

TASTY CONCEPTS HOLDING LIMITED

(Incorporated in the Cayman Islands with limited liability)



賞之味控股有限公司

Stock Code: 8096

INTERIM REPORT

2024/2025

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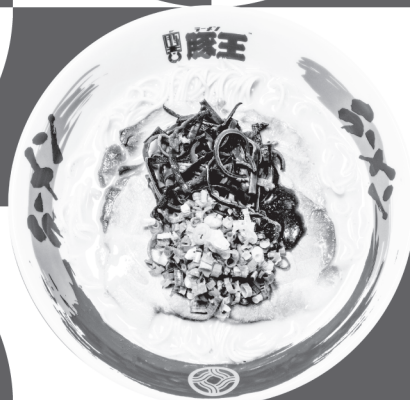
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*This report, for which the directors (the “**Directors**”) of Tasty Concepts Holding Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) collectively and individually accept full responsibility, includes particulars given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

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Director:

Ms. Sung Kwan Wun

Independent Non-executive Directors:

Ms. Kanlaya Bunphor

Ms. Li Mingrong

Mr. Lui Sze Ho

BOARD COMMITTEES

Audit Committee

Mr. Lui Sze Ho (*Chairman*)

Ms. Kanlaya Bunphor

Ms. Li Mingrong

Remuneration Committee

Ms. Li Mingrong (*Chairman*)

Ms. Kanlaya Bunphor

Mr. Lui Sze Ho

Nomination Committee

Ms. Li Mingrong (*Chairman*)

Ms. Kanlaya Bunphor

Mr. Lui Sze Ho

COMPANY SECRETARY

Mr. Man Yun Wah

AUTHORISED REPRESENTATIVES

Ms. Sung Kwan Wun

Mr. Man Yun Wah

AUDITOR

McMillan Woods (Hong Kong) CPA Limited

24/F, Siu On Centre

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Hong Kong

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BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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PRINCIPAL BANK

The Hongkong and Shanghai Banking Corporation Limited

COMPANY'S WEBSITE

www.butaoamen.com

STOCK CODE

8096

FINANCIAL HIGHLIGHTS

- The Group's revenue for the six months ended 30 September 2024 was approximately HK\$12.5 million, representing a decrease of approximately 46.7% when compared with that of the corresponding period in 2023.
- Loss for the six months ended 30 September 2024 attributable to owners of the Company was approximately HK\$3.5 million, representing a decrease of approximately 7.9% when compared with that of the corresponding period in 2023.
- The board (the "**Board**") of Directors did not recommend payment of any dividend for the six months ended 30 September 2024 (2023: Nil).



CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and six months ended 30 September 2024

	Notes	For the six months ended 30 September	
		2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Revenue	4	12,496	23,462
Cost of inventories		(3,661)	(6,393)
Other income	5	124	86
Other gain/(loss)	5	1	(2)
Staff costs		(4,654)	(10,096)
Rental and related expenses		(1,584)	(1,214)
Depreciation expenses		(1,669)	(3,591)
Other operating expenses		(4,474)	(5,514)
Finance costs	6	(104)	(419)
Loss before taxation	7	(3,525)	(3,681)
Income tax	8	–	–
Loss for the period		(3,525)	(3,681)
Other comprehensive (expense)/income for the period			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on the translation of foreign operations		(66)	34
Total comprehensive expense for the period		(3,591)	(3,647)
(Loss)/profit for the period attributable to:			
– owners of the Company		(3,456)	(3,754)
– non-controlling interests		(69)	73
		(3,525)	(3,681)
Total comprehensive (expense)/income for the period attributable to:			
– owners of the Company		(3,522)	(3,720)
– non-controlling interests		(69)	73
		(3,591)	(3,647)
Loss per share			(Restated)
Basic and diluted (HK cents)	10	(1.80)	(6.78)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

