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**HONG KONG FOOD INVESTMENT HOLDINGS LIMITED**

**香港食品投資控股有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code : 60)**

**ANNOUNCEMENT OF INTERIM RESULTS  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024**

**INTERIM RESULTS**

The board of directors (the “Board”) of Hong Kong Food Investment Holdings Limited (the “Company”) announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 September 2024, as follows:

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		<b>Six months ended</b>	
		<b>30 September</b>	
		<b>2024</b>	<b>2023</b>
		<b>Unaudited</b>	<b>Unaudited</b>
		<b>HK\$'000</b>	<b>HK\$'000</b>
	<i>Notes</i>		
<b>REVENUE</b>	3	<b>99,481</b>	110,582
Cost of sales		<u>(84,203)</u>	<u>(87,651)</u>
Gross profit		<b>15,278</b>	22,931
Other income and gains/(losses), net	3	<b>1,578</b>	(3,465)
Selling and distribution expenses		<b>(13,719)</b>	(21,303)
Administrative expenses		<b>(14,119)</b>	(13,423)
Finance costs	4	<b>(952)</b>	(1,235)
Share of profits and losses of associates		<u><b>6,043</b></u>	<u>9,077</u>
<b>LOSS BEFORE TAX</b>	5	<b>(5,891)</b>	(7,418)
Income tax credit/(expense)	6	<u><b>(574)</b></u>	<u>394</u>
<b>LOSS FOR THE PERIOD</b>		<u><b>(6,465)</b></u>	<u>(7,024)</u>
Attributable to :			
Equity holders of the Company		<b>(6,181)</b>	(7,160)
Non-controlling interests		<u><b>(284)</b></u>	<u>136</u>
		<u><b>(6,465)</b></u>	<u>(7,024)</u>
		<i>HK cents</i>	<i>HK cents</i>
<b>LOSS PER SHARE</b>			
<b>ATTRIBUTABLE TO ORDINARY EQUITY</b>			
<b>HOLDERS OF THE COMPANY</b>			
– Basic and diluted	7	<u><b>(2.38)</b></u>	<u>(2.76)</u>

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 September	
	2024	2023
	Unaudited HK\$'000	Unaudited HK\$'000
<b>LOSS FOR THE PERIOD</b>	<b>(6,465)</b>	<b>(7,024)</b>
<b>OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD</b>		
<i>Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:</i>		
Share of other comprehensive income/(loss) of associates, net of tax	3,443	(18,249)
Exchange differences on translation of foreign operations	1,638	(4,039)
<i>Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods</i>	<b>5,081</b>	<b>(22,288)</b>
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:</i>		
Share of other comprehensive income of associates, net of tax and net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	109	554
<b>OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX</b>	<b>5,190</b>	<b>(21,734)</b>
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b>(1,275)</b>	<b>(28,758)</b>
Attributable to:		
Equity holders of the Company	(991)	(28,894)
Non-controlling interests	(284)	136
	<b>(1,275)</b>	<b>(28,758)</b>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<b>30 September</b>	31 March
	<b>2024</b>	2024
	<b>Unaudited</b>	Audited
<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	33,148	37,984
Right-of-use assets	3,978	12,043
Investment property	13,200	12,615
Investments in associates	377,446	381,015
Deposits	2,889	4,358
Goodwill	2,103	2,103
Financial assets at fair value through profit or loss	10,308	9,315
Deferred tax assets	938	1,460
Total non-current assets	<b>444,010</b>	460,893
<b>CURRENT ASSETS</b>		
Inventories	32,270	43,182
Trade receivables	8 19,938	18,671
Prepayments, deposits and other receivables	4,298	5,838
Due from associates	2,693	2,913
Financial assets at fair value through profit or loss	4,729	4,965
Tax recoverable	403	403
Cash and cash equivalents	84,166	74,575
Total current assets	<b>148,497</b>	150,547
<b>CURRENT LIABILITIES</b>		
Trade and bills payables	9 9,110	10,626
Other payables and accruals	7,466	9,416
Due to associates	906	87
Due to a non-controlling shareholder	3,005	927
Tax payable	454	455
Interest-bearing bank borrowings	22,468	29,709
Lease liabilities	3,787	9,916
Total current liabilities	<b>47,196</b>	61,136
<b>NET CURRENT ASSETS</b>	<b>101,301</b>	89,411
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>545,311</b>	550,304
<b>NON-CURRENT LIABILITIES</b>		
Provision	100	200
Lease liabilities	627	4,147
Deferred tax liabilities	1,317	1,390
Total non-current liabilities	<b>2,044</b>	5,737
Net assets	<b>543,267</b>	544,567

