



1957 & Co. (Hospitality) Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8495

Interim Report 2024



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This report, for which the directors (the "**Directors**") of 1957 & Co. (Hospitality) Limited (the "**Company**", together with its subsidiaries, the "**Group**" or "**We**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**") for the purpose of giving information with regard to the Company. 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.

Financial Highlights

During the six months ended 30 June 2024:

- the Group recorded an unaudited revenue of approximately HK\$228.7 million (2023: HK\$223.5 million), representing an increase of approximately 2.4% as compared to the corresponding period ended 30 June 2023;
- the Group recorded an unaudited loss before tax of approximately HK\$2.7 million (2023: HK\$10.6 million); and
- the Group recorded an unaudited loss attributable to the owners of the Company of approximately HK\$4.4 million (2023: HK\$10.9 million).

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2024

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024 (UNAUDITED)

The board of Directors of the Company (the “**Board**”) is pleased to announce the unaudited condensed consolidated results of the Group for the six months ended 30 June 2024 (the “**Six-Month Review Period**”), together with the unaudited comparative figures for the corresponding period in 2023, as follows:

	Note	For the six months ended 30 June	
		2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Revenue	4	228,727	223,457
Other gains and income, net	5	771	1,770
Cost of inventories sold		(57,291)	(60,825)
Employee benefit expenses		(87,615)	(86,481)
Depreciation and amortisation		(45,982)	(41,629)
Royalty fees		(2,815)	(3,330)
Rental expenses		(4,676)	(4,477)
Utilities		(6,502)	(5,954)
Other operating expenses		(23,283)	(28,664)
Operating profit/(loss)		1,334	(6,133)
Finance income		794	407
Finance costs		(4,793)	(4,420)
Finance costs, net	6	(3,999)	(4,013)
Share of losses of associates		–	(446)
Loss before income tax		(2,665)	(10,592)
Income tax credit	7	104	1,002
Loss for the period		(2,561)	(9,590)
(Loss)/profit for the period attributable to:			
— Owners of the Company		(4,352)	(10,929)
— Non-controlling interests		1,791	1,339
		(2,561)	(9,590)
Losses per share attributable to owners of the Company for the period (expressed in HK cents per share)			
— Basic and diluted	9	(1.13)	(2.85)

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2024

	For the six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Loss for the period	(2,561)	(9,590)
Other comprehensive income/(loss)		
<i>Items that may be reclassified to profit or loss</i>		
— Currency translation differences	423	(141)
— Share of other comprehensive income of associates accounted for using the equity method	—	8
Total comprehensive loss for the period	(2,138)	(9,723)
Total comprehensive (loss)/income for the period attributable to:		
— Owners of the Company	(3,929)	(11,062)
— Non-controlling interests	1,791	1,339
	(2,138)	(9,723)

Condensed Consolidated Statement of Financial Position

At 30 June 2024

	Note	As at 30 June 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	10	171,973	198,941
Intangible assets	11	682	742
Other non-current deposit and prepayment		16,966	19,050
Interest in associates	12	–	–
Investment in an insurance contract		2,332	–
Deferred tax assets		15,405	14,681
		207,358	233,414
Current assets			
Inventories		2,578	2,637
Trade receivables	13	8,992	8,877
Prepayments, deposits and other receivables		19,153	17,669
Amounts due from an associate		151	139
Tax recoverable		710	457
Pledged bank deposits		2,053	5,076
Cash and cash equivalents		62,332	64,766
		95,969	99,621
Total assets		303,327	333,035
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital	14	38	38
Share premium	14	100,980	100,980
Capital reserve		(2,983)	(2,983)
Exchange reserve		(83)	(506)
Accumulated losses		(43,491)	(39,139)
		54,461	58,390
Non-controlling interests		14,745	12,954
Total equity		69,206	71,344

Condensed Consolidated Statement of Financial Position

At 30 June 2024

	Note	As at 30 June 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
LIABILITIES			
Non-current liabilities			
Lease liabilities		76,267	86,640
Provision for reinstatement costs		9,175	8,316
		85,442	94,956
Current liabilities			
Trade payables	15	20,823	22,444
Accruals and other payables		26,529	27,818
Lease liabilities		47,634	59,756
Contract liabilities		2,504	2,196
Income tax payables		4,374	3,505
Loans from non-controlling shareholders		7,600	7,600
Bank borrowings	16	39,215	43,416
		148,679	166,735
Total liabilities		234,121	261,691
Total equity and liabilities		303,327	333,035

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024

	Attributable to the owners of the Company						Non-controlling interest	Total equity
	Share capital	Share premium	Capital reserve	Exchange reserve	Accumulated losses	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
(Unaudited)								
As at 1 January 2023	38	100,980	(2,983)	(426)	(32,893)	64,716	11,065	75,781
Comprehensive (loss)/income (Loss)/profit for the period	-	-	-	-	(10,929)	(10,929)	1,339	(9,590)
Other comprehensive (loss)/income								
Currency translation differences	-	-	-	(141)	-	(141)	-	(141)
Share of other comprehensive income of associates accounted for using the equity method	-	-	-	8	-	8	-	8
Total comprehensive (loss)/income	-	-	-	(133)	(10,929)	(11,062)	1,339	(9,723)
Transaction with owners								
Repayment of shareholder loans	-	-	-	-	-	-	(3,430)	(3,430)
Total transaction with owners	-	-	-	-	-	-	(3,430)	(3,430)
Balance at 30 June 2023	38	100,980	(2,983)	(559)	(43,822)	53,654	8,974	62,628
(Unaudited)								
As at 1 January 2024	38	100,980	(2,983)	(506)	(39,139)	58,390	12,954	71,344
Comprehensive (loss)/income (Loss)/profit for the period	-	-	-	-	(4,352)	(4,352)	1,791	(2,561)
Other comprehensive income								
Currency translation differences	-	-	-	423	-	423	-	423
Total comprehensive income/(loss)	-	-	-	423	(4,352)	(3,929)	1,791	(2,138)
Balance at 30 June 2024	38	100,980	(2,983)	(83)	(43,491)	54,461	14,745	69,206