	Notes	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
Non-current assets			
Property and equipment	11	13,263	9,677
Right-of-use assets	11	3,227	2,142
Intangible assets		–	–
Deposits and prepayments	12	2,046	4,432
		18,536	16,251
Current assets			
Inventories		54	199
Trade and other receivables, deposits and prepayments	12	7,399	7,403
Bank balances and cash		5,808	13,257
		13,261	20,859
Current liabilities			
Trade and other payables and accruals	13	3,910	6,448
Amount due to a shareholder		7,270	7,270
Lease liabilities		2,688	2,643
Tax payable		75	75
Provisions		238	321
		14,181	16,757
Net current (liabilities)/assets		(920)	4,102
Total assets less current liabilities		17,616	20,353
Non-current liabilities			
Lease liabilities		966	167
Provisions		80	25
		1,046	192
Net assets		16,570	20,161
Capital and reserves			
Share capital	14	19,250	19,250
Reserves		(560)	2,962
Equity attributable to owners of the Company		18,690	22,212
Non-controlling interests		(2,120)	(2,051)
Total equity		16,570	20,161

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2024

	Attributable to owners of the Company						Sub-total HK\$'000	Non- controlling interests HK\$'000	Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000 (Note (i))	Statutory reserve HK\$'000 (Note (ii))	Translation reserve HK\$'000	Accumulated losses HK\$'000			
At 1 April 2023 (audited)	5,500	69,955	9,107	26	26	(80,825)	3,789	(2,058)	1,731
(Loss)/profit for the period	-	-	-	-	-	(3,754)	(3,754)	73	(3,681)
Other comprehensive income for the period	-	-	-	-	34	-	34	-	34
Total comprehensive income/(expense) for the period	-	-	-	-	34	(3,754)	(3,720)	73	(3,647)
At 30 September 2023 (unaudited)	5,500	69,955	9,107	26	60	(84,579)	69	(1,985)	(1,916)
At 1 April 2024 (audited)	19,250	82,705	9,107	26	82	(88,958)	22,212	(2,051)	20,161
Loss for the period	-	-	-	-	-	(3,456)	(3,456)	(69)	(3,525)
Other comprehensive expense for the period	-	-	-	-	(66)	-	(66)	-	(66)
Total comprehensive (expense)/income for the period	-	-	-	-	(66)	(3,456)	(3,522)	(69)	(3,591)
At 30 September 2024 (unaudited)	19,250	82,705	9,107	26	16	(92,414)	18,690	(2,120)	16,570

Notes:

(i) Other reserve comprised:

- (a) a credit to other reserve of approximately HK\$2,050,000 arising from acquisition of remaining 40% equity interest in Butao Ramen International Holdings Limited ("**Butao Ramen BVI**"), which 60% equity interest in Butao Ramen BVI was held by Butao Ramen Limited ("**Butao Ramen**"), a wholly-owned subsidiary of the Company, at a cash consideration of HK\$1 on 31 July 2014. Upon the completion of such transaction, Butao Ramen BVI became the wholly-owned subsidiary of Butao Ramen until 31 March 2015 and its entire equity interest was disposed of to Mr. Tang Chun Ho Chandler ("**Mr. C Tang**");
- (b) a credit to other reserve of approximately HK\$3,194,000 arising from the subscription of 9% equity interest in Butao Global Limited ("**Butao Global**"), a wholly-owned subsidiary of the Company, by a pre-IPO Investor (the "**Pre-IPO Investor**") at a cash consideration of HK\$6,000,000 on 3 July 2018 and resulting recognition of a non-controlling interest of approximately HK\$2,799,000; and
- (c) a credit to other reserve of HK\$3,863,000 arising from the acquisition of 9% equity interest in Butao Global from the pre-IPO Investor at a consideration of 900 shares of the Company on 21 February 2019.

