



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

3rd QUARTERLY REPORT





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(incorporated in the Cayman Islands with limited liability)

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REPORT OF THE THIRD QUARTERLY RESULTS FOR THE NINE MONTHS ENDED 31 DECEMBER 2023

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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.*

The board of Directors (the “**Board**”) of the Company is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the nine months ended 31 December 2023.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE NINE MONTHS ENDED 31 DECEMBER 2023

	NOTES	Three Months Ended		Nine Months Ended	
		31.12.2023	31.12.2022	31.12.2023	31.12.2022
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue	2	265,719	192,029	757,248	527,515
Other Income		2,231	1,223	5,699	18,276
Other gains or losses, net	3	263	28	45	(113)
Raw materials and consumables used		(71,523)	(56,600)	(205,079)	(156,543)
Staff costs		(79,879)	(51,736)	(222,760)	(156,152)
Depreciation of property, plant and equipment		(11,898)	(7,591)	(31,202)	(21,304)
Depreciation of right-of-use assets (“ROU Assets”)		(35,965)	(26,949)	(103,717)	(71,509)
Property rental and related expenses		(14,388)	(10,361)	(40,612)	(30,557)
Utilities and cleaning expenses		(8,922)	(6,103)	(25,369)	(17,636)
Other expenses		(13,660)	(10,623)	(37,814)	(28,706)
Finance costs		(3,664)	(2,755)	(10,562)	(7,779)
Profit before taxation		28,314	20,562	85,877	55,492
Income tax expense	4	(4,478)	(3,121)	(13,862)	(5,959)
Profit for the period		23,836	17,441	72,015	49,533
Other comprehensive income:					
Item that may be reclassified subsequently to profit and loss:					
Exchange difference on translation of foreign operation		459	349	(737)	(1,331)
Total comprehensive income for the period		24,295	17,790	71,278	48,202

	NOTES	Three Months Ended		Nine Months Ended	
		31.12.2023	31.12.2022	31.12.2023	31.12.2022
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
Profit for the period attributable to:					
		23,927	17,043	71,690	50,120
		(91)	398	325	(587)
		23,836	17,441	72,015	49,533
Total comprehensive income for the period attributable to:					
		24,202	17,281	71,247	49,350
		93	509	31	(1,148)
		24,295	17,790	71,278	48,202

	NOTES	Three Months Ended		Nine Months Ended	
		31.12.2023	31.12.2022	31.12.2023	31.12.2022
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
Earnings per share					
	6	6.3	4.5	18.9	13.0
	6	6.3	4.4	18.8	13.0

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE NINE MONTHS ENDED 31 DECEMBER 2023

	Attributable to Owners of the Company											
	Share capital HK\$'000	Share premium HK\$'000	Special reserve HK\$'000	Other reserve HK\$'000	Share option reserve HK\$'000	Capital redemption reserve HK\$'000	Treasury share reserve HK\$'000	Translation reserve HK\$'000	Retained profits HK\$'000	Sub-total HK\$'000	Non-controlling interest HK\$'000	Total HK\$'000
At 31 March 2023 (audited)	37,848	5,588	(300)	313	918	2,872	-	246	134,667	182,152	7,805	189,957
Profit for the period	-	-	-	-	-	-	-	-	71,690	71,690	325	72,015
Other comprehensive income for the period	-	-	-	-	-	-	-	(443)	-	(443)	(294)	(737)
Profit and total comprehensive income for the period	-	-	-	-	-	-	-	(443)	71,690	71,247	31	71,278
Lapsed of share options	-	-	-	-	(57)	-	-	-	57	-	-	-
Issuance of shares upon exercise of share options	22	211	-	-	(36)	-	-	-	-	197	-	197
Recognition of equity settled share-based payment	-	-	-	-	73	-	-	-	-	73	-	73
Dividend recognised as distribution	-	-	-	-	-	-	-	-	(40,520)	(40,520)	-	(40,520)
At 31 December 2023 (unaudited)	37,870	5,799	(300)	313	898	2,872	-	(197)	165,894	213,149	7,836	220,985