Condensed Consolidated Statement of Cash Flow

For the six months ended 30 June 2024

	For the six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Cash flow from operating activities		
Loss before income tax	(2,665)	(10,592)
Adjustments for:		
— Depreciation and amortisation	45,982	41,629
— Net loss on disposal of property, plant and equipment	–	254
— Share of losses of associates	–	446
— Change in cash surrender value of investment in an insurance contract	588	–
— Finance income	(794)	(407)
— Finance costs	4,793	4,420
Operating cash flows before changes in working capital	47,904	35,750
Changes in working capital:		
— Inventories	59	17
— Trade receivables, prepayment, deposit and other receivables	857	1,316
— Trade and other payables	(2,055)	948
— Contract liabilities	308	857
— Amount due from an associate	(12)	–
Cash generated from operations	47,061	38,888
Interest paid	(4,793)	(4,420)
Net cash generated from operating activities	42,268	34,468
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,220)	(12,424)
Payments for non-current prepayment	–	(5,179)
Investment in an insurance contract	(2,930)	–
Interest received	422	115
Net cash used in investing activities	(6,728)	(17,488)
Cash flows from financing activities		
Repayment of bank borrowings	(4,201)	(3,705)
Repayment of shareholder loans	–	(3,430)
Release of pledged deposit	3,023	4,011
Proceeds from bank borrowings	–	18,000
Payment of lease liabilities	(37,229)	(38,445)
Net cash used in financing activities	(38,407)	(23,569)
Net decrease in cash and cash equivalents	(2,867)	(6,589)
Cash and cash equivalents at beginning of the period	64,766	54,175
Effect of foreign exchange rate changes	433	(141)
Cash and cash equivalents at end of the period	62,332	47,445

Notes to the Condensed Consolidated Financial Statements

1 GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 3 February 2016 as an exempted company with limited liability under Companies Law (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands and its principal place of business is 33/F, Times Tower, 391–407 Jaffe Road, Hong Kong.

The Company is an investment holding company and its subsidiaries are principally engaged in operation of restaurants and catering management and consultancy services.

2 BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial information of the Group for the six months ended 30 June 2024 (the “**2024 Interim Financial Information**”) has been prepared in accordance with the accounting principles generally accepted in Hong Kong which include Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosure requirements of the GEM Listing Rules.

The 2024 Interim Financial Information should be read in conjunction with the annual audited consolidated financial statements for the year ended 31 December 2023, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRS**”).

The 2024 Interim Financial Information is presented in thousands of Hong Kong dollars (“**HK\$’000**”), unless otherwise stated.

Except as described below, the accounting policies and methods of computation used in the preparation of the 2024 Interim Financial Information are consistent with those adopted in preparing the annual audited consolidated financial statements for the year ended 31 December 2023.

(a) Amendments to standards and interpretation adopted by the Group

The Group has adopted the below amendments to standards and revised interpretation for the first time for its accounting period beginning on 1 January 2024.

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements — Classification by the Borrower of a Team Loan that Contains a Repayment on Demand Clause
Amendments to HKFRS 16	Lease Liability in Sale and Leaseback
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The adoption of these amendments to standards and revised interpretation did not have a material impact on the Group in the current or prior periods.

Notes to the Condensed Consolidated Financial Statements

2 BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(b) Amendments to standards issued but not yet effective for the accounting period beginning on 1 January 2024 and not early adopted by the Group

		Effective for accounting periods beginning on or after
Amendments to HKAS 21	Lack of Exchangeability	1 January 2025
Amendments HKFRS 10 and HKAS 28	Sale or contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group is in the process of assessing the impact of these amendments to standards. The preliminary assessment indicated that the adoption of which is not expected to have any significant impact on the financial performance and the financial position of the Group.

3 SEGMENT INFORMATION

The chief operating decision-maker (the “**CODM**”) has been identified as the executive Directors who review the Group’s internal reporting in order to assess performance and allocate resources. The CODM has determined the operating segments based on these reports.

The CODM assesses the performance based on a measure of segment profit, which is a measure of adjusted loss before income tax. The adjusted loss before income tax is measured consistently with the Group’s loss before income tax except that other gains and income, finance income, finance costs (except the portion related to lease liabilities), share of losses of associates as well as head office expenses are excluded from such measurement.

The Group is principally engaged in operation of restaurants and provision of catering management and consultancy services.

Notes to the Condensed Consolidated Financial Statements

3 SEGMENT INFORMATION (CONTINUED)

The following is an analysis of the Group's revenue, results, assets and liabilities by operating and reportable segments:

Segment revenue and result

Six months ended 30 June 2024

	Operation of restaurants HK\$'000 (Unaudited)	Catering management and consultancy services HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Total segment revenue	227,229	15,226	242,455
Inter-segment revenue	–	(13,728)	(13,728)
Revenue from external customers	227,229	1,498	228,727
Result			
Segment profit	9,117	1,281	10,398
Other gains and income, net			771
Unallocated staff costs			(10,943)
Unallocated depreciation and amortisation			(1,706)
Unallocated utilities and consumables			(21)
Unallocated other expenses			(1,164)
Loss before income tax			(2,665)
Other segment items			
Depreciation and amortisation	(44,277)	–	(44,277)
Finance income	706	88	794
Finance costs	(4,760)	(33)	(4,793)