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION** (continued)

	<b>30 September 2024 Unaudited HK\$'000</b>	31 March 2024 Audited HK\$'000
<b>EQUITY</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	117,095	117,095
Reserves	<u>419,726</u>	<u>420,742</u>
	<b>536,821</b>	<b>537,837</b>
<b>Non-controlling interests</b>	<u>6,446</u>	<u>6,730</u>
<b>Total equity</b>	<u><u>543,267</u></u>	<u><u>544,567</u></u>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements are prepared in accordance with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) and the Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The accounting policies and basis of preparation adopted in the preparation of the unaudited condensed consolidated interim financial statements are consistent with those adopted in the preparation of the annual financial statements for the year ended 31 March 2024.

The financial information relating to the year ended 31 March 2024 that is included in the unaudited condensed consolidated interim financial statements for the six months ended 30 September 2024 as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those consolidated financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Company has delivered the consolidated financial statements for the year ended 31 March 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance. The Company’s auditor has reported on the consolidated financial statements. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

In the current period, the Group has adopted, for the first time, a number of revised Hong Kong Financial Reporting Standards (“HKFRSs”), which are effective for accounting periods beginning on or after 1 April 2024.

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current</i> (the “2020 Amendments”)
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i> (the “2022 Amendments”)
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

## 1. ACCOUNTING POLICIES (continued)

The nature and impact of the revised HKFRSs are described below:

- (a) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.
- (b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 April 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

- (c) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure of relevant information for supplier finance arrangements is not required for any interim reporting period during the first annual reporting period in which an entity applies the amendments. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the interim condensed consolidated financial information.

## 2. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments for the period ended 30 September 2024 as follows:

- (a) the trading segment is engaged in the trading of frozen meats, seafood and vegetables in Hong Kong;
- (b) the catering segment is engaged in restaurant operations in Hong Kong; and
- (c) the “others” segment consists of communication and advertising design.

Management monitors the results of the Group’s operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group’s profit/loss before tax except that bank interest income, dividend income and unallocated gains/losses, non-lease-related finance costs, share of profits and losses of associates and corporate and other unallocated expenses are excluded from such measurement.

Segment assets exclude investments in associates, tax recoverable, deferred tax assets, certain items of property, plant and equipment, an investment property, and corporate and other unallocated assets as these assets are managed on a group basis.

Segment liabilities exclude tax payable, deferred tax liabilities and corporate and other unallocated liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.



## 2. OPERATING SEGMENT INFORMATION (continued)

### Six months ended 30 September 2024

	Trading Unaudited HK\$'000	Catering Unaudited HK\$'000	Others Unaudited HK\$'000	Total Unaudited HK\$'000
<b>Segment revenue</b>				
Sales to external customers	81,777	15,977	1,727	99,481
Intersegment sales	3,041	–	4	3,045
	<u>84,818</u>	<u>15,977</u>	<u>1,731</u>	<u>102,526</u>
<i>Reconciliation:</i>				
Elimination of intersegment sales				<u>(3,045)</u>
<b>Total revenue</b>				<u><u>99,481</u></u>
<b>Segment results</b>	(3,430)	(4,615)	652	(7,393)
<i>Reconciliation:</i>				
Bank interest income				648
Unallocated gains				757
Finance costs (other than interest on lease liabilities)				(815)
Share of profits and losses of associates				6,043
Corporate and other unallocated expenses				<u>(5,131)</u>
Loss before tax				<u><u>(5,891)</u></u>