	Attributable to Owners of the Company											
	Share capital HK\$'000	Share premium HK\$'000	Special reserve HK\$'000	Other reserve HK\$'000	Share option reserve HK\$'000	Capital redemption reserve HK\$'000	Treasury share reserve HK\$'000	Translation reserve HK\$'000	Retained profits HK\$'000	Sub-total HK\$'000	Non-controlling interest HK\$'000	Total HK\$'000
At 31 March 2022 (audited)	38,693	13,946	(300)	313	741	2,027	-	927	91,287	147,634	7,306	154,940
Profit for the period	-	-	-	-	-	-	-	-	50,120	50,120	(587)	49,533
Other comprehensive income for the period	-	-	-	-	-	-	-	(770)	-	(770)	(561)	(1,331)
Profit and total comprehensive income for the period	-	-	-	-	-	-	-	(770)	50,120	49,350	(1,148)	48,202
Shares repurchased	(845)	(8,358)	-	-	-	845	-	-	(845)	(9,203)	-	(9,203)
Lapsed of share options	-	-	-	-	(50)	-	-	-	50	-	-	-
Recognition of equity settled share-based payment	-	-	-	-	148	-	-	-	-	148	-	148
Dividend recognised as distribution	-	-	-	-	-	-	-	-	(33,644)	(33,644)	-	(33,644)
At 31 December 2022 (unaudited)	37,848	5,588	(300)	313	839	2,872	-	157	106,968	154,285	6,158	160,443

Notes:

- i. The special reserve represents the differences between the nominal amount of the share capital issued by the Company pursuant to the Group Reorganisation and the issued share capital of BWHK Limited when the Company became the holding company of the Group upon completion of the group reorganisation on 23 June 2017.
- ii. Other reserve represents the aggregate amount of:
 - (1) the differences between the considerations received and the proportionate share of the carrying amount of the net assets attributable to the relevant interest upon the deemed disposal of partial interest in subsidiaries during the year ended 31 March 2016; and
 - (2) the difference between the consideration paid and the proportionate share of the carrying amount of the net assets attributable to the relevant interests upon the deemed acquisition of additional interest in a subsidiary during the year ended 31 March 2017.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 31 DECEMBER 2023

1. GENERAL INFORMATION, BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Company 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 ("**Shares**") have been listed on GEM since 17 January 2018. Its parent is IKEAB Limited ("**IKEAB**"), a private company incorporated in the British Virgin Islands ("**BVI**"). The address of its registered office of the Company is located at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the principal place of business is located at Unit B, 24/F Crawford Tower, 99-101 Jervois Street, Sheung Wan, Hong Kong. Its ultimate controlling parties are Mr. Wong Ngai Shan ("**Mr. Wong**") and Ms. Chan Wai Chun ("**Ms. Chan**") who are also the executive Directors.

The Company is an investment holding company and the principal activities of its subsidiaries are operating restaurants in Hong Kong.

The Historical Financial Information is presented in Hong Kong dollars ("**HK\$**"), which is the same as the functional currency of the Company and its subsidiaries and all values are rounded to the nearest thousands (HK\$'000) except when otherwise indicated.

The unaudited condensed consolidated financial statements for the nine months ended 31 December 2023 have been prepared in accordance with the accounting principles generally accepted in Hong Kong and comply with Hong Kong Financial Reporting Standards ("**HKFRS**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the applicable disclosure provisions of Chapter 18 of the GEM Listing Rules.

Other than changes in accounting policies resulting from application of new HKFRSs, the accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements for the nine months ended 31 December 2023 are consistent with those followed in the preparation of the Group's audited consolidated financial statements for the year ended 31 March 2023.

The unaudited condensed consolidated financial statements for the nine months ended 31 December 2023 have been prepared on the historical cost basis.

The condensed consolidated financial statements have not been audited by the Company's auditors, but have been reviewed by the audit committee of the Company.

Application of new and amendments to HKFRSs

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

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

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

2. REVENUE

Revenue represents amounts received and receivable from restaurant operations, net of discounts, during the period.

3. TAXATION

Taxation represents Hong Kong Profits Tax calculated at 16.5% of the estimated assessable profit for the relevant periods.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25%.

4. DIVIDENDS

The Board has resolved not to recommend the payment of an interim dividend for the nine months ended 31 December 2023.

5. EARNINGS PER SHARE

The basic earnings per share is calculated based on the profit attributable to the owners of the Company and the weighted average number of ordinary shares for the relevant periods.

