



Contents

- 2** Corporate Information
- 3** Highlights
- 4** Management Discussion and Analysis
- 11** Corporate Governance and Other Information
- 17** Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
- 19** Condensed Consolidated Statement of Financial Position
- 21** Condensed Consolidated Statement of Changes in Equity
- 22** Condensed Consolidated Statement of Cash Flows
- 23** Notes to the Condensed Consolidated Financial Statements



As at 29 November 2022

BOARD OF DIRECTORS**EXECUTIVE DIRECTORS**

Mr. YEUNG Wai
(Chairman)
Mr. Wu Kam On Keith
(Vice Chairman and Chief Executive Officer)
Mr. YEUNG Yun Kei
Mr. LEUNG Siu Sun
Mr. YEUNG Ho Wang
Mr. YEUNG Chun Nin

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. NG Ngai Man Raymond
Mr. WONG Wai Leung Joseph
Mr. CHAN Chun Bong Junbon

COMPANY SECRETARY

Mr. CHAN Yiu Kwong

AUTHORISED REPRESENTATIVES

Mr. YEUNG Wai
Mr. WU Kam On Keith

MEMBERS OF AUDIT COMMITTEE

Mr. WONG Wai Leung Joseph *(Chairman)*
Mr. NG Ngai Man Raymond
Mr. CHAN Chun Bong Junbon

MEMBERS OF NOMINATION COMMITTEE

Mr. CHAN Chun Bong Junbon *(Chairman)*
Mr. NG Ngai Man Raymond
Mr. YEUNG Wai

MEMBERS OF REMUNERATION COMMITTEE

Mr. NG Ngai Man Raymond *(Chairman)*
Mr. WONG Wai Leung Joseph
Mr. YEUNG Wai

MEMBERS OF EXECUTIVE COMMITTEE

Mr. YEUNG Wai *(Chairman)*
Mr. YEUNG Yun Kei
Mr. LEUNG Siu Sun
Mr. WU Kam On Keith
Mr. YEUNG Ho Wang
Mr. YEUNG Chun Nin

REGISTERED OFFICE

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

CORPORATE HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

26/F., Capital Tower
38 Wai Yip Street, Kowloon Bay
Kowloon, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. 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

Hang Seng Bank Limited
Standard Chartered Bank (Hong Kong) Limited
The Bank of East Asia, Limited
Bank of China (Hong Kong) Limited
The Hong Kong and Shanghai Banking Corporation Limited

AUDITOR

Zhonghui Anda CPA Limited
Certified Public Accountants

STOCK CODE

01443

WEBSITE

www.fulumgroup.com



- Revenue was approximately HK\$764.6 million (corresponding period in 2021: approximately HK\$787.1 million), representing a decrease of approximately 2.9%
- Gross profit margin¹ was at approximately 69.6% (corresponding period in 2021: approximately 66.0%), representing an increase of approximately 3.6 percentage point
- Profit attributable to owners of the Company was approximately HK\$8.7 million (corresponding period in 2021: Loss attributable to owners of the Company of approximately HK\$2.3 million)
- Basic earning per share² was HK0.67 cents (corresponding period in 2021: Loss per share was HK0.17 cents)
- The Board has resolved not to declare the payment of any interim dividend

¹ Gross profit equals revenue minus cost of inventories sold. Gross profit margin is calculated by dividing gross profit by revenue and multiplying the resulting value by 100%.

² The calculation of the basic earning per share amounts is based on profit for the period attributable to owners of the Company of approximately HK\$8,668,000 (corresponding period in 2021: Loss attributable to owners of the Company of approximately HK\$2,258,000) and the weighted average number of ordinary shares of 1,300,000,000 (corresponding period in 2021: 1,300,000,000) in issue during the Reporting Period.



INDUSTRY OVERVIEW

During the period under review, the fifth wave of the novel coronavirus (COVID-19) pandemic in Hong Kong showed signs of recovery. As the pandemic gradually came under control, the HKSAR government eased the pandemic prevention and control measures in phases, including the resumption of dinnertime dine-in, increasing the number of people per table, and relaxing restrictions on the number of people at banquet events. Although social and economic activities gradually returned to normal, the pandemic has been evolving over the years since its outbreak, casting a significant impact on Hong Kong's economy. This, coupled with the heightened geopolitical tension, has put a strain on the supply and transportation chains, driving up prices of raw material, logistic cost, food and energy. The disruption in food production in the mainland due to the pandemic at the beginning of the year has also inevitably increased the price of imported food in Hong Kong. Amid the global economic slowdown and increasing inflation, business operations remained under pressure to a certain extent.

According to the Census and Statistics Department, Hong Kong's Composite Consumer Price Index (CPI) rose by 1.5% in the second quarter as compared to the same period last year; while a year-on-year increase of 2.7% was recorded in the third quarter. The slight increase in inflation during the period has put pressure on the operating cost of local businesses. On the economic front, Hong Kong's Gross Domestic Product (GDP) fell by 1.4% in real terms in the second quarter as compared to the same period last year, with private consumption expenditure remaining broadly unchanged in real terms as compared to a year earlier, while on a seasonally adjusted quarter-to-quarter comparison basis, GDP in the second quarter rebounded, up 0.9% from the last quarter; GDP in the third quarter dropped by 4.5% in real terms year-on-year, lower than expected in the market, which was the worst since the second quarter of 2020. The GDP, on a quarterly basis, contracted 2.6%, reversing the momentum of quarterly improvement.

During the period under review, although the HKSAR Government has eased the pandemic prevention measures in an orderly manner, the catering industry still faced huge challenges and the business environment remained weak as compared to that before the fifth wave of the pandemic. According to the Census and Statistics Department, the total receipts of restaurants in value was provisionally estimated to be HK\$22 billion in the second quarter, down 5.5% year-on-year. After deducting the effect of price movement during the period, the total receipts of restaurants in volume was provisionally estimated to dip 8.6% in the second quarter as compared to the same quarter last year, in which the total receipts of Chinese restaurants in value and volume decreased by 7.4% and 10.5%, respectively; while the total receipts of non-Chinese restaurants in value and volume decreased by 5.8% and 9.1%, respectively. The total receipts of restaurants in value was provisionally estimated to be HK\$22 billion in the third quarter, down 1.8% year-on-year, with the total receipts of Chinese restaurants in value and volume dropped by 4.7% and 7.6%, respectively. Although the value of restaurant business continued to decline year-over-year, the value of total restaurant receipts, after seasonal adjustments, rose further by 6.4% from the previous quarter, and the year-over-year decline narrowed to 1.8%, showing significant improvement.

Despite the stabilizing pandemic and the gradual resumption of economic activities, the Group remained vigilant by constantly adjusting the menu mix of its brands and taking measures to optimize operations and enhance production efficiency, so as to cope with the unpredictable market environment.



BUSINESS REVIEW

During the six months ended 30 September 2022 (the “**Reporting Period**”), the HKSAR Government gradually relaxed its pandemic prevention and control measures. In the second phase of the relaxation of social distancing measures, dine-in service hour was allowed to extend to 11:59 p.m. and the number of people per table and the maximum number of people for banquets were increased to 8 and 120, respectively, reviving the downbeat market sentiment arising from the fifth wave of the pandemic since the beginning of 2022. In the face of changing consumption and catering patterns, as well as structural changes in the catering market, the Group continued to adopt a branding strategy of full-time catering to meet the challenges by increasing the number of brands and categories under its “Asian Catering Line (亞洲餐飲線)” to diversify its catering business, with an aim to meet consumer’s around-the-clock catering needs, enabling customers to enjoy delicacies at various types of the Group’s restaurants at any time.