Notes to the Condensed Consolidated Financial Statements

3 SEGMENT INFORMATION (CONTINUED)

Segment revenue and result (Continued)

Six months ended 30 June 2023

	Operation of restaurants HK\$'000 (Unaudited)	Catering management and consultancy services HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Total segment revenue	223,107	13,788	236,895
Inter-segment revenue	–	(13,438)	(13,438)
Revenue from external customers	223,107	350	223,457
Result			
Segment profit	3,352	327	3,679
Other gains and income, net			1,770
Unallocated staff costs			(11,703)
Unallocated depreciation and amortisation			(2,439)
Unallocated utilities and consumables			(26)
Unallocated other expenses			(1,427)
Share of losses of associates			(446)
Loss before income tax			(10,592)
Other segment items			
Depreciation and amortisation	(39,190)	–	(39,190)
Finance income	398	9	407
Finance costs	(4,390)	(30)	(4,420)

Information about major customers

There are no single external customers who contributed to more than 10% of the revenue of the Group during the six months ended 30 June 2024 (2023: same).

Notes to the Condensed Consolidated Financial Statements

3 SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities

At 30 June 2024

	Operation of restaurants HK\$'000 (Unaudited)	Catering management and consultancy services HK\$'000 (Unaudited)	Unallocated HK\$'000 (Unaudited)	Elimination HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Segment assets	352,523	94,753	4,613	(148,562)	303,327
Segment liabilities	312,554	67,352	2,777	(148,562)	234,121

At 31 December 2023

	Operation of restaurants HK\$'000 (Audited)	Catering management and consultancy services HK\$'000 (Audited)	Unallocated HK\$'000 (Audited)	Elimination HK\$'000 (Audited)	Total HK\$'000 (Audited)
Segment assets	384,169	94,992	6,226	(152,352)	333,035
Segment liabilities	344,833	66,626	2,584	(152,352)	261,691

Geographical information

The Group's revenue from operation of restaurants is mainly derived from customers in Hong Kong and revenue from catering management and consultancy services is mainly derived from customers in Hong Kong, Macau and the People's Republic of China (the "PRC"). The principal assets of the Group were also located in Hong Kong as at 30 June 2024 and 31 December 2023. Accordingly, no analysis by geographical segment is provided.

Notes to the Condensed Consolidated Financial Statements

4 REVENUE

Revenue represents income from operation of restaurants and catering management and consultancy services.

	For the six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Operation of restaurants, recognised at a point in time	227,229	223,107
Catering management and consultancy services, recognised overtime	1,498	350
	228,727	223,457

5 OTHER GAINS AND INCOME, NET

	For the six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Government grants	–	48
Sundry income	1,359	1,976
Net loss on disposal of property, plant and equipment	–	(254)
Change in cash surrender value of investment in an insurance contract	(588)	–
	771	1,770

Notes to the Condensed Consolidated Financial Statements

6 FINANCE COSTS, NET

	For the six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Finance income		
Interest income	422	115
Imputed interest income on deposit paid	372	292
	794	407
Finance costs		
Interest expenses on bank borrowings	(1,240)	(950)
Interest expenses on lease liabilities	(3,553)	(3,470)
	(4,793)	(4,420)
Finance costs, net	(3,999)	(4,013)

7 INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5%. For the six months ended 30 June 2024 and 2023, tax concession relates to tax reduction of tax payable under two-tiered profits rates regime capped at HK\$165,000 for one of the Hong Kong incorporated entities of the Group.

8 DIVIDEND

No dividend has been paid or declared by the Company for the six months ended 30 June 2024 (2023: nil).

9 LOSSES PER SHARE

(a) Basic

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

	For the six months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)
Loss attributable to owners of the Company (HK\$'000)	(4,352)	(10,929)
Weighted average number of ordinary shares in issues (in thousands)	384,000	384,000
Basic losses per share (HK cents)	(1.13)	(2.85)

Notes to the Condensed Consolidated Financial Statements

9 LOSSES PER SHARE (CONTINUED)

(b) Diluted

Diluted losses per share for the six months ended 30 June 2024 and 2023 were the same as the basic losses per share as there were no potential dilutive ordinary shares.

10 PROPERTY, PLANT AND EQUIPMENT

	Right-of-use assets HK\$'000	Leasehold improvements HK\$'000	Furniture and fixture HK\$'000	Kitchen and operating equipment HK\$'000	Computer equipment HK\$'000	Motor vehicle HK\$'000	Total HK\$'000
At 31 December 2023							
(Audited)							
Cost	428,118	139,048	22,020	16,417	3,912	378	609,893
Accumulated depreciation and impairment	(291,662)	(92,690)	(14,970)	(8,850)	(2,616)	(164)	(410,952)
Net book amount	136,456	46,358	7,050	7,567	1,296	214	198,941
Six months ended							
30 June 2024							
(Unaudited)							
Opening net book amount	136,456	46,358	7,050	7,567	1,296	214	198,941
Additions	14,757	2,323	89	986	822	–	18,977
Lease modification	(23)	–	–	–	–	–	(23)
Depreciation	(35,757)	(7,542)	(1,111)	(1,109)	(365)	(38)	(45,922)
Closing net book amount	115,433	41,139	6,028	7,444	1,753	176	171,973
At 30 June 2024							
(Unaudited)							
Cost	151,190	48,681	7,139	8,553	2,118	214	217,895
Accumulated depreciation and impairment	(35,757)	(7,542)	(1,111)	(1,109)	(365)	(38)	(45,922)
Net book amount	115,433	41,139	6,028	7,444	1,753	176	171,973

Notes to the Condensed Consolidated Financial Statements

11 INTANGIBLE ASSETS

	HK\$'000
At 31 December 2023 (Audited)	
Cost	2,112
Accumulated amortisation	(1,370)
	<hr/>
Net book amount	742
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Six months ended 30 June 2024 (Unaudited)	
Opening net book amount	742
Amortisation charges	(60)
	<hr/>
Net book amount	682
	<hr/>
At 30 June 2024 (Unaudited)	
Cost	2,112
Accumulated amortisation and impairment	(1,430)
	<hr/>
Net book amount	682
	<hr/>

The intangible assets mainly represent the franchise and licensing rights acquired. The intangible assets have estimated useful lives of 10 to 20 years and are amortised on a straight-line basis over the estimated useful lives.