	Three months ended		Nine months ended	
	31.12.2023 (unaudited)	31.12.2022 (unaudited)	31.12.2023 (unaudited)	31.12.2022 (unaudited)
Earnings				
Earnings for the period attributable to owners of the Company for the purpose of basic earnings and diluted earnings per Share (HK\$'000)	23,927	17,043	71,690	50,120
Number of ordinary Shares				
Weighted average number of ordinary shares for the purpose of basic earnings per Share ('000)	378,696	382,244	378,685	385,364
Effect of potential dilutive ordinary shares:				
Share options	2,172	1,189	2,379	832
Weighted average number of ordinary shares for the purpose of diluted earnings per share ('000)	380,868	383,433	381,064	386,196

BUSINESS REVIEW

During the nine months ended 31 December 2023 (“**FY2024 Q3**”), the Group opened fourteen 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; (11) Same Same at the Taikoo Li Qian Tan in Shanghai in September 2023; (12) QUE at the Yoho Mall in Yuen Long in December 2023; (13) QUE at the Hysan Place in Causeway Bay in December 2023; and (14) Yakiniku Guu at the Hysan Place in Causeway Bay in December 2023.

Our Nabe Urawa restaurant at the Hysan Place was closed for renovation in November 2023. The additional unit next to the existing location was leased and reopened in December 2023 as two restaurants: (1) Nabe Urawa; and (2) Yakiniku Guu as the (14) restaurant above.

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.

Siu Siu Cuen at the TMT Plaza was rebranded as the Taipei Canteen in December 2023.

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

By Brands	31.03.2023	30.06.2023	30.09.2023	31.12.2023	Date of Report
Hong Kong					
Nabe Urawa	9	9	10	10	10
Dab-Pa	6	6	6	6	6
QUE	3	4	4	6	6
Sankinn	3	3	4	4	4
Yakiniku Guu	3	3	4	5	5
Rakuraku Ramen	3	3	3	3	3
Takano Ramen	2	2	3	3	3
Khao San	1	1	2	2	2
La'taste	2	2	2	2	2
Moments Together	1	2	2	2	2
Azure 80	–	–	1	1	1
Match 2	–	1	1	1	1
Parkview	1	1	1	1	1
Taipei Canteen (Siu Siu Cuen)	1	1	1	1	1
Tirpse	1	1	1	1	1
Tsukanto	–	1	1	1	1
Urawa	1	1	1	1	1
Wasyokuya Yamaichi	1	1	1	1	1
Xianghui*	1	–	–	–	–
Hong Kong Total	39	42	48	51	51
Mainland China					
Moments Together	2	2	2	2	2
Same Same	1	1	2	2	3
Mainland China Total	3	3	4	4	5
Total	42	45	52	55	56
By Cuisine/Type	31.03.2023	30.06.2023	30.09.2023	31.12.2023	Date of Report
Japanese	22	24	27	30	30
Chinese	13	15	17	17	18
Southeast Asian	4	4	6	6	6
Western	2	2	2	2	2
Total	41	45	52	55	56
Movement during each period	Full Year 31.03.2023	Three Months 30.06.2023	Three Months 30.09.2023	Three Months 31.12.2023	FY2024 Cumulative
At the Beginning of the Period	38	42	45	52	42
New Restaurants	7	4	7	3	14
Closed Restaurants	(3)	(1)	–	–	(1)
At the End of the Period	42	45	52	55	55

* 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:

Restaurant	Location	Mall Operator	Lease Term (Years)	Expected Commencement Date
Same Same	Nanjing IFC	SHK Properties	3	Q1 2024
QUE + Tsukanto	Metroplaza	SHK Properties	5	Q2 2024
Sankinn	New Town Plaza	SHK Properties	5	Q1 2025

Same Same at the Nanjing IFC in Nanjing commenced operations in January 2024.

Significant Investments, Material Acquisitions or Disposals

There were no other significant investments held, material acquisitions or disposals of subsidiaries and affiliated companies during FY2024 Q3.