The Group has been expanding its catering brands in residential areas at a moderate and prudent pace. As at 30 September 2022, the Group operated a total of 96 restaurants in Hong Kong, including 16 restaurants under the “Fulum (富臨)” main brand, 7 restaurants under the “Sportful Garden (陶源)” main brand, 73 restaurants under the “Asian Catering Line (亞洲餐飲線)” main line as well as 7 supermarkets, and 3 restaurants in the Mainland China.

During the Reporting Period, the Group offered customers with a traditional Chinese dining experience under the “Fulum (富臨)” main brand and “Sportful Garden (陶源)” main brand. The “Fulum (富臨)” main brand offers a wide variety of Cantonese delicacies to mass market customers, including seafood, dim sum and hotpot, as well as luxurious venues with unique decorations and sophisticated catering experience for wedding banquets and events. Restaurants under the “Sportful Garden (陶源)” main brand focus on mid-to-high-end Cantonese cuisine and attract customers who put a high value on quality with luxurious decorations. During the pandemic, people tend to cook at home or purchase takeaway more often instead of dining out. The Group has adjusted its business strategy in a timely manner and actively launched a variety of takeaway and anti-epidemic set meal offers, and continued to develop an online shopping platform under Fulum (富臨) to cater to the tastes and needs of the market by regularly launching selected set meals for self-pickup delivery, BBQ assortment and dishes for self-pickup delivery to attract customers both online and offline so that people can still enjoy quality dishes during the outbreak.

In addition to traditional Chinese cuisine, the Group continues to introduce multi-cuisine to the “Asian Catering Line (亞洲餐飲線)” main line, in order to satisfy different customer preferences and enhance the dining experience. With the change in the structure of local catering, the Group’s pursuit of diversified scenes and new product structure has led to the introduction of multi-cuisine. With the motto of “All-inclusive yet Minutely Meticulous”, we provide the local consumers with Korean barbecue restaurants combining authentic Korean food and traditional culture, the first modern Korean izakaya in Hong Kong, classic chain Korean fried chicken, stylish casual Korean and Japanese cafes, elegant bars and restaurants and food courts. Going forward, the Group will continue to expand its non-Chinese restaurant brands and create online and offline retail brands. In addition to internal incubation, the Group will actively introduce characteristic brands of multinational franchises, create multi-scene restaurant services and deepen the construction of the catering ecosystem.



During the pandemic, customers spend more time on home cooking and dining, leading to the persistent market demand for quality ingredients. In addition to operating supermarkets in residential areas to provide mass and quality products for customers, such as high-quality frozen meat, seafood straight from the source, fresh vegetables and fruits, grains and oil, the Group also provided online shopping services to enable customers to buy fresh ingredients anytime and anywhere during the period. The Group will continue to open more supermarkets in residential areas while optimizing its product portfolio to cater for the customers' needs.

FINANCIAL REVIEW

Revenue

The total revenue of the Group decreased by approximately 2.9%, or approximately HK\$22.5 million, from approximately HK\$787.1 million for the six months ended 30 September 2021 (the "Previous Reporting Period") to approximately HK\$764.6 million for the Reporting Period. The decrease was mainly due to the HKSAR Government implemented stringent social distance measures, including the forbidding of dinner time dine-in services, till 20 April 2022 to combat the fifth wave of COVID-19 pandemic in Hong Kong. The revenue of the Group rebounded to a normal level upon the relaxation of such measures at the end of April. The Group's businesses are mainly restaurant operations, sales of food and other operating items and foodcourt operation.

Revenue from restaurant operations decreased by approximately 4.4%, or approximately HK\$32.5 million, from approximately HK\$738.4 million for the Previous Reporting Period to approximately HK\$705.9 million for the Reporting Period. The following table sets forth the breakdown of our revenue and percentage change from restaurant operations by line of business for the periods indicated.

	Six months ended 30 September		
	2022	2021	% Change
	HK\$'000	HK\$'000	
	(unaudited)	(unaudited)	
Restaurant operations			
"Fulum (富臨)" main brand	290,432	341,374	(14.9)
"Sportful Garden (陶源)" main brand	83,896	94,237	(11.0)
"Asian Catering Line (亞洲餐飲線)" main line	331,543	302,776	9.5

Revenue from sales of food and other operating items increased by approximately 10.8%, or approximately HK\$3.7 million from approximately HK\$34.2 million for the Previous Reporting Period to approximately HK\$37.9 million for the Reporting Period.

Revenue from food court operations increased by approximately 42.5%, or approximately HK\$6.2 million from approximately HK\$14.6 million for the Previous Reporting Period to approximately HK\$20.8 million for the Reporting Period. The increase was mainly due to the commencement of a new foodcourt in December 2021 which generated no revenue for the Previous Reporting Period.



Other Income and Gains, Net

Other income and gains, net increased by approximately 220.6%, or approximately HK\$42.8 million from approximately HK\$19.4 million for the Previous Reporting Period to approximately HK\$62.2 million for the Reporting Period. The increase was mainly due to government subsidies increased by approximately 242.3%, or approximately HK\$37.8 million from approximately HK\$15.6 million for the Previous Reporting Period to approximately HK\$53.4 million for the Reporting Period.

Cost of Inventories Sold

The cost of inventories sold by the Group decreased by approximately 13.1%, or approximately HK\$35.1 million from approximately HK\$267.7 million for the Previous Reporting Period to approximately HK\$232.6 million for the Reporting Period. The decrease was mainly due to the decrease in revenue during the Reporting Period.

Gross Profit

Gross profit (gross profit equals revenue minus cost of inventories sold) increased by approximately 2.4%, or approximately HK\$12.4 million from approximately HK\$519.5 million for the Previous Reporting Period to approximately HK\$531.9 million for the Reporting Period. The increase was mainly due to the number of Chinese restaurants, with lower average gross profit margin, decreased from 30 stores to 26 stores while the number of Asian catering restaurants, with higher average gross profit margin, increased from 57 stores to 73 stores during the Reporting Period.

Gross Profit Margin

The gross profit margin (gross profit margin equals gross profit divided by revenue multiplied by 100%) of the Group for the Reporting Period and the Previous Reporting Period were approximately 69.6% and 66.0%, respectively. The increase was mainly due to the number of Chinese restaurants, with lower average gross profit margin, decreased from 30 stores to 26 stores while the number of Asian catering restaurants, with higher average gross profit margin, increased from 57 stores to 73 stores during the Reporting Period.

Staff Costs

The staff costs for the Reporting Period and the Previous Reporting Period were approximately HK\$258.3 million and HK\$248.6 million, respectively, representing approximately 33.8% and 31.6% of the respective periods' revenues. The increase in staff costs was mainly because more frontline staffs were employed to cope with the expansion of the Group during the Reporting Period.

Property Rentals and Related Expenses

The property rentals and related expenses increased by approximately 24.9%, or approximately HK\$8.9 million, from approximately HK\$35.7 million for the Previous Reporting Period to approximately HK\$44.6 million for the Reporting Period. The increase was mainly due to the increase of variable lease payment in the Reporting Period.



Depreciation expenses

Depreciation expenses slightly increased by approximately 0.1%, or approximately HK\$0.2 million, from approximately HK\$141.0 million for the Previous Reporting Period to approximately HK\$141.2 million for the Reporting Period. No material fluctuation was noted in the Reporting Period.