### Six months ended 30 September 2023

	Trading Unaudited HK\$'000	Catering Unaudited HK\$'000	Others Unaudited HK\$'000	Total Unaudited HK\$'000
<b>Segment revenue</b>				
Sales to external customers	81,726	27,310	1,546	110,582
Intersegment sales	4,192	–	39	4,231
	<u>85,918</u>	<u>27,310</u>	<u>1,585</u>	<u>114,813</u>
<i>Reconciliation:</i>				
Elimination of intersegment sales				<u>(4,231)</u>
<b>Total revenue</b>				<u><u>110,582</u></u>
<b>Segment results</b>	(3,652)	(3,159)	901	(5,910)
<i>Reconciliation:</i>				
Bank interest income				758
Unallocated losses				(4,668)
Finance costs (other than interest on lease liabilities)				(958)
Share of profits and losses of associates				9,077
Corporate and other unallocated expenses				<u>(5,717)</u>
Loss before tax				<u><u>(7,418)</u></u>

2. OPERATING SEGMENT INFORMATION (continued)

**As at 30 September 2024**

	<b>Trading Unaudited HK\$'000</b>	<b>Catering Unaudited HK\$'000</b>	<b>Others Unaudited HK\$'000</b>	<b>Total Unaudited HK\$'000</b>
<b>Segment assets</b>	<b>130,987</b>	<b>15,656</b>	<b>6,765</b>	<b>153,408</b>

*Reconciliation:*

Elimination of intersegment receivables				(145)
Investments in associates				377,446
Corporate and other unallocated assets				<u>61,798</u>
Total assets				<u><u>592,507</u></u>

<b>Segment liabilities</b>	<b>38,854</b>	<b>4,158</b>	<b>216</b>	<b>43,228</b>
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*Reconciliation:*

Elimination of intersegment payables				(145)
Corporate and other unallocated liabilities				<u>6,157</u>
Total liabilities				<u><u>49,240</u></u>

**As at 31 March 2024**

	<b>Trading Audited HK\$'000</b>	<b>Catering Audited HK\$'000</b>	<b>Others Audited HK\$'000</b>	<b>Total Audited HK\$'000</b>
<b>Segment assets</b>	<b>134,501</b>	<b>29,935</b>	<b>6,134</b>	<b>170,570</b>

*Reconciliation:*

Elimination of intersegment receivables				(268)
Investments in associates				381,015
Corporate and other unallocated assets				<u>60,123</u>
Total assets				<u><u>611,440</u></u>

<b>Segment liabilities</b>	<b>45,811</b>	<b>13,929</b>	<b>274</b>	<b>60,014</b>
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*Reconciliation:*

Elimination of intersegment payables				(268)
Corporate and other unallocated liabilities				<u>7,127</u>
Total liabilities				<u><u>66,873</u></u>

### 3. REVENUE, OTHER INCOME AND GAINS/(LOSSES), NET

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts. An analysis of revenue, other income and gains/(losses), net is as follows:

	<b>Six months ended 30 September</b>	
	<b>2024</b>	2023
	<b>Unaudited</b>	Unaudited
	<b>HK\$'000</b>	HK\$'000
<b>Disaggregation of revenue</b>		
Sales of goods	81,777	81,726
Restaurant operations	15,977	27,310
Others	1,727	1,546
	<u>99,481</u>	<u>110,582</u>
<b>Timing of revenue recognition</b>		
At a point in time	<u>99,481</u>	<u>110,582</u>
<b>Other income</b>		
Bank interest income	648	758
Gross rental income	943	957
Sundry income	110	–
	<u>1,701</u>	<u>1,715</u>
<b>Gains/(losses), net</b>		
Fair value gains/(losses) on financial assets at fair value through profit or loss, net	757	(4,668)
Gains on disposal of items of property, plant and equipment	–	6
Loss on disposal of equity interest of an associate	(1,336)	–
Foreign exchange difference, net	456	(518)
	<u>(123)</u>	<u>(5,180)</u>
<b>Total losses, net</b>	<u>(123)</u>	<u>(5,180)</u>
<b>Total other income and gains/(losses), net</b>	<u>1,578</u>	<u>(3,465)</u>

#### 4. FINANCE COSTS

An analysis of finance costs is as follows:

	Six months ended 30 September	
	2024	2023
	Unaudited <i>HK\$'000</i>	Unaudited <i>HK\$'000</i>
Interest on bank and trust receipt loans	815	958
Interest on lease liabilities	<u>137</u>	<u>277</u>
	<u><b>952</b></u>	<u><b>1,235</b></u>