Restaurant Operations

During FY2024 Q3, a total of 3,055,631 customers patronized our restaurants (excluding Xiang Hui as it is equity accounted for in the consolidated financial statements of the Group), an increase of 836,261 customers or 37.7% when compared to the nine months ended 31 December 2022 (“**FY2023 Q3**”). 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 nine months of operations; (2) new restaurants opened during FY2024 Q3; 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\$237.7 to HK\$247.8 for FY2024 Q3 compared to FY2023 Q3. The key operating information by cuisine are summarized as follows:

	Nine Months Ended											
	31.12.2023						31.12.2022					
	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
Vietnamese/Southeast Asian	52,794	597	250,570	355,635	148.4	2.8	26,869	453	135,936	208,092	129.1	2.3
Japanese	378,720	2,908	1,634,590	1,522,410	248.8	2.3	265,479	1,998	967,293	1,087,179	244.2	2.0
- Nabe Urawa/Yakimiku Gou	215,178	1,746	912,254	722,907	297.7	1.8	109,878	1,498	692,378	662,881	286.4	1.6
- Ramen	58,679	309	231,987	381,004	154.0	4.9	50,388	265	183,231	331,753	151.9	4.6
- Others	104,863	853	490,349	418,499	250.6	2.3	25,213	235	91,684	92,545	272.4	1.4
Chinese	281,292	1,751	1,108,395	1,014,962	277.1	2.3	169,558	1,243	759,668	639,379	265.2	2.3
Western	43,347	209	220,149	162,624	266.5	4.0	64,667	649	491,755	284,720	227.1	3.3
	756,153	5,465	3,213,704	3,055,631	247.5	2.4	526,573	4,343	2,354,652	2,219,370	237.3	2.3
Others	1,095	-	-	-	-	-	942	-	-	-	-	-
	757,248	5,465	3,213,704	3,055,631	247.8	2.4	527,515	4,343	2,354,652	2,219,370	237.7	2.3

FINANCIAL REVIEW

Revenue

For FY2024 Q3, the Group recorded revenue of HK\$757,248,000, representing an increase of 43.6% when compared to FY2023 Q3.

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.

	Nine months ended				Changes
	31.12.2023		21.12.2022		
	HK\$'000 (unaudited)	% of Revenue	HK\$'000 (unaudited)	% of Revenue	
Vietnamese	52,794	7.0%	26,869	5.1%	96.5%
Japanese	378,720	50.0%	265,479	50.3%	42.7%
Chinese	281,292	37.1%	169,558	32.1%	65.9%
Western	43,347	5.7%	64,667	12.3%	(33.0%)
Others	1,095	0.1%	942	0.2%	16.2%
Total revenue	757,248	100.0%	527,515	100.0%	43.6%

When compared to FY2023 Q3, the increase in revenue is attributable to: (1) those restaurants opened during FY2023 having a full nine months of operations; (2) new restaurants opened during FY2024 Q3; (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 Q3. Approximately HK\$1.7 million relating to the Anti-epidemic Fund and approximately HK\$15.0 million relating to the 2022 Employment Support Scheme for the months of May to July 2022 was recorded during FY2023 Q3.

Rental Concessions

No rental concessions were received by the Group during FY 2024 Q3. During FY2023 Q3, 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

	Nine months ended				Changes
	31.12.2023		31.12.2022		
	HK\$'000 (unaudited)	% of Revenue	HK\$'000 (unaudited)	% of Revenue	
Raw materials and consumables used	205,079	27.1%	156,543	29.7%	31.0%
Staff costs	222,760	29.4%	156,152	29.6%	42.7%
Depreciation of property, plant and equipment	31,202	4.1%	21,304	4.0%	46.5%
Depreciation of ROU Assets	103,717	13.7%	71,509	13.6%	45.0%
Property rental and related expenses	40,612	5.4%	30,557	5.8%	32.9%
Utilities and cleaning expenses	25,369	3.4%	17,636	3.3%	43.8%
Other expenses	37,814	5.0%	28,706	5.4%	31.7%
Finance Costs	10,562	1.4%	7,779	1.5%	35.8%

Raw materials and consumables used increased by approximately 31.0% during FY2024 Q3 when compared to FY2023 Q3 which is in line with the increase in revenue. As a percentage of revenue, raw materials and consumables decreased from 29.7% during FY2023 Q3 to 27.1% in FY2024 Q3.

Staff costs increased by approximately 42.7% during FY2024 Q3 when compared to FY2023 Q3 is mainly due to the increase in the number of restaurants during FY2023. As a percentage of revenue staff costs remained stable at 29.4% when compared to FY2023 Q3. 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 during FY2023 Q3. If the subsidy is set-off against staff costs, staff costs as a percentage of revenue would be reduced to 26.8% in FY2023 Q3.