Other Expenses

Other expenses increased by approximately 53.7%, or approximately HK\$32.3 million, from approximately HK\$60.1 million for the Previous Reporting Period to approximately HK\$92.4 million for the Reporting Period. The increase was mainly due to gain on disposal of subsidiaries of HK\$25.4 million was recorded in the Previous Reporting Period.

Finance Costs

The finance costs amounted to approximately HK\$9.2 million for the Reporting Period and approximately HK\$10.5 million for the Previous Reporting Period. The decrease in finance costs was primarily due to less interest on lease liabilities was incurred in the Reporting Period as a result of repayment of lease liabilities.

Profit/(loss) attributable to Owners of the Company

As a result of the factors discussed above, the Group recorded a profit attributable to owners of the Company of approximately HK\$8.7 million for the Reporting Period when compared with a loss attributable to owners of the Company of approximately HK\$2.3 million for the Previous Reporting Period.

Liquidity and financial resources

The Group generally finances its operations with internally generated cash flows and facilities provided by its principal bankers in Hong Kong. The Group had cash and cash equivalent of approximately HK\$217.9 million as at 30 September 2022 (31 March 2022: approximately HK\$128.6 million). The Group had cash and bank balances which were mostly held in Hong Kong dollar and Renminbi ("**RMB**"). As at 30 September 2022, the Group's outstanding bank borrowings were approximately HK\$352.9 million (31 March 2022: HK\$240.0 million), while total assets were approximately HK\$1,042.0 million (31 March 2022: HK\$996.0 million).

As at 30 September 2022, the Group's current assets were kept at approximately HK\$389.1 million (31 March 2022: approximately HK\$281.7 million) whilst current liabilities were approximately HK\$739.8 million (31 March 2022: approximately HK\$683.6 million). The increase in current liabilities was mainly due to additional bank loans were drawn in the Reporting Period. The directors of the Company (the "**Directors**") consider that the current working capital level is conservatively sufficient to meet the upcoming operating needs.

The gearing ratio, calculated as total interest-bearing borrowings divided by total assets, was approximately 33.9% at 30 September 2022 (31 March 2022: approximately 24.1%). The increase was mainly due to the increase in interest-bearing bank borrowings.



Pledge of assets

As at 30 September 2022, the Group pledged its property, plant and equipment of approximately HK\$37.5 million and right-of-use assets of approximately HK\$132.7 million to secure the banking facilities granted to the Group.

CONTINGENT LIABILITIES

As at 30 September 2022, the Group had contingent liabilities not provided for in the condensed consolidated financial statements in the amount of approximately HK\$17.2 million in relation to bank guarantees given in lieu of rental and utility deposits (31 March 2022: approximately HK\$17.8 million).

FOREIGN CURRENCY EXPOSURE

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (to the extent that revenue or expenses are denominated in a currency that is different from the functional currency of the relevant subsidiaries of the Group). Majority of the Group's purchase during the Reporting Period was denominated in the functional currency of the relevant subsidiaries. The Group's assets, liabilities and transactions are mainly denominated in Hong Kong dollars. Certain of the Group's bank balances are denominated in RMB which is not freely convertible into other currencies. However, under the Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations of the PRC, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business. The Directors are of the view that the Group's operating cash flow and liquidity are not subject to significant foreign exchange rate risks and therefore no hedging arrangements were made. However, the Group will review and monitor the relevant foreign exchange exposure from time to time based on its business development requirements and may enter into foreign exchange hedging arrangements when appropriate.

HUMAN RESOURCES AND REMUNERATION POLICY

As at 30 September 2022, the Group had approximately 1,995 employees. The Group believes that hiring, motivating and retaining qualified employees are crucial to the Group's success as a restaurant operator. During the Reporting Period, the Group conducted a series of standardised training and advancement programs for all the Group's staff, from serving staff, cashiers, floor managers, chefs, restaurant managers to district managers. These training programs intend to ensure that all new staff are equipped with the skills required for their positions. The Group's internal advancement programs can provide its staff with clear advancement guidelines and promote employee satisfaction. The Group offers competitive remuneration packages to its employees, including basic salary, allowances, insurance and commission/bonuses.



MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

During the Reporting Period, there was no material acquisition or disposal of subsidiaries, associated companies and joint ventures by the Group.

SIGNIFICANT INVESTMENTS HELD BY THE GROUP

The Group had no significant investments with a value of 5% or above of the Group's total assets as at 30 September 2022.

FUTURE PLANS FOR MATERIAL INVESTMENTS

The Group has no concrete plan for future investments or acquisition of capital assets in place as at the date of this interim report.

PROSPECTS AND OUTLOOK

The Group believes that our branding strategy of full-time dining and adjusting the menu portfolio of each brand in response to market conditions will provide us with a sustainable and stable growth momentum. Meanwhile, as the situation of global vaccination and the pandemic stabilized, the reopening of borders in multiple countries and regions is expected to boost cross-border economic activities. The Group expects that the ease of entry restrictions will further revitalize the local catering market and act as one of the growth drivers for the Group's business. In order to meet the capricious market environment and customer consumption patterns, we continue to expand our "Asian Catering Line (亞洲餐飲線)" main line, deepen our casual dining portfolio, and meet the needs of the masses through a small-store group management approach. We will review our operation strategy as appropriate, increase the sales channels of our restaurants and strengthen our digital marketing to build the Group into a diversified catering kingdom and strengthen our market position by increasing our market share and enhancing our competitiveness. On the front of pandemic prevention and control, the Group will not slacken its efforts despite the gradual stabilized pandemic situation. It will strictly implement pandemic prevention measures in its restaurants, in hope of welcoming the post-pandemic dawn together with the industry and Hong Kong people.

DIVIDEND

The board of Directors (the "**Board**") has resolved not to declare the payment of any interim dividend for the Reporting Period (corresponding period in 2021: Nil).



CORPORATE GOVERNANCE PRACTICES

Compliance with the Corporate Governance Code

The Company periodically reviews its corporate governance practices to ensure its continuous compliance with the code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 14 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). For the Reporting Period, the Board considered that the Company has complied with the code provisions set out in the CG Code.

The Board is committed to maintaining a high standard of corporate governance practices to safeguard the interests of the Company’s shareholders, and to enhance corporate value and accountability. These objectives can be achieved by an effective Board, segregation of duties with clear responsibility, sound internal controls, appropriate risk assessment procedures and transparency to all the Company’s shareholders.

MODEL CODE OF SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct (the “**Code of Conduct**”) regarding Directors’ securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules. Based on responses of specific enquiries made with the Directors, all of the Directors have confirmed that they have complied with required standards as set out in the Model Code and Code of Conduct throughout the Reporting Period.

AUDIT COMMITTEE

The Company established the Audit Committee on 28 October 2014 with the revised written terms of reference adopted on 28 December 2018. The primary duties of the Audit Committee are to make recommendations to the Board on the appointment and removal of the external auditor, to review the financial statements and material advice in respect of financial reporting and to oversee the audit process, risk management system and internal control procedures of the Group. Mr. Ng Ngai Man Raymond, Mr. Wong Wai Leung Joseph and Mr. Chan Chun Bong Junbon, all being independent non-executive Directors, are members of the Audit Committee with Mr. Wong Wai Leung Joseph acting as the chairman.

The Group’s unaudited condensed consolidated interim financial statements for the Reporting Period have not been audited, but have been reviewed by the Audit Committee. Based on this review and discussions with the management, the Audit Committee was satisfied that the unaudited condensed consolidated interim financial statements were prepared in accordance with applicable accounting standards and fairly presented the Group’s financial position and results for the six months ended 30 September 2022.