#### 5. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging:

	Six months ended 30 September	
	2024	2023
	Unaudited <i>HK\$'000</i>	Unaudited <i>HK\$'000</i>
Cost of inventories sold	84,203	87,651
Depreciation of items of property, plant and equipment	1,401	2,181
Depreciation of right-of-use assets	3,561	5,130
Lease payments not included in the measurement of lease liabilities	4,396	4,520
Impairment of trade receivables	<u>31</u>	<u>205</u>

## 6. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the period, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (2023: HK\$2,000,000) of assessable profits of this subsidiary is taxed at 8.25% (2023: 8.25%) and the remaining assessable profits are taxed at 16.5% (2023: 16.5%).

	<b>Six months ended 30 September</b>	
	<b>2024</b>	<b>2023</b>
	<b>Unaudited</b>	<b>Unaudited</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Current charge for the period		
– Hong Kong	53	178
Deferred	<u>521</u>	<u>(572)</u>
Total tax charge/(credit) for the period	<u><u>574</u></u>	<u><u>(394)</u></u>

The share of tax charge attributable to associates amounting to HK\$3,369,000 (2023: HK\$3,005,000) is included in “Share of profits and losses of associates” in the unaudited condensed consolidated statement of profit or loss.

## 7. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic loss per share amounts is based on the loss for the period attributable to ordinary equity holders of the Company and the number of ordinary shares in issue during the period.

The calculation of the basic and diluted loss per share are based on:

	<b>Six months ended 30 September</b>	
	<b>2024</b>	<b>2023</b>
	<b>Unaudited</b>	<b>Unaudited</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Loss</b>		
Loss attributable to ordinary equity holders of the Company, used in the basic and diluted loss per share calculation	<u><u>(6,181)</u></u>	<u><u>(7,160)</u></u>
	<b>Number of shares</b>	
	<b>2024</b>	<b>2023</b>
	<b>Unaudited</b>	<b>Unaudited</b>
<b>Shares</b>		
Number of ordinary shares in issue during the period used in the basic and diluted loss per share calculation	<u><u>259,586,000</u></u>	<u><u>259,586,000</u></u>

No adjustment has been made to the basic loss per share amounts presented for the six months ended 30 September 2024 and 2023 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during those periods.

## 8. TRADE RECEIVABLES

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally one to three months.

An ageing analysis of the trade receivables as at 30 September 2024 and 31 March 2024, based on the invoice date and net of loss allowance, is as follows:

	<b>30 September 2024 Unaudited HK\$'000</b>	31 March 2024 Audited HK\$'000
Within 1 month	12,488	10,494
1 to 2 months	3,649	1,899
Over 2 months	<u>3,801</u>	<u>6,278</u>
	<b><u>19,938</u></b>	<b><u>18,671</u></b>

## 9. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at 30 September 2024 and 31 March 2024, based on the invoice date, is as follows:

	<b>30 September 2024 Unaudited HK\$'000</b>	31 March 2024 Audited HK\$'000
Within 1 month	7,389	7,521
1 to 2 months	<u>1,721</u>	<u>3,105</u>
	<b><u>9,110</u></b>	<b><u>10,626</u></b>

The trade payables are non-interest-bearing and are normally settled on terms of 30 to 60 days.

## 10. CAPITAL COMMITMENT

No material capital commitment was contracted but not provided for as at 30 September 2024 (31 March 2024: Nil).

## 11. EVENT AFTER REPORTING PERIOD

No material events have occurred after the end of the period under review and up to the date of this announcement.

## **INTERIM DIVIDEND**

The Board does not recommend the payment of any interim dividend for the six months ended 30 September 2024 (2023: Nil).

## **BUSINESS REVIEW AND PROSPECTS**

### **BUSINESS REVIEW**

For the six months ended 30 September 2024, the Group's consolidated revenue was HK\$99,481,000, representing a decrease of 10.0% as compared with HK\$110,582,000 for the corresponding period ended 30 September 2023.

The Group recorded a loss attributable to the equity holders of the Company of HK\$6,181,000, representing a drop of HK\$979,000 as compared with HK\$7,160,000 for the corresponding period last year. It was mainly attributable to the increase in fair value gain arising from the Group's financial assets.

