended 30 September 2022, lessors of certain restaurants provided rent concessions that occurred as a direct consequence of Covid-19 pandemic to the Group through rent reductions ranging from 8% to 50% over one to two months. No rental concessions are received during the six months ended 30 September 2023.

All rent concessions occurred as a direct consequence of Covid-19 pandemic and met of all of the conditions in HKFRS 16.46B, and the Group applied the practical expedient not to assess whether the changes constitute lease modifications. During the six months ended 30 September 2022, the effects on changes in lease payments due to forgiveness or waiver by the lessors for the relevant leases of HK\$2,557,000 were recognised as negative variable lease payments.

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

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

As at 30 September 2023 and 31 March 2023, the Group's trade receivables include receivables from financial institutions in relation to the payments settled by credit cards by customers of which the settlement period is normally within 2 days from the trade date, and receivables from the food delivery service agents or other payment channels of which the settlement period is within 30 days from the invoice date.

All trade receivables as at 30 September 2023 of HK\$5,905,000 (31 March 2023: HK\$3,214,000) are aged within 30 days as at the end of each reporting date with no impairment loss being recognised. All trade receivables are not past due and settled subsequent to the end of the reporting period. None of the trade receivables are past due but not impaired as at 30 September 2023 and 31 March 2023.



## 10. TRADE AND OTHER PAYABLES

	<b>As at 30 September 2023 HK\$'000 (Unaudited)</b>	As at 31 March 2023 HK\$'000 (Audited)
Trade payables		
– aged within 30 days (based on invoice date)	<b>21,832</b>	18,353

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

## 11. SHARE CAPITAL

	<b>Number of shares</b>	<b>Amount HK\$'000</b>
Ordinary shares of HK\$0.1 each		
Authorised:		
At 1 April 2022 (audited), 30 September 2022 (unaudited), 31 March 2023 (audited) and 30 September 2023 (unaudited)	1,000,000,000	100,000
Issued and fully paid:		
At 1 April 2022 (audited) and 30 September 2022 (unaudited)	386,932,000	38,693
Shares repurchased and cancelled	(8,456,000)	(845)
At 31 March 2023 (audited)	378,476,000	37,848
Issuance of shares upon exercise of share options (Note)	220,000	22
At 30 September 2023 (unaudited)	378,696,000	37,870

Note:

The subscription rights attaching to 220,000 share options were exercised at the average subscription price of HK\$1.06 per share, resulting in the issue of 220,000 shares for a total cash consideration of HK\$197,000. An amount of HK\$36,000 was transferred from the share options reserve to share premium upon the exercise of the share options.

## 12. CAPITAL COMMITMENTS

	<b>As at 30 September 2023 HK\$'000 (Unaudited)</b>	As at 31 March 2023 HK\$'000 (Audited)
Contracted for but not provided:		
– Acquisition of property, plant and equipment	421	5,508
– Acquisition of an intangible asset	–	90
	<b>421</b>	5,598

## 13. RELATED PARTY TRANSACTIONS

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

<b>Name of related parties</b>	<b>Nature of transactions</b>	<b>For the six months ended</b>	
		<b>30 September 2023 HK\$'000 (Unaudited)</b>	2022 HK\$'000 (Unaudited)
Controlling shareholders	Payments relating to short-term leases (Note)	82	82
United Mind Limited*	Management fee income	10	60

\* This related party is an associate of the Group.

Note: During the six months ended 30 September 2023 and 2022, the Group has entered into short-term lease agreements for leases of car park spaces for one year.

## 13. RELATED PARTY TRANSACTIONS (CONTINUED)

### Compensation of key management personnel

The remuneration of senior management personnel including executive directors' remuneration during the periods is as follows:

	For the six months ended	
	30 September	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Short-term benefits	3,563	3,958
Post-employment benefits	55	72
	<b>3,618</b>	4,030

## 14. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

### Fair value measurement and valuation processes

In estimating the fair value of an asset, the Group uses market-observable data to the extent it is available. For instruments with significant unobservable inputs under Level 3, the Group performed discounted cash flow to derive the present value of the financial asset. The management of the Group reports the findings to the directors of the Company every half year to explain the cause of fluctuations in the fair value of the asset.

The following table gives information about how the fair value of this financial asset is determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

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

## 14. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

### Fair value measurement of the Group's financial asset that is measured at fair value on a recurring basis

Financial asset	Fair value as at		Fair value hierarchy	Valuation techniques and key input
	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)		
Financial asset at FVTPL	1,814	1,785	Level 3	With reference to the adjusted cash value provided by counterparty which represents the premium paid to the policies adjusted by net yield with reference to the expected return rate of 4.4% (31 March 2023: 4.4%)

Note: The significant unobservable input is expected return rate and assuming other inputs were held constant, if the expected return rate increases, the fair value of the policies increases and vice versa. In the opinion of the directors of the Company, the change of expected return rate of the policies is insignificant based on historical record and no sensitivity is prepared.

There is no transfer between Level 1, 2 and 3 for both periods.

### Reconciliation of Level 3 fair value measurements of financial asset

	HK\$'000
At 1 April 2022 (audited)	1,728
Net gains in profit or loss	28
At 30 September 2022 (unaudited)	1,756
At 1 April 2023 (audited)	1,785
Net gains in profit or loss	29
At 30 September 2023 (unaudited)	1,814

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values.