Notes to the Condensed Consolidated Financial Statements

12 INTEREST IN ASSOCIATES

	At 30 June 2024 HK\$'000 (Unaudited)	At 31 December 2023 HK\$'000 (Audited)
Investment in associates	–	–

Movement of interest in associates during the six months ended 30 June 2024 and year ended 31 December 2023 are analysed as below:

	Six months ended 30 June 2024 HK\$'000 (Unaudited)	Year ended 31 December 2023 HK\$'000 (Audited)
At beginning of period	–	438
Share of losses of associates	–	(434)
Currency translation difference, net	–	(4)
At end of period	–	–

13 TRADE RECEIVABLES

As of the end of the reporting period, the ageing analysis of trade receivables based on the invoice date, is as follows:

	At 30 June 2024 HK\$'000 (Unaudited)	At 31 December 2023 HK\$'000 (Audited)
1 to 30 days	5,630	5,159
31 to 60 days	420	318
61 to 90 days	492	658
Over 90 days	2,450	2,742
	8,992	8,877

Notes to the Condensed Consolidated Financial Statements

14 SHARE CAPITAL AND SHARE PREMIUM

	Number of shares of the Company	Share capital HK\$'000	Share premium HK\$'000
Authorised:			
Ordinary share capital of HK\$0.0001 each as at 1 January 2023, 30 June 2023, 1 January 2024 and 30 June 2024	3,800,000,000	380	–
Issued and fully paid:			
At 30 June 2023, 1 January 2024 and 30 June 2024	384,000,000	38	100,980

15 TRADE PAYABLES

As of the end of the reporting period, the ageing analysis of trade payables based on the invoice date, is as follows:

	At 30 June 2024 HK\$'000 (Unaudited)	At 31 December 2023 HK\$'000 (Audited)
1 to 30 days	10,685	12,145
31 to 60 days	9,817	10,029
61 to 90 days	6	4
Over 90 days	315	266
	20,823	22,444

16 BANK BORROWINGS

	At 30 June 2024 HK\$'000 (Unaudited)	At 31 December 2023 HK\$'000 (Audited)
Current		
Bank borrowings	39,215	43,416

As at 30 June 2024, the Group's bank borrowings were secured by corporate guarantees given by the Company (31 December 2023: same) and pledged bank deposits of HK\$2,053,000 (31 December 2023: HK\$5,076,000).

As at 30 June 2024, certain banking facilities available to the Group were secured by a personal guarantee provided by the controlling shareholder (31 December 2023: same) and an investment in an insurance contract with a carrying amount of HK\$2,332,000 (31 December 2023: nil).

Notes to the Condensed Consolidated Financial Statements

16 BANK BORROWINGS (CONTINUED)

The weighted average effective interest rate of the bank borrowings as at 30 June 2024 was 5.8% per annum (31 December 2023: 4.9% per annum).

According to the repayment schedule of the bank borrowings, without considering the repayable demand clause, bank borrowings were repayable as follows:

	At 30 June 2024 HK\$'000 (Unaudited)	At 31 December 2023 HK\$'000 (Audited)
Within 1 year	8,822	8,497
Between 1 and 2 years	9,362	9,058
Between 2 and 5 years	21,031	24,356
Over 5 years	–	1,505
	39,215	43,416

17 RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in these unaudited condensed consolidated interim financial information, the Group had the following transactions with related parties:

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Lease payment (Note (a))		
— Perfect Win Properties Limited	–	914
— Barrowgate Limited	8,544	11,541

Note:

- (a) Lease payment is charged in accordance with the agreement entered into between the relevant parties.

Management Discussion and Analysis

The Group is a Hong Kong-based restaurant operation and management group that offers a variety of specialty cuisines in restaurants designed by award-winning interior and lighting designers.

During the Six-Month Review Period, the Group had been principally engaged in operating full service restaurants under various brands and was dedicated to serving quality Japanese, Thai, Vietnamese, Shanghainese and Italian cuisines to different customers. The Group had also established its own Original Equipment Manufacturer (OEM) brand, “Homee Gourmet (家嘗菜)” during the Six-Month Review Period. In addition to the restaurant operation business, the Group also provided restaurant management and consultancy services in Hong Kong, Macau and the PRC.

BUSINESS REVIEW

During the Six-Month Review Period, we (1) opened one new restaurant in Hong Kong, namely Modern Shanghai Imperial restaurant at The LOHAS in Tseung Kwan O; and (2) closed one restaurant upon expiration of the lease, namely Hokkaidon at Cityplaza in Taikoo Shing. None of our restaurants had undergone any significant renovation.

As at 30 June 2024, the Group had a total of thirteen restaurants under five self-owned brands in Hong Kong, namely, Akanoshou, An Nam, Modern Shanghai, Modern Shanghai Imperial and 10 Shanghai and three franchised or sub-licensed brands, namely, Mango Tree, Gonpachi and Paper Moon.

Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

During the Six-Month Review Period, approximately 99.8% of the Group's revenue was generated from the operation of restaurants in Hong Kong and approximately 0.2% of the Group's revenue was generated from the pre-opening consultancy and restaurant management services. As at 30 June 2024, the Group was operating thirteen (2023: twelve) restaurants, of which one (2023: one) restaurant was newly opened and one (2023: two) restaurant was closed down during the Six-Month Review Period in Hong Kong.

The revenue increased by approximately 2.4% from approximately HK\$223.5 million for the six months ended 30 June 2023 to approximately HK\$228.7 million for the Six-Month Review Period.

The Group's restaurants served mainly five different cuisines during the Six-Month Review Period. The table below sets forth a breakdown of the Group's revenue generated by operation of restaurants by type of cuisine and as a percentage of total revenue generated by operation of restaurants for the periods indicated:

	For the six months ended 30 June			
	2024		2023	
	Revenue HK\$'000	% of total revenue (%)	Revenue HK\$'000	% of total revenue (%)
Shanghainese	103,006	45.3	75,249	33.7
Japanese	55,439	24.4	60,473	27.1
Thai	17,902	7.9	31,230	14.0
Vietnamese	28,294	12.5	30,820	13.8
Italian	22,588	9.9	25,335	11.4
Total	227,229	100.0	223,107	100.0

Shanghainese-style restaurants

The revenue generated from operation of Shanghainese-style restaurants increased by approximately HK\$27.8 million, or approximately 36.9%, from approximately HK\$75.2 million for the six months ended 30 June 2023 to approximately HK\$103.0 million for the Six-Month Review Period. The increase in revenue was mainly attributable to the revenue generated from Modern Shanghai Imperial restaurant at The Wai in Shatin which was opened in late July 2023.

Thai-style restaurants

The revenue generated from operation of Thai-style restaurants decreased by approximately HK\$13.3 million, or approximately 42.7%, from approximately HK\$31.2 million for the six months ended 30 June 2023 to approximately HK\$17.9 million for the Six-Month Review Period. The decrease was mainly due to the closures of Mango Tree restaurant at Cityplaza in Taikoo Shing and Mango Tree Café at Yoho Mall in Yuen Long in April 2023.

Japanese-style restaurants

The revenue generated from operation of Japanese-style restaurants decreased by approximately HK\$5.0 million, or approximately 8.3%, from approximately HK\$60.5 million for the six months ended 30 June 2023 to approximately HK\$55.4 million for the Six-Month Review Period. The decrease was mainly due to the shift in consumer behavior, leaning towards more casual and affordable restaurants.

Management Discussion and Analysis

Vietnamese-style restaurants

The revenue generated from operation of Vietnamese-style restaurants decreased by approximately HK\$2.5 million, or approximately 8.2%, from approximately HK\$30.8 million for the six months ended 30 June 2023 to approximately HK\$28.3 million for the Six-Month Review Period. The decrease was mainly due to the shift in consumer behavior, leaning towards more casual and affordable restaurants.

Italian-style restaurant

The revenue generated from operation of Italian-style restaurant decreased by approximately HK\$2.7 million, or approximately 10.8%, from approximately HK\$25.3 million for the six months ended 30 June 2023 to approximately HK\$22.6 million for the Six-Month Review Period. The decrease was mainly due to the shift in consumer behavior, leaning towards more casual and affordable restaurants.

Major cost components of condensed consolidated statement of comprehensive income

	For the six months ended 30 June			
	2024	% of	2023	% of
	HK\$'000	revenue	HK\$'000	revenue
Cost of inventories sold	57,291	25.0%	60,825	27.2%
Employee benefit expenses	87,615	38.3%	86,481	38.7%
Depreciation and amortisation	45,982	20.1%	41,629	18.6%
Rental expenses	4,676	2.0%	4,477	2.0%
Utilities	6,502	2.8%	5,954	2.7%
Other operating expenses	23,283	10.2%	28,664	12.8%
Finance costs	4,793	2.1%	4,420	2.0%

Cost of inventories sold

The cost of inventories consumed mainly represents the costs of food ingredients and beverages for the operation of the Group's restaurants. The major food ingredients purchased by the Group include, but not limited to, meat, seafood, frozen food, vegetables and beverages. Cost of inventories consumed is one of the major components of the Group's operating expenses which amounted to approximately HK\$57.3 million and HK\$60.8 million for each of the six months ended 30 June 2024 and 2023, respectively, representing approximately 25.0% and 27.2% of the Group's total revenue generated from operation of restaurants for the corresponding periods. The cost of inventories sold as a percentage of revenue decreased through consolidating and expanding the advantages of the supply chain in the food and beverage industry.

Management Discussion and Analysis

Employee benefit expenses

Employee benefit expenses primarily consist of salaries, wages and allowances, pension costs and other employee benefits, and were one of the largest components of the operating expenses of the Group. The employee benefit expenses increased from approximately HK\$86.5 million for the six months ended 30 June 2023 to approximately HK\$87.6 million for the Six-Month Review Period, representing an increase of approximately 1.3% in comparison. The increase in employee benefit expenses was to maintain sufficient staff level for our restaurants during the Six-Month Review Period which is consistent with the growth in the Group's revenue.

The Board recognises the importance of retaining quality staff while believing that the resulting upward pressure on the total employee benefit expenses as a percentage of total revenue could be mitigated by (1) prioritising internal transfers and re-allocations of employees from existing restaurants; (2) increasing productivity of the staff by providing training; and (3) minimising attrition levels by continuing to implement various employee retention initiatives to promote employee loyalty and motivate the employees.

Depreciation and amortisation

The Group recorded depreciation and amortisation of approximately HK\$41.6 million and HK\$46.0 million for the six months ended 30 June 2023 and 2024, respectively for its right-of-use assets, leasehold improvements, furniture and fixtures, catering and other equipment and motor vehicle. The increase in such expenses was mainly contributed by the new leases and additions of property, plant and equipment acquired for two new restaurants as compared to the same period in 2023.