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 2022, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were deemed or taken to have under such provisions of the SFO), or as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Name of Director	The Company/ name of associated corporation	Capacity/ nature of interest	Number and class of securities (Note 1)	Approximate percentage of shareholding
Mr. Yeung Wai	The Company	Interest held jointly with another person; interest in a controlled corporation; beneficial owner (Note 2)	915,375,000 Shares (L) (Note 3)	70.41%
Mr. Yeung Yun Kei	The Company	Interest held jointly with another person; beneficial owner (Note 2)	915,375,000 Shares (L) (Note 4)	70.41%
Mr. Leung Siu Sun	The Company	Beneficial owner	73,625,000 Shares (L)	5.66%
Mr. Wu Kam On Keith	The Company	Beneficial Owner (Note 5)	4,000,000 Shares (L)	0.31%
Mr. Yeung Ho Wang	The Company	Beneficial Owner (Note 5)	4,000,000 Shares (L)	0.31%
Mr. Ng Ngai Man Raymond	The Company	Beneficial Owner (Note 5)	1,360,000 Shares (L)	0.10%
Mr. Wong Wai Leung Joseph	The Company	Beneficial Owner (Note 5)	1,360,000 Shares (L)	0.10%
Mr. Chan Chun Bong Junbon	The Company	Beneficial Owner (Note 5)	1,360,000 Shares (L)	0.10%

Notes:

- The letter "L" denotes the person's long position in the shares and underlying shares of the Company or the relevant associated corporation.
- Mr. Yeung Wai and Mr. Yeung Yun Kei, being our executive Directors, and Mr. Yeung Yun Chuen, are siblings, associates of each other under the Listing Rules and are deemed to be persons acting in concert under The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong. As such, each of Mr. Yeung Wai, Mr. Yeung Yun Chuen and Mr. Yeung Yun Kei is deemed to be interested in all the shares of the Company (the "Shares") in which the others are interested.



3. In respect of the 915,375,000 Shares, 272,025,000 Shares were held by Mr. Yeung Yun Chuen, 184,275,000 Shares were held by Mr. Yeung Yun Kei, 452,075,000 Shares were held by China Sage International Limited, a company incorporated in the British Virgin Islands, the entire issued share capital of which is beneficially owned by Mr. Yeung Wai, and 7,000,000 Shares are underlying shares of the same number of options granted to Mr. Yeung Wai on 18 August 2021 under the Share Option Scheme.
4. In respect of the 915,375,000 Shares, 272,025,000 Shares were held by Mr. Yeung Yun Chuen, 184,275,000 Shares were held by Mr. Yeung Yun Kei, 452,075,000 Shares were held by China Sage International Limited, a company incorporated in the British Virgin Islands, the entire issued share capital of which is beneficially owned by Mr. Yeung Wai, and 7,000,000 Shares are underlying shares of the same number of options granted to Mr. Yeung Yun Kei on 18 August 2021 under the Share Option Scheme.
5. The relevant Directors were granted options to subscribe for such number of Shares under the Share Option Scheme. Details of the Directors' Interests in Share options are set out in the paragraph headed "Share Option Scheme" in the interim report.

Save as disclosed above, as at 30 September 2022, none of the Directors or chief executive of the Company had any interest or short position in the shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) as recorded in the register that was required to be kept pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As at 30 September 2022, the interests or short positions of the persons, other than Directors or chief executive of the Company, in the Shares and underlying Shares of the Company, as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO, were as follows:

Name of Shareholder	Capacity/nature of interest	Number and class of securities (Note 1)	Approximate percentage of shareholding in the Company
Ms. Lam Man Ki, Elane	Interest of spouse (Note 2)	915,375,000 Shares (L)	70.41%
Mr. Yeung Yun Cheun	Interest held jointly with another person; beneficial owner (Note 3)	915,375,000 Shares (L) (Note 4)	70.41%
Ms. Yung Yuk Ling	Interest of spouse (Note 5)	915,375,000 Shares (L)	70.41%
Ms. Hui Lin Na	Interest of spouse (Note 6)	915,375,000 Shares (L)	70.41%
China Sage International Limited	Beneficial owner (Note 7)	452,075,000 Shares (L)	34.78%
Ms. Leung Siu Kuen	Interest of spouse (Note 8)	73,625,000 Shares (L)	5.66%

Notes:

1. The letter "L" denotes the person or entity's long position in the shares and underlying shares of the Company.
2. Ms. Lam Man Ki, Elane was deemed to be interested in all the Shares in which Mr. Yeung Wai, her spouse, was interested by virtue of the SFO.



3. For details of the capacity/nature of interest of Mr. Yeung Yun Chuen, please refer to note 2 of the section headed "DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION" above.
4. In respect of the 915,375,000 Shares, 272,025,000 Shares were held by Mr. Yeung Yun Chuen, 184,275,000 Shares were held by Mr. Yeung Yun Kei, 452,075,000 Shares were held by China Sage International Limited, a company incorporated in the British Virgin Islands, the entire issued share capital of which is beneficially owned by Mr. Yeung Wai, and 7,000,000 Shares are underlying shares of the same number of options granted to Mr. Yeung Yun Chuen on 18 August 2021 under the Share Option Scheme.
5. Ms. Yung Yuk Ling was deemed to be interested in all the Shares in which Mr. Yeung Yun Chuen, her spouse, was interested by virtue of the SFO.
6. Ms. Hui Lin Na was deemed to be interested in all the Shares in which Mr. Yeung Yun Kei, her spouse, was interested by virtue of the SFO.
7. These Shares were held by China Sage International Limited. The entire issued shares of China Sage International Limited are owned by Mr. Yeung Wai.
8. Ms. Leung Siu Kuen was deemed to be interested in all the Shares in which Mr. Leung Siu Sun, her spouse, was interested by virtue of the SFO.

Save as disclosed above, as at 30 September 2022, no person, other than the Directors and chief executive of the Company, had registered an interest or short position in the shares or underlying shares of the Company that was recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

SHARE OPTION SCHEME

The Company operates a share option scheme (the "**Share Option Scheme**") for the purpose of motivating eligible participants to optimise their future contributions to the Group and to reward them for the past contributions and to attract and retain or otherwise maintain ongoing relationships with such eligible participants whose contributions are or will be beneficial to the performance, growth or success of the Group.

Eligible participants of the Share Option Scheme include the Company's Directors, including independent non-executive Directors, other employees of the Group and any consultants, business or joint venture partners, franchisees, contractors, agents, representatives or service providers of any member of the Group. The Share Option Scheme was adopted by the Company on 28 October 2014 and became effective on 13 November 2014, and, unless otherwise cancelled or amended, will remain in force for 10 years from the effective date.

The maximum number of shares in respect of which options may be granted under the Share Option and any other schemes by the Company shall not, in aggregate, exceed 10% of the issued share capital of the Company as at the Listing Date unless shareholders' approval has been obtained.

The maximum number of shares issuable under the share options to each eligible participant in the Share Option Scheme within any 12-month period is limited to 1% of the Shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in advance in a general meeting.



Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive Directors. In addition, any share options granted to a substantial shareholder or an independent non-executive Director of the Company, or to any of their associate, in excess of 0.1% of the Shares of the Company in issue at any time or with an aggregate value (based on the closing price of the Company's Shares at the date of grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the Directors, and may commence from the date of the offer of the share options and ends on a date which is not later than 10 years from the date of the offer of the share options or the expiry dates of the Share Option Scheme, if earlier.