(ii) In accordance with statutory requirements in the People's Republic of China (the "**PRC**"), subsidiaries registered in the PRC are required to transfer a certain percentage of the annual net profit from retained profits to the statutory reserve, until the statutory reserve is accumulated up to 50% of its registered capital. Under normal circumstances, the statutory reserve is not allowed to be distributed to the subsidiaries' shareholders as dividends. The statutory reserve shall only be used for offsetting accumulated losses, capitalisation into paid-in capital and expansion of its production and operations.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2024

	For the six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
OPERATING ACTIVITIES		
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES	(4,773)	1,532
INVESTING ACTIVITIES		
Payment for purchase of property and equipment	(724)	(86)
Interest received	53	55
Others	-	(139)
NET CASH USED IN INVESTING ACTIVITIES	(671)	(170)
FINANCING ACTIVITIES		
Payment of lease liabilities	(1,906)	(3,740)
Interests paid	(104)	(419)
Repayment of bank borrowings	-	(149)
Advance from a shareholder	-	1,911
Others	-	56
NET CASH USED IN FINANCING ACTIVITIES	(2,010)	(2,341)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(7,454)	(979)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE REPORTING PERIOD	13,257	6,594
Effect of foreign exchange rate changes	5	35
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD, represented by bank balances and cash	5,808	5,650

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2024

1. GENERAL

Tasty Concepts Holding Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability on 23 July 2018 under the Companies Act, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The shares of the Company were listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 15 March 2019. The addresses of the registered office and the principal place of business of the Company are Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands and G/F, Fortuna Building, 63-69 Wellington Street, Central, Hong Kong respectively.

The Company is an investment holding company and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in operation of restaurants in Hong Kong.

The unaudited condensed consolidated interim financial information for the six months ended 30 September 2024 is presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company.

2. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial information of the Group for the six months ended 30 September 2024 has been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), as well as with the applicable disclosure requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange.

The preparation of an unaudited condensed consolidated interim financial information in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The unaudited condensed consolidated interim financial information contains condensed consolidated financial statements and selected explanatory notes. The notes include explanations of events and transactions that are significant to an understanding of the changes in consolidated financial position and consolidated financial performance of the Group since the consolidated financial statements for the year ended 31 March 2024. These condensed consolidated interim financial information and notes thereon do not include all of the information required for the preparation of full set of consolidated financial statements in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA and should be read in conjunction with the consolidated financial statements for the year ended 31 March 2024.

The accounting policies and method of computation adopted in the preparation of the unaudited condensed consolidated interim financial information are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 March 2024, except as described in note 3.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2024

2. BASIS OF PREPARATION *(Continued)*

GOING CONCERN CONSIDERATION

For the six months ended 30 September 2024, the Group incurred a net loss of approximately HK\$3,525,000 and, as at 30 September 2024, the Group had net current liabilities of approximately HK\$920,000. These events or conditions indicate the existence of a material uncertainty which might cast significant doubt on the Group's ability to continue as a going concern.

Nevertheless, the condensed consolidated interim financial information of the Group has been prepared on the going concern basis as the directors of the Company are of the view that the Group will have sufficient working capital to finance its operations and to fulfill its financial obligations as and when they fall due at least in the coming twelve months from 30 September 2024, after taking into consideration the followings:

- (a) The directors of the Company are working closely with the lawyers engaged by the Group for negotiating with the plaintiffs for the settlement arrangement of the claims and litigations arisen from arrears rents and related expenses. As at 30 September 2024, provision has been recorded in relation to the claims, and details of the claims are set out in note 16;
- (b) Mr. C Tang, being one of the shareholder of the Company with advance to the Group of approximately HK\$7,270,000 as at 30 September 2024, has agreed not to demand for any payment from the Group within the next twelve months from 30 September 2024; and
- (c) The directors of the Company will continue to implement comprehensive policies to monitor cash flows through cutting costs and capital expenditure.

The directors of the Company consider that, after taking into account the above-mentioned measures, the Group will have sufficient working capital to satisfy its present requirements for at least the next twelve months from 30 September 2024. Accordingly, the condensed consolidated interim financial information has been prepared on a going concern basis.