The depreciation charged on the right-of-use assets amounted to approximately HK\$32.9 million and HK\$35.8 million for the six months ended 30 June 2023 and 2024, respectively. The depreciation of the right-of-use assets was charged on a straight-line basis over the lease term. The lease terms of the leased premises are between one to six years, with some lease agreements providing an option for the Group to renew such lease terms, exercisable at our discretion.

The depreciation charged for the leasehold improvements amounted to approximately HK\$6.5 million and HK\$7.5 million for the six months ended 30 June 2023 and 2024, respectively. The depreciation of the leasehold improvements was charged on a straight-line basis over the shorter of six years or the remaining lease terms.

As the Group intends to continue to open new restaurants and expand the restaurant network on a long-term basis, the Board expects that the property rentals and related expenses as well as the depreciation charge on the right-of-use assets will increase generally in the future. Besides, the Board will continue to look for better control in the property, rental and related expenses, such as entering into long-term rental agreements so as to maintain the rentals at a reasonable level.

Rental expenses

The rental expenses for the Six-Month Review Period amounted to approximately HK\$4.7 million, representing an increase of approximately 4.4% as compared with that for the six months ended 30 June 2023 which amounted to approximately HK\$4.5 million. The increase was consistent with the increase in revenue of our restaurants which led to an increase in turnover rent incurred.

Management Discussion and Analysis

Utilities

Utilities primarily consist of electricity, gas and water supplies of the Group. For the six months ended 30 June 2024 and 2023, utilities amounted to approximately HK\$6.5 million and HK\$6.0 million, respectively. As a percentage of revenue, utilities increased slightly from 2.7% during the six months ended 30 June 2023 to 2.8% in the corresponding period in 2024.

Other operating expenses

The other operating expenses represent mainly expenses incurred for our operations, including cleaning expenses, consumables stores, transportation and travelling, credit card commission, entertainment, repair and maintenance, insurance, legal and professional fee and marketing and promotion expenses.

The other operating expenses decreased from approximately HK\$28.7 million for the six months ended 30 June 2023 to approximately HK\$23.3 million for the Six-Month Review Period, representing a decrease of approximately 18.9%. This decrease was mainly attributable to (1) less reinstatement expenses incurred for closing and relocating restaurants; and (2) less marketing expenses incurred for promoting new restaurants. As a percentage of revenue, other operating expenses reduced from 12.8% to 10.2% when compared to the corresponding period in 2023.

Income tax credit

The Group's income tax credit amounted to approximately HK\$0.1 million for the Six-Month Review Period as compared to approximately HK\$1.0 million for the corresponding period in 2023. Such decrease was mainly due to less tax losses recognised which was consistent with the improvement in net profit of the Group.

Finance costs

The Group's finance costs increased from approximately HK\$4.4 million for the six months ended 30 June 2023 to approximately HK\$4.8 million for the Six-Month Review Period. The increase in finance costs was mainly attributable to the increase in bank borrowings in line with the interest rate hike and the finance costs incurred for new leases and lease renewal.

Loss for the period

The Group recorded a loss for the period of approximately HK\$2.6 million for the Six-Month Review Period as compared to approximately HK\$9.6 million for the corresponding period in 2023.

The reduction of loss was mainly attributable to the decreases in other operating expenses and cost of inventories sold. For details, please refer to the sections headed "Other operating expenses" and "Cost of inventories sold" in this report.

The Company will continue to closely monitor the performances of its restaurants, formulate adequate strategies and strike a balance between improving the financial performance of the restaurants and providing decent dining experiences at reasonable prices.

Management Discussion and Analysis

Liquidity and Financial Resources

Capital structure

There was no change in the capital structure of the Group during the Six-Month Review Period.

Cash position

As at 30 June 2024, the cash and cash equivalents of the Group amounted to approximately HK\$62.3 million (31 December 2023: HK\$64.8 million), which were mainly denominated in Hong Kong dollar, representing a decrease of approximately 7.8% as compared to that as at 31 December 2023. The decrease was mainly due to the net cash generated from operating activities netted off by (1) the net cash used in investing activities, which principally represented the payment of property, plant and equipment for the new Modern Shanghai Imperial restaurant at The LOHAS in Tseung Kwan O and the investment in an insurance contract; and (2) the cash used in financing activities, which represented the repayment of bank borrowings and payment of lease liabilities.

Borrowings

As at 30 June 2024, the bank borrowings of the Group, all of which were denominated in Hong Kong dollar, amounted to approximately HK\$39.2 million (31 December 2023: HK\$43.4 million) that bore the weighted average of floating interest rates of approximately 5.8% per annum (31 December 2023: 4.9% per annum). No financial instrument was being used for interest rate hedging purpose.

As at 30 June 2024, the total loans from non-controlling shareholders, which were denominated in Hong Kong dollar, amounted to approximately HK\$7.6 million (31 December 2023: HK\$7.6 million) that were interest-free and repayable when the respective restaurants have achieved net profit/net cash inflow.

Save as disclosed, the Group did not have other borrowings for the Six-Month Review Period.

Pledge and guarantees

As at 30 June 2024, the Group's bank borrowings were secured by corporate guarantees given by the Company (31 December 2023: same) and pledged bank deposits of HK\$2.1 million (31 December 2023: HK\$5.1 million).

As at 30 June 2024, certain banking facilities available to the Group were secured by a personal guarantee provided by the controlling shareholder (31 December 2023: same) and an investment in an insurance contract with a carrying amount of HK\$2.3 million (31 December 2023: nil).