Particulars of the movement of options granted under the Share Option Scheme during the six months ended 30 September 2022 are as follows:

Directors

Name	Capacity	Date of Grant	Exercise Price	Outstanding as at 1 April 2022	Granted during the period	Exercised during the period	Lapsed during the period	Outstanding as at 30 September 2022
Mr. Yeung Wai	Beneficial Owner	18 August 2021	HK\$0.2056	7,000,000	-	-	-	7,000,000
Mr. Yeung Yun Kei	Beneficial Owner	18 August 2021	HK\$0.2056	7,000,000	-	-	-	7,000,000
Mr. Leung Siu Sun	Beneficial Owner	18 August 2021	HK\$0.2056	7,000,000	-	-	-	7,000,000
Mr. Wu Kam On Keith	Beneficial Owner	18 August 2021	HK\$0.2056	4,000,000	-	-	-	4,000,000
Mr. Yeung Ho Wang	Beneficial Owner	18 August 2021	HK\$0.2056	4,000,000	-	-	-	4,000,000
Mr. Ng Ngai Man Raymond	Beneficial Owner	18 August 2021	HK\$0.2056	1,360,000	-	-	-	1,360,000
Mr. Wong Wai Leung Joseph	Beneficial Owner	18 August 2021	HK\$0.2056	1,360,000	-	-	-	1,360,000
Mr. Chan Chun Bong Junbon	Beneficial Owner	18 August 2021	HK\$0.2056	1,360,000	-	-	-	1,360,000

Employees

Date of Grant	Capacity	Exercise Price	Outstanding as at 1 April 2022	Granted during the period	Exercised during the period	Lapsed during the period	Outstanding as at 30 September 2022
18 August 2021	Beneficial Owner	HK\$0.2056	63,920,000	-	-	13,105,000	50,815,000

Notes:

- As for the share options granted on 18 August 2021 (the "Date of Grant"), the closing price of the shares quoted on the Stock Exchange immediately before the business day on which the options were granted i.e. 17 August 2021 was HK\$0.205. The options are exercisable in 3 tranches of 33%, 33% and 34%, respectively, at any time after the expiration of 24, 36 and 48 months, respectively, from the Date of Grant.



2. If as a result of the exercise of the share options, the public float as required under the Listing Rules cannot be maintained, then the share options may only be exercised by the grantees to the extent allowable under the Listing Rules so that after exercise of such share options, the public float requirements will not be violated.
3. No option was cancelled during the six months ended 30 September 2022.

STATUS UPDATE AS TO THE 34 BUILDING ORDERS

Reference is made to the 34 unreleased building orders registered against our leased premises in the section headed “Business – Building orders and fire safety directions registered against our leased premises” in the prospectus of the Company date 4 November 2014. Among those 34 unreleased building orders, 17 of them were no longer the leased premises of the Group as at the date of this report, 3 of them were released, 12 of them have been completed with rectification works and are subject to the release of the building orders while the remaining building orders are still being followed up, including those that we are unable to obtain co-operation from the relevant landlord(s) or incorporated owners to carry out the relevant rectification works.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company’s listed securities.

EVENTS AFTER THE REPORTING PERIOD

The Board is not aware of any material event affecting the Group since the end of the Reporting period and up to the date of this report.

PUBLICATION OF INTERIM REPORT

The electronic version of this interim report will be published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.fulumgroup.com).

APPRECIATION

The Board would like to thank the management and the staff of the Group for their hard work and dedication, as well as its shareholders, business partners and associates, bankers and auditor for their support to the Group throughout the Reporting Period.

By order of the Board of
Fulum Group Holdings Limited
YEUNG WAI
Chairman and Executive Director

Hong Kong, 29 November 2022

As at the date of this report, the Board comprises Mr. Yeung Wai (Chairman), Mr. Wu Kam On Keith (Vice Chairman and CEO), Mr. Yeung Yun Kei, Mr. Leung Siu Sun, Mr. Yeung Ho Wang and Mr. Yeung Chun Nin as executive Directors; and Mr. Ng Ngai Man Raymond, Mr. Wong Wai Leung Joseph and Mr. Chan Chun Bong Junbon as independent non-executive Directors.



CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Six months ended 30 September 2022

17

The board (the “**Board**”) of directors (the “**Directors**”) of Fulum Group Holdings Limited (the “**Company**”), together with its subsidiaries (collectively the “**Group**”), hereby announces the unaudited condensed consolidated interim results of the Group for the six months ended 30 September 2022 (the “**Reporting Period**”) together with comparative figures for the corresponding period in 2021 (the “**Previous Reporting Period**”). The condensed consolidated interim financial statements for the Reporting Period have not been audited, but have been reviewed by the audit committee of the Company (the “**Audit Committee**”).

	Notes	Six months ended 30 September	
		2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
REVENUE	4	764,560	787,123
Other income and gains, net	5	62,178	19,401
Cost of inventories sold		(232,632)	(267,662)
Staff costs		(258,281)	(248,604)
Property rentals and related expenses		(44,618)	(35,686)
Depreciation		(141,206)	(140,978)
Fuel and utility expenses		(39,040)	(45,204)
Other expenses		(92,422)	(60,063)
Share of profit of a joint venture		–	11
Finance costs	6	(9,173)	(10,536)
PROFIT/(LOSS) BEFORE TAX		9,366	(2,198)
Income tax expense	7	(707)	(60)
PROFIT/(LOSS) FOR THE PERIOD	8	8,659	(2,258)



CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Six months ended 30 September 2022

	Notes	Six months ended 30 September	
		2022	2021
		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
OTHER COMPREHENSIVE (LOSS)/INCOME			
<i>Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:</i>			
Exchange differences on translation of foreign operations		(1,681)	223
		(1,681)	223
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		6,978	(2,035)
PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO:			
Owners of the Company		8,668	(2,258)
Non-controlling interests		(9)	–
		8,659	(2,258)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO:			
Owners of the Company		6,987	(2,035)
Non-controlling interests		(9)	–
		6,978	(2,035)
EARNING/(LOSS) PER SHARE			
– Basic (HK cents)	10	0.67	(0.17)
– Diluted (HK cents)	10	0.67	(0.17)



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 September 2022

19

	Notes	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	11	165,656	176,157
Right-of-use assets		407,445	466,590
Deposits and other receivables		79,731	71,533
		652,832	714,280
CURRENT ASSETS			
Inventories	12	85,123	77,878
Trade receivables	13	14,147	10,788
Prepayments, deposits and other receivables		65,178	58,900
Amount due from a joint venture		3,624	2,763
Amounts due from non-controlling interests		400	–
Tax recoverable		2,773	2,769
Cash and cash equivalents		217,880	128,571
		389,125	281,669
CURRENT LIABILITIES			
Trade payables	14	67,518	58,234
Other payables, accruals and deferred income		106,752	103,680
Interest-bearing bank borrowings		352,923	239,996
Lease liabilities		199,074	270,834
Provision		10,700	8,911
Tax payable		2,808	1,974
		739,775	683,629
NET CURRENT LIABILITIES		(350,650)	(401,960)
TOTAL ASSETS LESS CURRENT LIABILITIES		302,182	312,320



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

30 September 2022

	Notes	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
NON-CURRENT LIABILITIES			
Accruals and deferred income		2,893	3,656
Lease liabilities		164,108	180,616
Provision		4,102	5,891
Deferred tax liabilities		458	470
		171,561	190,633
NET ASSETS			
		130,621	121,687
Capital and reserves			
Share capital	15	1,300	1,300
Reserves		131,891	120,387
Equity attributable to owners of the Company			
Non-controlling interests		(2,570)	–
TOTAL EQUITY			
		130,621	121,687