### **Frozen Meats Trading Business**

During the period under review, frozen meats trading remained the main business of the Group. The revenue of frozen meats trading business was HK\$81,777,000, as compared to HK\$81,726,000 of the corresponding period last year.

The frozen meat market remained competitive. Affected by the adverse economic situation, there was significant slowdown of market demand especially from the customers in the restaurant category. The cost of business increased due to severe price competition, rise in storage expenses and increase in finance costs and interest rates. Under such tough situation, our Group had shown resilience and adaptability.

During the period under review, we focused on strengthening the business with existing customers, also on developing new business in overseas markets. We successfully started trading business in the Chinese Mainland and South East Asia. In the future, besides maintaining the existing customers in the local market, we will also explore the Greater China market in order to diversify our business and strive for business opportunities.

The Group had shown persistence and business intelligence, navigating a complex economic landscape marked by fluctuating demand, supply chain challenges, and shifting consumer preferences. Through our robust and reliable supplier network, enhanced commercial execution, improved inventory management and a diversified market positioning, we believe we can situated strategically in the market.

## **BUSINESS REVIEW AND PROSPECTS (continued)**

### **Catering Business**

At the end of the period under review, we had one “Beefar’s” restaurant offering high-quality “Satsuma” brand of Japanese wagyu beef in Japanese BBQ style and one “Gyumai” restaurant offering supreme beef from Japan, Australia and USA in all-you-can-eat Japanese BBQ and hotpot style. The revenue of catering business was HK\$15,977,000, representing a drop of HK\$11,333,000, or 41.5%, as compared to the corresponding period last year.

The food and beverage industry in Hong Kong were undergoing a low tide period. The change of customer behavior had a big impact and became a new challenge to the catering industry in Hong Kong. The recovery in the economy and visitor arrivals in Hong Kong was slower than expected together with the continuous northbound spending, the increase in revenue of the food and beverage industry was restrained. We faced tough time since the beginning of the period under review and the downward trend continued for months. Affected by the market environment, there were strategical reallocation of resources and integration of shops during the year for operation efficiency. We would continue to adopt tight cost control measures and flexible sales strategies to improve business proficiency and gross profit margin.

Facing the weak market sentiment and keen competitions, we faced actively and did promotions in social and digital media, introduced discounted menus and offered new favorites from time to time to attend to the customers’ demand. In the second half year, we will continue to introduce more value for money menu and increase the variety of selection in menu to increase our competitiveness. In the meanwhile, we would take a more prudent and stringent approach on cost saving in not only labour but also the food cost by closely monitoring the product mix and the whole supply chain of ingredients.

### **Other Businesses**

For the period under review, the revenue from the segment of communication and advertising design was HK\$1,727,000, grew by 11.7% from HK\$1,546,000 of previous period and the segment recorded a profit of approximately HK\$652,000 as compared to HK\$901,000, the corresponding period last year.

While the economic environment remained challenging, the Group delivered growth in overall turnover by utilizing our robust portfolio and recognition from the existing customers. However, the keen competition and economic uncertainty affected our profit. We would focus on capturing the new opportunities in the market and also within our Group and extending our scope of services to cover more social and digital media related projects.



## **BUSINESS REVIEW AND PROSPECTS (continued)**

### **Food Business Investment**

The Group is holding approximately 29.53% (as at 30 September 2023: 29.99%) equity interest of Four Seas Mercantile Holdings Limited (“FSMHL”) as a strategic investment in the food business.

During the period under review, FSMHL’s revenue recorded a decline compared to the corresponding period of the previous year. This was largely due to the ongoing weakening of the retail market and the overall consumer market, and the depreciation of both the Renminbi and the Japanese Yen against the Hong Kong Dollar. FSMHL maintained resilience despite the global economic challenges due to its diversified product lines and strategic initiatives. In the coming year, FSMHL will strengthen its presence in Hong Kong with new headquarters and flagship stores, expend e-commerce and international food supply in the Chinese Mainland and leverage opportunities in the Japanese market.

FSMHL achieved revenue of HK\$1.72 billion and profit attributable to equity holders of approximately HK\$20.5 million for the period under review. For the six months ended 30 September 2024, the Group’s share of profits from FSMHL was HK\$6,043,000, representing a decrease of HK\$3,034,000, or 33.4% as compared to the same period last year.