Foreign currency exposures

The Group mainly operates in Hong Kong with most of the transactions settled in Hong Kong dollars during the Six-Month Review Period. No foreign currency hedge was made during the Six-Month Review Period. The Group did not have significant exposure to foreign exchange fluctuation as the management monitors the related foreign currencies closely and will consider hedging for significant foreign currency exposure, if necessary.

Gearing ratio

As at 30 June 2024, the gearing ratio of the Group was approximately 67.6% (31 December 2023: 71.5%). The decrease was attributable to the repayment in bank borrowings during the Six-Month Review Period. The gearing ratio is calculated based on the total borrowings, which include bank borrowings and loan from non-controlling shareholders, divided by the total equity of the Company at the end of the respective period.

Management Discussion and Analysis

Material Acquisitions and Disposals of Subsidiaries and Associates

During the Six-Month Review Period, the Group did not have any material acquisition or disposal of subsidiaries and associates.

Contingent Liabilities

The Group did not have any significant contingent liabilities as at 30 June 2024 (31 December 2023: nil).

Significant Investments Held

During the Six-Month Review Period, there was no significant investment held by the Group.

Capital Commitments

As at 30 June 2024, the Group did not have any capital expenditure contracted for but not yet incurred (31 December 2023: nil).

Information on Employees

The Group has 406 full-time employees and 367 part-time employees respectively as at 30 June 2024. The Group's employment and remuneration policies remained the same as detailed in the Company's annual report for the year ended 31 December 2023.

PRINCIPAL RISKS AND UNCERTAINTIES

The followings are the principal risks and uncertainties faced by the Group, which may materially and adversely affect its business, financial condition or results of operations:

1. During the Six-Month Review Period, the Group generated 100% of our revenue in Hong Kong. If Hong Kong experiences any adverse economic condition due to events beyond our control, such as natural disasters, contagious disease outbreaks, terrorist attacks, a local economic downturn, mass civil disobedience movements or if the local authorities place additional restrictions or burdens on us or on our industry in general, our overall business and results of operations may be materially and adversely affected.
2. Cost of inventories sold, employee benefit expenses and depreciation contributed a majority of the Group's operating cost. The following factors are uncertain and may affect the cost control measures of our Group:
 - a. The Group's business depends on reliable sources of large quantities of food ingredients such as vegetable and meat. The price of food ingredients may continue to rise or fluctuate.
 - b. Minimum wage requirements in Hong Kong which will be reviewed and adjusted periodically.
 - c. As at 30 June 2024, the Group leased all the properties for its restaurants operating in Hong Kong. Therefore, the Group is exposed to risks relating to the commercial real estate rental market, including unpredictable and potentially high occupancy costs.

Management Discussion and Analysis

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this report, the Group did not have other plan for material investments or acquisition of material capital assets as at 30 June 2024. The Group will continue to monitor the industry closely and review its business expansion plans regularly, so as to take necessary measures in the best interests of the Group and the shareholders of the Company (the “Shareholders”).

PROSPECT

Currently, we are operating thirteen restaurants in Hong Kong, comprising nine under our own brands and four under franchise or sub-license arrangements. New Modern Shanghai Imperial restaurant at The LOHAS in Tseung Kwan O was opened in June 2024.

Although the COVID-19 pandemic has subsided and Hong Kong society has largely returned to normalcy, the crisis has catalyzed shifts in consumer dining behaviors and preferences. To proactively address these industry changes, the Group will strategically focus on expanding our “Modern Shanghai Imperial” brand as part of a broader diversification into the mass market dining segment. The “Modern Shanghai Imperial” brand represents the Group’s more casual, accessible and affordable restaurant chain offerings. This positioning aligns with the evolving dining habits of Hong Kong consumers, who have grown increasingly value-conscious and inclined towards flexible, family-friendly dining experiences in the post-pandemic environment.

Complementing our core catering operations, the Group also leverages its deep expertise and extensive industry knowledge to provide comprehensive restaurant pre-opening consultancy and ongoing management consultancy services in Hong Kong, Macau and the PRC. Given the current challenges and uncertainties facing by the Hong Kong catering industry, we believe there is a growing demand for specialized advisory services of this nature. Investors and entrepreneurs who may lack the in-house capabilities to successfully launch and manage restaurant operations can leverage our comprehensive consultancy offerings to overcome these hurdles and achieve their business objectives.

In addition, we target to achieve sustainable growth across multiple product categories and sales channels for our festive products as well as our own proprietary brand name products, “Homee Gourmet (家嘗菜)” which offers Chinese soup pack, Iberico ham, and pre-packaged meals.

As we move forward, we will continue to elevate the quality of our restaurants and assess opportunities for organic growth and investment. Our goal is to optimise our position for sustainable long-term expansion while delivering consistent returns for the Shareholders. We remain steadfast in our commitment to delivering exceptional experiences and maintaining our position in the market.

Corporate Governance and Other Information

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2024, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which have 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 which they were taken or deemed to have under such provisions of the SFO), or which were 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 Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

Name	Capacity/ Nature of Interest	Number of Shares	Long/Short Position	Approximate Percentage of Shareholding in the Company (%)
Wong Chi Wing Kinson ("Mr. Wong")	Interest in controlled corporation (Note 1)	72,000	Long	0.02%

Note:

- (1) 72,000 shares were held by Win Prosper Investments Limited ("Win Prosper") which is wholly and beneficially owned by Mr. Wong. Accordingly, Mr. Wong was deemed to be interested in all the shares held by Win Prosper pursuant to the SFO.