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Six months ended 30 September 2022

21

	Attributable to owners of the Company								Non-controlling interests	Total
	Share capital	Share premium account	Other reserves	Merger reserves	Share options reserve	Exchange fluctuation reserve	Accumulated losses	Sub-total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2021, as restated (audited)	1,300	540,140	(5,372)	31,073	-	(2,311)	(396,738)	168,092	-	168,092
Loss for the period (unaudited)	-	-	-	-	-	-	(2,258)	(2,258)	-	(2,258)
Other comprehensive income for the period (unaudited)	-	-	-	-	-	223	-	223	-	223
Total comprehensive (loss)/income for the period (unaudited)	-	-	-	-	-	223	(2,258)	(2,035)	-	(2,035)
Share-based payments (unaudited)	-	-	-	-	272	-	-	272	-	272
At 30 September 2021 (unaudited)	1,300	540,140	(5,372)	31,073	272	(2,088)	(398,996)	166,329	-	166,329
At 1 April 2022 (audited)	1,300	540,140*	(5,372)*	31,073*	1,846*	(1,393)*	(445,907)*	121,687	-	121,687
Profit/(loss) for the period (unaudited)	-	-	-	-	-	-	8,668	8,668	(9)	8,659
Other comprehensive loss for the period (unaudited)	-	-	-	-	-	(1,681)	-	(1,681)	-	(1,681)
Total comprehensive (loss)/income for the period (unaudited)	-	-	-	-	-	(1,681)	8,668	6,987	(9)	6,978
Share-based payments (unaudited)	-	-	-	-	1,582	-	-	1,582	-	1,582
Share option forfeited (unaudited)	-	-	-	-	(426)	-	-	(426)	-	(426)
Equity transaction (unaudited) (#)	-	-	3,361	-	-	-	-	3,361	(2,561)	800
At 30 September 2022 (unaudited)	1,300	540,140*	(2,011)*	31,073*	3,002*	(3,074)*	(437,239)*	133,191	(2,570)	130,621

* These reserve accounts comprise the consolidated reserves of HK\$131,891,000 (31 March 2021: HK\$120,387,000) in the condensed consolidated statement of financial position.

The Group's interest in Super Rich International Limited ("Super Rich") decreased from 100% to 70%. The decrease of the Group's equity interests in Super Rich of 30% does not result in any changes of the Group's control over Super Rich and is accordingly accounted for as equity transaction. The surplus of approximately HK\$3,361,000, representing the difference between the consideration of HK\$800,000 and the amount of non-controlling interests approximately HK\$2,561,000, is credited to the other reserves.



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Six months ended 30 September 2022

	Six months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Net cash generated from operating activities	147,993	152,946
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of items of property, plant and equipment	(19,472)	(25,147)
Investment in a joint venture	–	(3)
Purchases of financial assets at fair value through profit or loss	–	(400)
Disposal of subsidiaries (net of cash and cash equivalents disposed of)	–	(44)
Net cash used in investing activities	(19,472)	(25,594)
CASH FLOWS FROM FINANCING ACTIVITIES		
New bank loans	128,018	25,488
Repayment of bank loans	(1,387)	(7,460)
Interest paid	(9,173)	(10,536)
Principal portion of lease payments	(139,978)	(136,605)
Equity transaction	400	–
Net cash used in financing activities	(22,120)	(129,113)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	106,401	(1,761)
Cash and cash equivalents at the beginning of the period	73,489	145,074
Effect of foreign exchange rate changes, net	(3,388)	728
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	176,502	144,041
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank and cash	217,880	144,041
Bank overdraft	(41,378)	–
	176,502	144,041



1. CORPORATE INFORMATION

The Company is an exempted company with limited liability incorporated in the Cayman Islands on 24 February 2014. The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company is located at 26/F, Capital Tower, 38 Wai Yip Street, Kowloon Bay, Hong Kong.

The Company is an investment holding company and the Company's subsidiaries were principally engaged in restaurant operations in Hong Kong and the People's Republic of China (the "PRC" or "Mainland China"). The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 13 November 2014.

2. BASIS OF PRESENTATION AND PREPARATION

These unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

These unaudited condensed consolidated financial statements should be read in conjunction with the 2022 annual financial statements. The accounting policies and methods of computation used in the preparation of these unaudited condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 March 2022.

Going concern basis

As at 30 September 2022, the Group had net current liabilities of approximately HK\$350,650,000. This condition indicates the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

In addition, taking into account a number of sources of finance available to fund its operations including future operating cash inflows and the financial support from the controlling shareholder of the Company when needed, the Directors consider that the Group will have sufficient working capital to finance its operations and be able to meet its financial obligations as and when they fall due for at least the next twelve months from the end of the Reporting Period. Accordingly, the Directors are satisfied that it is appropriate to prepare the Group's condensed consolidated financial statements on a going concern basis.



Six months ended 30 September 2022

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 April 2022. HKFRSs comprise Hong Kong Financial Reporting Standards (“**HKFRS**”); Hong Kong Accounting Standards (“**HKAS**”); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s consolidated financial statements and amounts reported for the current period and prior years.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The application of these new HKFRSs will not have material impact on the unaudited condensed consolidated financial statements of the Group.

4. REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in restaurant operations in Hong Kong and Mainland China. Information reported to the Group’s management for the purpose of resources allocation and performance assessment focuses on the operating results of the Group as a whole as the Group’s resources are integrated and no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.

Revenue represents the gross revenue from restaurant operations, net invoiced value of food and other operating items sold and income from food court operations, after allowances for returns and trade discounts. An analysis of revenue is as follows:

	Six months ended 30 September	
	2022	2021
	HK\$’000	HK\$’000
	(Unaudited)	(Unaudited)
Restaurant operations	705,871	738,387
Sale of food and other operating items	37,928	34,173
Food court operations	7,151	4,765
Revenue from contracts with customers	750,950	777,325
Rental income from food court operations	13,610	9,798
	764,560	787,123



Six months ended 30 September 2022

4. REVENUE AND SEGMENT INFORMATION (Continued)**Information about Timing of Revenue Recognition**

	Six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
At a point in time	746,377	774,073
Over time	4,573	3,252
Revenue from contracts with customers	750,950	777,325
Rental income from food court operations	13,610	9,798
	764,560	787,123

Information about Geographical Areas

The following tables present revenue from external customers for the six months ended 30 September 2022 and 2021, and certain non-current assets information as at 30 September 2022 and 31 March 2022, by geographical areas.

(a) *Revenue from external customers*

	Six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Hong Kong	729,080	744,387
Mainland China	35,480	42,736
	764,560	787,123

The revenue information above is based on the locations of the customers.

(b) *Non-current assets*

	30 September	31 March
	2022	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Hong Kong	535,374	586,206
Mainland China	37,727	56,541
	573,101	642,747

The non-current assets information above is based on the locations of the assets and excludes financial assets.



Six months ended 30 September 2022

4. REVENUE AND SEGMENT INFORMATION (Continued)**Information about Major Customers**

Since no single customer of the Group has contributed over 10% of the Group's total revenue during the period, no information about major customers in accordance with HKFRS 8 *Operating Segments* is presented.