Notwithstanding the above, a material uncertainty exists as to whether the Group is able to achieve its measures as described above, which incorporate assumptions about future events and conditions that are subject to inherent uncertainties. Should the Group be unable to achieve the above measures such that it would not be continued as a going concern, adjustments would have to be made to reduce the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, where applicable. The effect of these adjustments has not been reflected in this condensed consolidated interim financial information.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2024

3. ADOPTION OF THE AMENDMENTS TO HKFRSs

In the current interim period, the Group has applied, for the first time, the following amendments to HKFRSs and Interpretation which are effective for the Group's financial year beginning 1 April 2024:

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

The application of the amendments to HKFRSs and Interpretation in the current interim period has had no material impact on the Group's consolidated financial positions and financial performance for the current and prior periods and/or on the disclosures set out in these unaudited condensed consolidated interim financial information.

4. REVENUE AND SEGMENT INFORMATION

REVENUE

Revenue represents the fair value of amounts received and receivables for services provided and goods sold, net of discount, during the six months ended 30 September 2024.

	For the six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Revenue from contracts with customers within the scope of HKFRS 15		
Recognised at a point in time:		
Operation of restaurants in Hong Kong Special Administrative Region ("HKSAR") of the PRC	11,502	21,581
Sales of food and related products	495	1,286
	11,997	22,867
Recognised over time:		
Royalty fee income from franchisees (note (i))	485	591
License fee income from a licensee (note (ii))	14	4
	499	595
	12,496	23,462

Notes:

(i) Royalty fee income is calculated with reference to the revenue of the restaurant run by the franchisees.

(ii) License fee income is calculated with reference to the production volume of the licensed products produced by the licensee.

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its revenue such that no information related to the account of transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) has been disclosed.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2024

4. REVENUE AND SEGMENT INFORMATION *(Continued)*

SEGMENT INFORMATION

The Group is principally engaged in operation of restaurants in Hong Kong. This operating segment has been identified on the basis of internal management reports prepared in accordance with the Group's accounting policies. The executive director of the Company has been identified as the chief operating decision maker (the "CODM"). The CODM reviews the Group's revenue analysis by geographical location in order to assess performance and allocation of resources.

Other than revenue analysis, no operating results or other discrete financial information is available for the assessment of performance and allocation of resources. The CODM reviews the results of the Group as a whole to make decisions. Accordingly, other than entity-wide information, no analysis of this single operating segment is presented.

Geographical information

The Group's current operations are mainly located in the HKSAR. Information about the Group's revenue from external customers is presented based on the location of the customers. Information about its non-current assets (excluding deposits) by geographical location of assets is detailed below:

	Revenue		Non-current assets	
	For the six months ended		As at	As at
	30 September			
	2024	2023	2024	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
The HKSAR	11,516	21,585	17,190	14,685
The PRC, excluding the HKSAR and Macau Special Administrative Region ("Macau")	-	47	-	-
Macau	980	1,830	-	-
	12,496	23,462	17,190	14,685

Information about major customers

No individual customer accounted for over 10% of the Group's total revenue for the six months ended 30 September 2024 and 2023.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2024

5. OTHER INCOME AND OTHER GAIN/LOSS

	For the six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
<u>Other income:</u>		
Rental concessions	-	16
Interest income	53	55
Others	71	15
	124	86
<u>Other gain/loss:</u>		
Net foreign exchange gains/(losses)	1	(2)

6. FINANCE COSTS

	For the six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Interests on lease liabilities	104	418
Interests on bank borrowing	-	1
	104	419

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION*For the six months ended 30 September 2024***7. LOSS BEFORE TAXATION**

	For the six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Loss before taxation has been arrived at after charging:		
Directors' emoluments	270	274
Other staff costs:		
– salaries, bonuses and allowances	4,184	9,369
– retirement benefit scheme contributions	200	453
Total staff costs	4,654	10,096
Depreciation of property and equipment	4	388
Depreciation of right-of-use assets	1,665	3,203

8. INCOME TAX

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “**Bill**”) which introduced the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day.

Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of profits of qualifying corporations will be taxed at 8.25%, and profits above HK\$2,000,000 will be taxed at 16.5%. The profits of corporations not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

For the six months ended 30 September 2024 and 2023, Hong Kong Profits Tax is calculated at 8.25% on the first HK\$2,000,000 of the estimated assessable profits of one of the subsidiaries of the Company and at 16.5% on the estimated assessable profits above HK\$2,000,000 of that subsidiary, if any. The profits of subsidiaries not qualified for the two-tier profits tax regime will continue to be taxed at a flat rate of 16.5%.

No provision for Hong Kong Profits Tax has been provided for the subsidiaries of the Group incorporated in Hong Kong for the six months ended 30 September 2024 and 2023 as these subsidiaries did not generate any assessable profit subject to the Hong Kong Profits Tax.

Under the Law of the PRC on EIT (the “**EIT Law**”) and Implementation Regulations of the EIT Law, the tax rate of the PRC subsidiaries is 25% for the six months ended 30 September 2024 and 2023. No PRC EIT has been provided for the subsidiaries of the Group established in the PRC for the six months ended 30 September 2024 and 2023 as these subsidiaries did not generate any assessable profit subject to the PRC EIT.

The Group is not subject to taxation in other jurisdictions.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2024

9. DIVIDEND

No dividend was paid or proposed during the six months ended 30 September 2024 nor has any dividend been proposed since the end of the reporting period (2023: nil).

10. LOSS PER SHARE

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

	For the six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Loss		
Loss for the period attributable to owners of the Company for the purpose of basic and diluted loss per share	(3,456)	(3,754)

	For the six months ended 30 September	
	2024 (Unaudited)	2023 (Unaudited and restated)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share <i>(note)</i>	192,500,000	55,391,738

Note: The weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share for the six months ended 30 September 2023 has been adjusted to take into effect the bonus element on the rights issue completed on 3 October 2023, which 137,500,000 rights shares has been issued at a subscription price of HK\$0.20 per rights share on the basis of five rights share for every two shares of the Company (the "Rights Issue"), as if it had been effective on 1 April 2023.

The diluted loss per share is equal to the basic loss per share as there were no dilutive potential ordinary shares outstanding during the six months ended 30 September 2024 and 2023.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION*For the six months ended 30 September 2024***11. PROPERTY AND EQUIPMENT AND RIGHT-OF-USE ASSETS**

- (a) During the six months ended 30 September 2024, the Group has acquired property and equipment of approximately HK\$3,590,000 (2023: HK\$86,000) in which prepayments for purchase of property and equipment with carrying amount of approximately HK\$2,866,000 as at 31 March 2024 was transferred to property and equipment during the six months ended 30 September 2024 (2023: nil).
- (b) During the six months ended 30 September 2024, the Group entered into leases with the right-of-use assets in respect of leased properties with carrying amount of approximately HK\$2,750,000 (2023: HK\$3,200,000).

12. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
Trade receivables from restaurant operations	229	237
Trade receivables from a franchisee	169	358
Trade receivables from a licensee	19	18
Trade receivables from sales of goods and related products	196	29
Rental deposits	2,944	3,404
Utilities and other deposits	1,916	1,566
Other receivables	1,730	1,407
Prepayments for purchase of property and equipment	–	2,866
Other prepayments	2,242	1,950
Total trade and other receivables, deposits and prepayments	9,445	11,835
Analysed for reporting purpose as:		
Non-current assets	2,046	4,432
Current assets	7,399	7,403
	9,445	11,835

An ageing analysis of the trade receivables from restaurant operations, based on the invoice date, which approximate the revenue recognition date, is as follows:

	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
0-30 days	229	237

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2024

12. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Continued)

An ageing analysis of the trade receivables from a franchisee, based on the invoice date, which approximate the revenue recognition date, is as follows:

	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
0-30 days	–	312
Over 90 days	169	46
	169	358

The ageing analysis of the trade receivables from a licensee, based on invoice date, which approximate the revenue recognition date, is as follows:

	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
Over 90 days	19	18

The ageing analysis of the trade receivables from sales of goods and related products, based on the invoice date, which approximate the revenue recognition date, is as follows:

	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
Over 90 days	196	29

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2024

13. TRADE AND OTHER PAYABLES AND ACCRUALS

	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
Trade payables	629	1,979
Salary payables	192	849
Other payables and accruals	3,089	3,620
	3,910	6,448

An ageing analysis of the trade payables, based on the invoice date, is as follows:

	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
0-30 days	629	1,456
61-90 days	-	295
Over 90 days	-	228
	629	1,979

14. SHARE CAPITAL

Details of the Company's ordinary shares are disclosed as follows:

	Number of shares	Amount HK\$'000
Authorised:		
Ordinary shares of HK\$0.1 each, as at 1 April 2023, 31 March 2024, 1 April 2024 and 30 September 2024	1,000,000,000	100,000
Issued and fully paid:		
Ordinary shares of HK\$0.1 each, as at 1 April 2023	55,000,000	5,500
Rights Issue (<i>note</i>)	137,500,000	13,750
As at 31 March 2024, 1 April 2024 and 30 September 2024	192,500,000	19,250

Note: On 3 October 2023, the Company completed the Rights Issue of 137,500,000 rights shares at a subscription price of HK\$0.20 per each rights share on the basis of five rights shares for every two shares of the Company. The net proceeds from the Rights Issue were approximately HK\$26,500,000, after deducting directly attributable costs of approximately HK\$1,000,000.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2024

15. CAPITAL COMMITMENTS

As at 30 September 2024, the Group did not have any capital commitment (31 March 2024: capital commitment for renovation in progress included in property and equipment of approximately HK\$4,348,000).

16. LITIGATION

During the year ended 31 March 2021, Fu Tong Investment Company Limited ("**Fu Tong**"), being the landlord of the leased restaurant, and Sun Hung Kai Real Estate Agency Limited ("**SHK**"), being the agent of Fu Tong, claimed against Right Direction International Limited ("**Right Direction**"), a wholly-owned subsidiary of the Company, for the unpaid rent and related expenses.

Such claims included (i) rent and other payable of approximately HK\$1,867,000; and (ii) accrued interest of approximately HK\$41,000, after partially set-off by the rental deposit paid previously.

In the opinion of the directors of the Company, with the advice from external legal counsel, sufficient and adequate provision has been made in respect of the such claims, together with the interest accrued, as at 30 September 2024 and 31 March 2024. As at 30 September 2024, the total claims comprised (i) unpaid rent and other payables of approximately HK\$1,867,000 (31 March 2024: HK\$1,867,000) included in other payables and accruals as set out in note 13; and (ii) provision for surcharge and penalty of approximately HK\$213,000 (31 March 2024: HK\$191,000) included in provisions in the condensed consolidated statement of financial position.

17. RELATED PARTY TRANSACTIONS

Saved as disclosed elsewhere in these condensed consolidated interim financial information, the Group had the following transactions with its related parties during the six months ended 30 September 2024:

COMPENSATION OF KEY MANAGEMENT PERSONNEL

The emoluments of the directors of the Company, being the key management personnel, during the six months ended 30 September 2024 were as follows:

	For the six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Short-term benefits	270	274

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the six months ended 30 September 2024 and up to the date of this report, the Group has been principally engaged in operating restaurants in Hong Kong, generating revenue from provision of catering services. Besides, the Group also generates revenue from (i) franchising its own brand to franchisees to operate ramen restaurants in Macau and the PRC and receives royalty fee and consultancy services income and income from sales of food and accessories products to franchisees; and (ii) granting an exclusive licence to a licensee to use the Group's trademarks on licensed products, license fee income is charged based on the production volume.