### **PROSPECTS**

In facing the market uncertainties, the Group will continue and persistently move forward, to attend the various changes and challenges flexibly. We are endeavored to strengthen our co-operation with suppliers and explore new customers, as to utilize and keep up our competitive advantage. At the same time, we will emphasize on cost control, to keep abreast of the market trend and respond quickly. Regarding to the influence of the macro-environment, on impacts such as the global economic slowdown, high cost of capital, rising costs and other challenges, we will carry on to pay close attention and respond proactively with strategies, in continue to provide the quality food and catering experience to our customers.

### **LIQUIDITY AND FINANCIAL RESOURCES**

The Group generally finances its operations with internally generated cash flows and facilities granted by its principal bankers. As at 30 September 2024, the Group had banking facilities of HK\$200,753,000 of which 11% had been utilised. The Group had a gearing ratio of 4% as at 30 September 2024. This is expressed as the total interest-bearing bank borrowings to equity attributable to equity holders of the Company. Bank borrowings of the Group, denominated in Hong Kong dollars, are mainly trust receipt loans (the “Interest-Bearing Bank Borrowings”) at prevailing market interest rates. The Interest-Bearing Bank Borrowings which are classified as current liabilities are repayable within one year. As at 30 September 2024, the Group held cash and cash equivalents of HK\$84,166,000. The Group has no significant contingent liabilities and no charges on the Group’s assets during the period under review.

### **STAFF EMPLOYMENT**

The total number of employees of the Group as at 30 September 2024 was 47. Remuneration packages are generally structured by reference to market terms and individual qualifications. Salaries and wages are normally reviewed annually based on performance appraisals and other relevant factors.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2024.

## **CORPORATE GOVERNANCE**

The Company and management are committed to maintaining good corporate governance with an emphasis on the principles of transparency, accountability and independence to all shareholders of the Company. The Company believes that good corporate governance is essential to continuous growth and enhancement of shareholders' value. The Company periodically reviews its corporate governance practices with reference to the latest development of corporate governance. The Company has applied the principles of and complied with the code provisions of the Corporate Governance Code as set out in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") during the period ended 30 September 2024.

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules as the Company's code of conduct regarding securities transactions by directors of the Company (the "Code of Conduct"). Having made specific enquiry of all directors of the Company, the directors have confirmed that they have complied with the required standard of dealings as set out in the Code of Conduct throughout the six months ended 30 September 2024.

The Company has also established the Code for Securities Transactions by the Relevant Employees (the "Employees Code") on no less exacting terms than the Model Code for securities transactions by the employees who are likely to be in possession of inside information of the Company. No incident of non-compliance of the Employees Code by the employees was noted by the Company throughout the six months ended 30 September 2024.

## **AUDIT COMMITTEE**

The audit committee of the Company (the "Audit Committee") comprises all the three independent non-executive directors, namely Mr. CHEUNG Wing Choi (Chairman of the Audit Committee), Mr. LAN Yee Fong, Steve John and Mr. WONG, Louis Chung Yin. The Audit Committee has reviewed the unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 September 2024 and discussed with the management on the accounting principles and practices adopted by the Group, internal controls and financial reporting matters.

## **PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

This announcement is published on the website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's website at [www.hongkongfoodinvestment.com.hk](http://www.hongkongfoodinvestment.com.hk).

The interim report of the Company for the six months ended 30 September 2024 containing information required by the Listing Rules will be published on the above websites and will be despatched to the shareholders of the Company upon request of the shareholders.

## **APPRECIATION**

The Board would like to express its sincere appreciation to the shareholders, business partners and staff for their continuous support to the Group.

On behalf of the Board  
**Hong Kong Food Investment Holdings Limited**  
**TAI Chun Kit**  
*Chairman*

Hong Kong, 29 November 2024

*As at the date of this announcement, the executive directors of the Company are Mr. TAI Chun Kit, Mr. TSE Siu Wan and Ms. WONG, Anita Ting Yuk; the non-executive director of the Company is Mr. TAI Tak Fung, Stephen; and the independent non-executive directors of the Company are Mr. LAN Yee Fong, Steve John, Mr. CHEUNG Wing Choi and Mr. WONG, Louis Chung Yin.*