5. OTHER INCOME AND GAINS, NET

	Notes	Six months ended 30 September	
		2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Interest income on bank deposits		28	62
Interest income on rental deposits		85	119
Licensing income		184	376
Government subsidies	1	53,434	15,597
Rent concessions related to COVID-19	2	4,606	–
Gain on lease modification and termination		455	583
Sponsorship income		763	752
Reversal of impairment of right-of-use assets		1,132	–
Others		1,491	1,912
		62,178	19,401

Note 1: Government subsidies of HK\$53,434,000 (six months ended 30 September 2021: HK\$15,597,000) were granted during the six month period ended 30 September 2022 by the Government of the Hong Kong Special Administrative Region under the Anti-Epidemic Fund. There are no unfulfilled conditions and other contingencies attached to the receipts of those subsidies. There is no assurance that the Group will continue to receive such subsidies in the future.

Note 2: The Group has applied the practical expedient not to assess whether as rent concession occurring as a direct consequence of the COVID-19 pandemic is a lease modification.

6. FINANCE COSTS

	Six months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Interest on bank overdrafts and bank loans	3,115	2,077
Interest on lease liabilities	6,058	8,459
	9,173	10,536



Six months ended 30 September 2022

7. INCOME TAX EXPENSE

	Six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Hong Kong Profits Tax:		
– Current tax	707	–
PRC Enterprise Income Tax (“EIT”):		
– Current tax	–	60
	707	60

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.

For the six months ended 30 September 2022 and 2021, Hong Kong Profit Tax is calculated under two-tier profit tax system where the first HK\$2 millions of estimated assessable profit is taxed at rate of 8.25% and remaining estimated assessable profit is taxed at 16.5%. The Group should elect one of the Hong Kong subsidiaries to apply the two-tier profit tax rate.

The subsidiaries of the Company established in Mainland China are subject to the PRC corporate income tax at a standard rate of 25% (six months ended 30 September 2021: 25%) during the current period.



Six months ended 30 September 2022

8. PROFIT/(LOSS) FOR THE PERIOD

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

	Six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Lease payments not included in the measurement of lease liabilities	5,331	9,354
Foreign exchange differences, net	(72)	(3)
Impairment of right-of-use assets*	6,946	–
Impairment of inventories*	–	2,500
Impairment of trade receivables*	–	2,687
Gain on disposal of subsidiaries*	–	(25,411)
Depreciation of property, plant and equipment	28,769	29,952
Depreciation of right-of-use assets	112,437	111,026
Employee benefit expenses (including directors' remuneration):		
Salaries, bonuses and other allowances	248,127	240,120
Share-based payments	1,156	272
Retirement benefit scheme contributions (defined contribution scheme)	8,998	8,212
	258,281	248,604

* These items were included in "Other expenses" in the unaudited condensed consolidated statement of profit or loss and other comprehensive income.

9. DIVIDEND

The Directors do not recommend the payment of any interim dividends in respect of the period (six months ended 30 September 2021: Nil).



Six months ended 30 September 2022

10. EARNING/(LOSS) PER SHARE

	Six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Earning/(loss) for the purposes of calculating basic and diluted earnings per share		
– Profit/(loss) for the period attributable to the owners of the Company	8,668	(2,258)

	Six months ended 30 September	
	2022	2021
	(Unaudited)	(Unaudited)
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic earning/(loss) per share	1,300,000,000	1,300,000,000
Effect of dilutive potential ordinary shares – share options	297,796	–
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	1,300,297,796	1,300,000,000

11. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group acquired items of property, plant and equipment of HK\$19,822,000 (six months ended 30 September 2021: HK\$25,147,000).

12. INVENTORIES

	30 September	31 March
	2022	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Food and beverages	82,233	75,601
Other operating items for restaurant operations	2,890	2,277
	85,123	77,878



Six months ended 30 September 2022

13. TRADE RECEIVABLES

	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
Credit card receivables	4,347	1,087
Others	21,995	21,896
	26,342	22,983
Impairment	(12,195)	(12,195)
	14,147	10,788

The Group's trading terms with its customers are mainly on cash and credit card settlement while trading terms for sale of food are on credit with credit periods ranging from 30 to 60 days (31 March 2022: 30 to 60 days). The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the Reporting Period, based on the invoice date and net of provision, is as follows:

	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
Within 1 month	8,010	5,635
1 to 3 months	2,843	2,852
3 to 12 months	2,435	1,938
Over 12 months	859	363
	14,147	10,788



14. TRADE PAYABLES

The trade payables are non-interest-bearing and generally have payment terms of 45 to 90 days (31 March 2022: 45 to 90 days). An ageing analysis of the trade payables as at the end of the Reporting Period, based on the invoice date, is as follows:

	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
Within 1 month	50,160	22,003
1 to 3 months	12,373	30,023
3 to 12 months	3,318	2,871
Over 12 months	1,667	3,337
	67,518	58,234

15. SHARE CAPITAL

	30 September 2022 HK\$'000 (unaudited)	31 March 2022 HK\$'000 (audited)
Authorised: 2,000,000,000 shares of HK\$0.001 each	2,000	2,000
Issued and fully paid: 1,300,000,000 shares of HK\$0.001 each	1,300	1,300

16. SHARE OPTION SCHEMES

The Company operates a share option scheme (the “**Schemes**”) for the purpose of motivating eligible participants to optimise their future contributions to the Group and to reward them for the past contributions and to attract and retain or otherwise maintain ongoing relationships with such eligible participants whose contributions are or will be beneficial to the performance, growth or success of the Group.

Eligible participants of the Schemes include the Company’s directors, including independent non-executive directors, other employees of the Group and any consultants, business or joint venture partners, franchisees, contractors, agents, representatives or service providers of any member of the Group. The share option scheme became effective on 13 November 2014, and, unless otherwise cancelled or amended, will remain in force for 10 years, from the respective effective dates.



16. SHARE OPTION SCHEMES *(Continued)*

The maximum number of shares in respect of which options may be granted under the Schemes and any other schemes by the Company shall not, in aggregate, exceed 10% of the issued share capital of the Company as at the listing date unless shareholders' approval has been obtained.

The maximum number of shares issuable under the share options to each eligible participant in the Schemes within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in advance in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associate, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the closing price of the Shares at the date of grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and may commence from the date of the offer of the share options and ends on a date which is not later than 10 years from the date of the offer of the share options or the expiry dates of the Schemes, if earlier.

All holders of options granted under the Scheme may only exercise their options in the following manner:

Maximum percentage of options exercisable	Vesting period
33% of options	at any time after the expiration of 24 months from the date of grant
Additional 33% of options	at any time after the expiration of 36 months from the date of grant
Additional 34% of options	at any time after the expiration of 48 months from the date of grant