As at 30 September 2024, the Group operated ramen restaurants and Chinese restaurants in Hong Kong.

FINANCIAL REVIEW

REVENUE

The revenue of the Group decreased by approximately 46.7% from approximately HK\$23.5 million for the six months ended 30 September 2023 to approximately HK\$12.5 million for the six months ended 30 September 2024. The Group ceased the operation of several restaurants due to the expiration of tenancy agreement and the unsatisfactory financial performance which mainly caused by changing consumption patterns of customers.

COST OF INVENTORIES

Cost of inventories decreased by approximately HK\$2.7 million, or approximately 42.7%, from approximately HK\$6.4 million for the six months ended 30 September 2023 to approximately HK\$3.7 million for the six months ended 30 September 2024. The decrease in cost of inventories was in line with the decrease in the revenue. The cost of inventories sold amounted to approximately 27.2% and 29.3% of the Group's total revenue for the six months ended 30 September 2023 and 2024, respectively.

OTHER INCOME

Other income mainly comprised of rental concessions received, imputed interest income and other miscellaneous income.

OTHER GAIN AND LOSS

Other gain and loss represented net exchange losses or gains for the six months ended 30 September 2023 and 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

STAFF COSTS

Staff costs decreased by approximately 53.9% from approximately HK\$10.1 million for the six months ended 30 September 2023 to approximately HK\$4.7 million for the six months ended 30 September 2024. As several restaurants were closed, the staff costs decreased accordingly. Staff costs were the most significant portion of the operating costs, as a percentage of revenue, staff costs amounted to approximately 43.0% for the six months ended 30 September 2023 and approximately 37.2% for the six months ended 30 September 2024.

The Group understands the importance of recruiting the skilled personnel and retaining experienced staff in the highly competitive labour market in order to properly manage the Group's restaurants and interact with the customers, which is critical to maintaining the quality and consistency of the Group's services as well as the brand reputation.

RENTAL AND RELATED EXPENSES

Rental and related expenses represents (i) building management fee, (ii) government rent and rates, (iii) rental for machineries, (iv) contingent rents and (v) other leases for which the lease term ends within twelve months or leases of which the underlying assets are of low value. The rental and related expenses increased by approximately HK\$370,000 or 30.5% for the six months ended 30 September 2024 compared to corresponding period in year 2023.

DEPRECIATION EXPENSES

Depreciation expenses represents depreciation charge for (i) leasehold improvements, (ii) fixtures and equipment and (iii) right-of-use assets of the Group. For the six months ended 30 September 2024, the Group has recorded depreciation of right-of-use assets amounted to approximately HK\$1.7 million (2023: HK\$3.2 million) and depreciation of property and equipment amounted to approximately HK\$4,000 (2023: HK\$0.4 million). The decrease of depreciation expenses amounted to approximately HK\$1.9 million or 53.5% as the Group entered into leases with the right-of-use assets in respect of leased properties near the end of the six months ended 30 September 2024.

OTHER OPERATING EXPENSES

Other operating expenses mainly consist of water, electricity, gas and other utilities expenses, repair and maintenance fee, audit and professional fees, consumables expenses, insurance expenses and handling charges for electronic payment and delivery platforms. Other operating expenses decreased by approximately HK\$1.0 million or 18.9% from approximately HK\$5.5 million for the six months ended 30 September 2023 to approximately HK\$4.5 million for the six months ended 30 September 2024. The decrease was mainly attributed to various cost control measures implemented by the Group. No other expense in 2024 and 2023.

FINANCE COSTS

Finance costs for the six months ended 30 September 2024 mainly represents interests on lease liabilities amounted to approximately HK\$104,000 (2023: HK\$418,000).

MANAGEMENT DISCUSSION AND ANALYSIS

LOSS FOR THE PERIOD

The Group recorded a loss attributable to owners of the Company of approximately HK\$3.5 million for the six months ended 30 September 2024 (2023: HK\$3.8 million). The decrease in loss was primarily due to various cost control measures implemented by the Group.