Save as disclosed above, as at 30 June 2024, none of the Directors or the chief executive of the Company had or was deemed to have any interest or short position in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be 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 which they were taken or deemed to have under such provisions of the SFO), or required to be recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

Corporate Governance and Other Information

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this report, at no time during the Six-Month Review Period was the Company or any of its subsidiaries a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2024, to the best knowledge of the Directors, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name	Capacity/ Nature of Interest	Number of Shares	Long/Short Position	Approximate Percentage of Shareholding in the Company (%)
Real Hero Ventures Limited ("Real Hero")	Beneficial owner (Note 1)	274,350,000	Long	71.45%
Cai Weike ("Mr. Cai")	Interest in controlled corporation (Note 1)	274,350,000	Long	71.45%
Zhang Meiyun ("Ms. Zhang")	Interest of spouse (Note 2)	274,350,000	Long	71.45%

Notes:

- (1) Real Hero is an investment holding company incorporated in the British Virgin Islands, which is wholly and beneficially owned by Mr. Cai. Accordingly, Mr. Cai was deemed to be interested in all the shares held by Real Hero by virtue of the SFO.
- (2) Ms. Zhang is the spouse of Mr. Cai and was deemed to be interested in all the shares Mr. Cai was interested in by virtue of the SFO.

Save as disclosed above, as at 30 June 2024, the Directors were not aware of any persons (who were not Directors or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company or the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

Corporate Governance and Other Information

SHARE OPTION SCHEME

The share option scheme (the “**Share Option Scheme**”) was approved by the Shareholders on 6 November 2017 for the purpose of enabling the Group to grant options to selected participants as incentives or rewards for their contribution to our Group. The Directors consider the Share Option Scheme, with its broadened basis of participation, will enable our Group to reward the employees, the Directors and other selected participants for their contributions to our Group.

The Share Option Scheme will be valid and effective for a period as the Board may determine which shall not exceed ten years from the date of grant.

The Share Option Scheme will remain in force for a period of ten years commencing on 6 November 2017. For more details, please refer to the section headed “Statutory and General Information — Share Option Scheme” in Appendix IV of the prospectus of the Company dated 23 November 2017. The remaining life of the Share Option Scheme is approximately 3 years and 2 months.

Up to 30 June 2024, no share option has been granted under the Share Option Scheme. As at 1 January 2024 and 30 June 2024, the total number of shares of the Company in respect of which share options are available for grant under the Share Option Scheme was 32,000,000 ordinary shares, being 10% of the total number of ordinary shares of the Company in issue as at 5 December 2017 (being the date on which the Company’s shares were listed on GEM of the Stock Exchange) and approximately 8.33% of the number of shares of the Company in issue as at the date of this report.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Six-Month Review Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury shares, if any).

DIRECTORS’ INTEREST IN COMPETING BUSINESS

During the Six-Month Review Period, none of the Directors or their respective associates had engaged in or had any interest in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

Corporate Governance and Other Information

CORPORATE GOVERNANCE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the GEM Listing Rules as its own code of corporate governance. The Company has complied with all applicable code provisions under the CG Code throughout the Six-Month Review Period. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

REQUIRED STANDARD OF DEALINGS FOR SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings set out in Rules 5.46 to 5.67 of the GEM Listing Rules as its own code of conduct regarding Directors’ securities transactions. Having made specific enquiries of all the Directors, each of the Directors has confirmed that he/she has complied with the required standard of dealings during the Six-Month Review Period.

The Company has also adopted its own code of conduct regarding employees’ securities transactions with reference to the required standard of dealings for the compliance by its relevant employees who are likely to be in possession of unpublished inside information of the Company in respect of their dealings in the Company’s securities.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL INFORMATION

Pursuant to the requirements of the CG Code and the GEM Listing Rules, the Company has established an audit committee (the “**Audit Committee**”) that comprises three independent non-executive Directors, namely Mr. Huen, Felix Ting Cheung (chairman of the Audit Committee), Mr. Yim Hong Cheuk Foster and Ms. Cheang Ana.

The Audit Committee has reviewed the interim results of the Group for the Six-Month Review Period. The Audit Committee is of the view that the condensed consolidated financial information has been prepared in accordance with the applicable accounting standards, the GEM Listing Rules and the statutory provisions, sufficient disclosures have already been made.

The condensed consolidated financial results of the Group for the Six-Month Review Period are unaudited and have not been audited or reviewed by the Company’s auditors.

Corporate Governance and Other Information

EVENTS AFTER THE REPORTING PERIOD

As disclosed in the announcement of the Company dated 23 July 2024, the Group has renewed the tenancy agreement and the licence agreement in relation to the Modern Shanghai restaurant in Olympian City for three years from 16 July 2024 to 15 July 2027.

Save as disclosed above, the Directors are not aware of any significant event requiring disclosure that has taken place subsequent to 30 June 2024 and up to the date of this report.

DIVIDEND

The Board did not recommend the payment of any dividend for the Six-Month Review Period (2023: nil).

PUBLICATION OF INTERIM REPORT

This report is published on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.1957.com.hk.

By order of the Board

1957 & Co. (Hospitality) Limited

Kwok Chi Po

Chief Executive Officer and Executive Director

Hong Kong, 15 August 2024

As at the date of this report, the executive Directors are Mr. Wong Chi Wing Kinson, Mr. Kwok Chi Po, Mr. Lau Ming Fai, Ms. Tsui Ngan Fun and Ms. Lin Huiqin; the non-executive Director is Mr. Chan Wai Fung; and the independent non-executive Directors are Mr. Yim Hong Cheuk Foster, Mr. Huen, Felix Ting Cheung and Ms. Cheang Ana.

This report will remain on the "Latest Listed Company Information" page of the website of the Stock Exchange at www.hkexnews.hk for at least 7 days from the date of publication and on the website of the Company at www.1957.com.hk.