Property rental and related expenses increased by approximately 32.9% when compared to FY2023 Q3. The increase is primarily due to more restaurants were in operation during FY2024 Q3. As a percentage of revenue, property rental and related expenses decreased slightly from 5.8% to 5.4% 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. As property rental and related expenses only include 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 46.5% and increased by approximately 45.0%, respectively when compared to FY2023 Q3, which is primarily due to more restaurants were in operation during FY2024 Q3. As a percentage of revenue, depreciation of property, plant and equipment and depreciation of ROU Assets remained stable at 4.1% and 13.7%, respectively. As the number of restaurants increases, the impact of new restaurants opening on the depreciation of ROU Assets during the period will be lessened. Both percentages of revenue should continue to decrease over time, as the impact of the rent-free periods where no revenue was recorded but ROU assets was recorded will be lessened.

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\$37,814,000, representing an increase of approximately HK\$28,706,000 or 31.7%, which is in line with the increase in revenue. As a percentage of revenue, other expenses accounted for approximately 5.0% of revenue, a slight decrease compared to the 5.4% recorded during FY2023 Q3.

Net Profit and Profit Attributable to Owners of the Company

For the nine months ended 31 December 2023, net profit and profit attributable to owners of the Company amounted to approximately HK\$72,015,000 and HK\$71,690,000, respectively. Net profit increased by approximately HK\$22,482,000 or 45.4% and net profit attributable to owners of the Company increased by approximately HK\$21,570,000 or 43.0%. However, adjusted for the impact the Anti-epidemic subsidies and 2022 Employment Support Scheme from the Hong Kong Government recorded during FY2023 Q3, net profit increased by approximately HK\$39,093,000 or 118.7% and net profit attributable to owners of the Company increased by approximately HK\$38,181,000 or 113.9%. However, as mentioned above, we did not reduce our headcount because of the subsidy from the 2022 Employment Subsidy Scheme. The increases are the result of the cumulative effect of the above factors.

Financial Resources and Position

As at 31 December 2023, the Group did not have any bank borrowings.

Cash and cash equivalents amounted to HK\$147.7 million as at 31 December 2023 which are mostly denominated in Hong Kong Dollars. Although the Group has entered into the JV Agreement which will be subject to the exchange rate exposure of the Renminbi, 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 31 December 2023, the Group was in a net cash position (net debt divided by equity attributable to owners of the Company plus net debt).

Contingent Liabilities

As at 31 December 2023, the Group did not have any significant contingent liabilities.

Capital Commitments

As at 31 December 2023, the Group's outstanding capital commitments was approximately HK\$0.3 million.

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.

Future Prospects

Although with the recent hype of traveling to Shenzhen as a leisure destination, December saw a strong growth of inbound travelers to Hong Kong. With the world returning to normal, we believe the Hong Kong market will continue to improve. We will continue to improve of 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.

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 31 December 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 Maximillian	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 Enterprise Limited ("Elite China") is owned by Mr. Wong as to 50% and Ms. Chan as to 50%. As such Mr. Wong and Ms. Chan are deemed to be interested in 9,984,000 shares of the Company held by Elite China as at 31 December 2022 by virtue of the SFO.
3. Mr. Wong is the spouse of Ms. Chan.

Save as disclosed above, as at 31 December 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 Director of the Company options to subscribe for shares of the Company, details of which as at 31 December 2023 were as follows:

Name of Directors	Date of Grant	Exercise Period	Exercise Price (HK\$)	Number of Shares Subject to Outstanding Share	Number of Shares Subject to Outstanding Share	Approximate Percentage of Shareholding
				Options as at 01.04.2023	Options as at 31.12.2023	
Mr. Yu Man To Gerald Maximilian	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.
3. The outstanding share options as at 1 April 2023 were included in the employees category as disclosed in the Company's annual report for the year ended 31 March 2023.

Other than the SOS mentioned above, 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 31 December 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

Name of Substantial Shareholder	Capacity/Nature of interest	Number of Shares Held	Approximate Percentage of Shareholding
Mr. Wong	Interest in controlled corporation and interest of spouse	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 31 December 2023 by virtue of the SFO.
3. Mr. Wong is the spouse of Ms. Chan.

Save as disclosed above, as at 31 December 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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the nine months ended 31 December 2023 and up to the date of this report.

Corporate Governance

During the nine months ended 31 December 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 31 December 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 nine months ended 31 December 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 8 February 2024 to review the unaudited condensed consolidated quarterly financial statements of the Group for nine months ended 31 December 2023 and is of the opinion that such financials complied with the 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, 8 February 2024

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