Six months ended 30 September 2022

16. SHARE OPTION SCHEMES (Continued)

Name of grantee	Date of grant	Exercisable period	Exercisable price	Outstanding as at 1 April 2022	Lapsed during the period	Outstanding as at 31 September 2022
<i>Executive Director</i>						
Mr. Yeung Wai	18.8.2021	18.8.2023-17.8.2026	HK\$0.2056	2,310,000	–	2,310,000
Mr. Yeung Wai	18.8.2021	18.8.2024-17.8.2026	HK\$0.2056	2,310,000	–	2,310,000
Mr. Yeung Wai	18.8.2021	18.8.2025-17.8.2026	HK\$0.2056	2,380,000	–	2,380,000
Mr. Yeung Yun Kei	18.8.2021	18.8.2023-17.8.2026	HK\$0.2056	2,310,000	–	2,310,000
Mr. Yeung Yun Kei	18.8.2021	18.8.2024-17.8.2026	HK\$0.2056	2,310,000	–	2,310,000
Mr. Yeung Yun Kei	18.8.2021	18.8.2025-17.8.2026	HK\$0.2056	2,380,000	–	2,380,000
Mr. Leung Siu Sun	18.8.2021	18.8.2023-17.8.2026	HK\$0.2056	2,310,000	–	2,310,000
Mr. Leung Siu Sun	18.8.2021	18.8.2024-17.8.2026	HK\$0.2056	2,310,000	–	2,310,000
Mr. Leung Siu Sun	18.8.2021	18.8.2025-17.8.2026	HK\$0.2056	2,380,000	–	2,380,000
Mr. Wu Kam On Keith	18.8.2021	18.8.2023-17.8.2026	HK\$0.2056	1,320,000	–	1,320,000
Mr. Wu Kam On Keith	18.8.2021	18.8.2024-17.8.2026	HK\$0.2056	1,320,000	–	1,320,000
Mr. Wu Kam On Keith	18.8.2021	18.8.2025-17.8.2026	HK\$0.2056	1,360,000	–	1,360,000
Mr. Yeung Ho Wang	18.8.2021	18.8.2023-17.8.2026	HK\$0.2056	1,320,000	–	1,320,000
Mr. Yeung Ho Wang	18.8.2021	18.8.2024-17.8.2026	HK\$0.2056	1,320,000	–	1,320,000
Mr. Yeung Ho Wang	18.8.2021	18.8.2025-17.8.2026	HK\$0.2056	1,360,000	–	1,360,000
Ex-Director (Note 1)	18.8.2021	18.8.2023-17.8.2026	HK\$0.2056	2,310,000	–	2,310,000
Ex-Director (Note 1)	18.8.2021	18.8.2024-17.8.2026	HK\$0.2056	2,310,000	–	2,310,000
Ex-Director (Note 1)	18.8.2021	18.8.2025-17.8.2026	HK\$0.2056	2,380,000	–	2,380,000
<i>Independent non-executive Director</i>						
Mr. Ng Ngai Man Raymond	18.8.2021	18.8.2023-17.8.2026	HK\$0.2056	448,800	–	448,800
Mr. Ng Ngai Man Raymond	18.8.2021	18.8.2024-17.8.2026	HK\$0.2056	448,800	–	448,800
Mr. Ng Ngai Man Raymond	18.8.2021	18.8.2025-17.8.2026	HK\$0.2056	462,400	–	462,400
Mr. Wong Wai Leung Joseph	18.8.2021	18.8.2023-17.8.2026	HK\$0.2056	448,800	–	448,800
Mr. Wong Wai Leung Joseph	18.8.2021	18.8.2024-17.8.2026	HK\$0.2056	448,800	–	448,800
Mr. Wong Wai Leung Joseph	18.8.2021	18.8.2025-17.8.2026	HK\$0.2056	462,400	–	462,400
Mr. Chan Chun Bong Junbon	18.8.2021	18.8.2023-17.8.2026	HK\$0.2056	448,800	–	448,800
Mr. Chan Chun Bong Junbon	18.8.2021	18.8.2024-17.8.2026	HK\$0.2056	448,800	–	448,800
Mr. Chan Chun Bong Junbon	18.8.2021	18.8.2025-17.8.2026	HK\$0.2056	462,400	–	462,400
Employees	18.8.2021	18.8.2023-17.8.2026	HK\$0.2056	21,093,600	(4,324,650)	16,768,950
Employees	18.8.2021	18.8.2024-17.8.2026	HK\$0.2056	21,093,600	(4,324,650)	16,768,950
Employees	18.8.2021	18.8.2025-17.8.2026	HK\$0.2056	21,732,800	(4,455,700)	17,277,100
				104,000,000	(13,105,000)	90,895,000
Exercisable at the end of the period						
						–
Weighted average exercise price				HK\$0.2056	HK\$0.2056	HK\$0.2056

Note 1: Mr. Yeung Yun Chuen retired as an executive Director with effect from 30 June 2022. In accordance with the 2014 share option scheme, share options of 7,000,000 granted to him remain effective until the end of the exercise period.



Six months ended 30 September 2022

16. SHARE OPTION SCHEMES (Continued)

At 30 September 2022, the total number of shares in respect of which options under the Scheme had been granted and remained outstanding was 90,895,000, representing 6.99% of the shares of the Company in issue at that date. The options outstanding at the end of period have a weight average remaining contractual life is approximately 3.9 years.

No option was exercised during the six months ended 30 September 2022.

The fair value of the share options was determined at the date of grant using the Binomial option pricing model (the "**Binomial Model**") with the following inputs and based on the respective vesting period of the share options:

Stock price as at grant date	HK\$0.205
Exercise price	HK\$0.2056
Expected volatility	49.09%
Expected life of options	5 years
Risk free rate	0.8%
Expected dividend yield	0%

The Binomial Model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. Expected volatility was determined by using the historical volatility of the Company's share prices over the previous five years. Changes in variables and assumptions may result in changes in the fair value of the options.

The total estimated fair value of the share options granted on that date was approximately HK\$8,843,000.

The Group recognised share-based payments expense of approximately HK\$1,156,000 during the six months ended 30 September 2022 (six months ended 30 September 2021 : HK\$272,000) in relation to the share options granted by the Company.

17. CONTINGENT LIABILITIES

At the end of the Reporting Period, contingent liabilities not provided for in the condensed consolidated financial statements were as follows:

	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
Bank guarantees given in lieu of rental and utility deposits	17,170	17,770



Six months ended 30 September 2022

18. CAPITAL COMMITMENTS

The Group had the following capital commitments at the end of the Reporting Period:

	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
Contracted, but not provided for: Property, plant and equipment	1,913	693

19. RELATED PARTY TRANSACTIONS**Related party transactions**

In addition to the transactions and balances detailed elsewhere in these unaudited condensed consolidated interim financial statements, the Group had the following material transactions with related parties during the period:

	For the six months ended 30 September 2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Purchase of food (note)	4,576	4,299

Note: These related companies were controlled by the controlling shareholders and/or their family members.

The transactions were conducted at terms and conditions mutually agreed between the relevant parties. The Directors are of the opinion that those related party transactions were conducted in the ordinary course of business of the Group.

At 30 September 2022, the right-of-use assets related to certain restaurants leased from related companies controlled by the controlling shareholders and/or their family members amounted to HK\$47,321,392 (as at 31 March 2022: HK\$96,015,000) and lease liabilities of HK\$60,079,646 (as at 31 March 2022: HK\$119,757,000) are due to these related companies of the Group. Depreciation and impairment of right-of-use assets related to these restaurants amounted to HK\$48,693,608 (year ended 31 March 2022: HK\$95,264,000) and interest on lease liabilities to these related companies of the Group amounted to HK\$1,223,449 (year ended 31 March 2022: HK\$2,032,000) during the six months ended 30 September 2022.



Six months ended 30 September 2022

19. RELATED PARTY TRANSACTIONS *(Continued)*

Compensation of key management personnel of the Group is as follows:

	For the six months ended 30 September	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Short term employee benefits	3,930	3,748
Share-based payments	568	104
Post-employment benefits	59	53
	4,557	3,905

20. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation. The changes included the reclassification of income related to food court operations previously classified under other income and gains, net to revenue. The new classification of the accounting items was considered to provide a more appropriate presentation to the condensed consolidated financial statements of the Group.

21. APPROVAL OF INTERIM FINANCIAL STATEMENTS

The Interim Financial Statements were approved and authorised for issue by the Board of Directors on 29 November 2022.





Fulum Group Holdings Limited
富臨集團控股有限公司

26/F, Enterprise Square, 38 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong.
香港九龍九龍灣偉業街38號富臨中心26樓