OUTLOOK

The Group's objective is to provide premium quality "Hakata-Style" Japanese ramen and unforgettable excellent service to the customers. The Group always strive for every possible opportunity to enhance the operation efficiency and profitability of its business. Besides, one of the business strategies of the Group is expanding its network of restaurants by opening new restaurants in suitable and strategic locations in Hong Kong, so as to secure new and additional source of income to the Group. The Group intends to set up new restaurants that offer different style of cuisines in the coming year.

The business of restaurants in Hong Kong continued to recover in 2024. The ongoing recovery of inbound tourism and the Government's various support initiatives shall benefit business of the Group. Yet, the changing consumption patterns of visitors and residents may pose challenges.

The management will keep on monitor the market development and to react in a timely basis. Meanwhile, we will be endeavoring to enhance the quality of the food and providing excellent services to our customers.

The Group will also proactively seek potential business opportunities or cooperation with different potential parties to broaden the sources of income and bringing better return on investment for the shareholders.

LIQUIDITY AND FINANCIAL RESOURCES, CAPITAL STRUCTURE AND GEARING RATIO

The Group financed its business with internally generated cash flows, borrowings and the proceeds received from the rights issue. As at 30 September 2024, the Group's bank balances and cash amounted to approximately HK\$5.8 million, representing a decrease of approximately HK\$7.4 million from approximately HK\$13.3 million as at 31 March 2024. Most of the Group's bank deposits and cash were denominated in HK\$ and Renminbi.

As at 30 September 2024, the Group recorded lease liabilities of approximately HK\$3.7 million (31 March 2024: HK\$2.8 million). The Group did not use any financial instrument for hedging purpose.

As at 30 September 2024, the Group's total current assets and current liabilities were approximately HK\$13.3 million (31 March 2024: HK\$20.9 million) and approximately HK\$14.2 million (31 March 2024: HK\$16.8 million) respectively. The Group's current ratio, calculated by dividing the total current assets over the total current liabilities, was approximately 0.9 times (31 March 2024: 1.2 times). The Group's gearing ratio, calculated as percentage of sum of bank borrowings to the total equity attributable to owners of the Company, was 0% as at 30 September 2024 (31 March 2024: 0%).

TREASURY POLICY

The Directors will continue to follow a prudent policy in managing the Group's bank balances and maintain a strong and healthy liquidity to ensure that the Group is well placed to take advantage of future growth opportunities.

MANAGEMENT DISCUSSION AND ANALYSIS

FOREIGN CURRENCY RISK

During the six months ended 30 September 2024, most of the transactions of the Group were denominated and settled in HK\$ and Renminbi. The Renminbi is not a freely convertible currency. Future exchange rates of the Renminbi could vary significantly from the current or historical exchange rates as a result of the capital controls that could be imposed by the PRC government. The exchange rates may also be affected by economic developments and political changes both domestically and internationally, and also from the demand and supply of the Renminbi. The Group has currently not implemented any foreign currency hedging policy but the management will closely monitor the exposure and consider hedging against significant foreign exchange exposure should the need arise.

CONTINGENT LIABILITIES

The Group has been served a number of litigations and claims. These claims and litigations are arisen from arrears rental and other related expenses of the Group and has been recognised in the other payables and accruals and provisions. Additional interest, surcharge and penalty might be incurred due to the delay in settlement of such payables.

Nevertheless, the management of the Company obtained legal advice, and considered no additional interest, surcharge and penalty required apart from the amounts stated in the other payables and accruals and provisions. As at 30 September 2024, the related amounts included in other payables and accruals and provisions are HK\$1,867,000 and HK\$213,000 (31 March 2024: HK\$1,867,000 and HK\$191,000) respectively.

The management and the legal advisor of the Company have taken collective efforts to resolve these cases. As at the end of the reporting period, the corresponding cases are open and might affect the Group in future.

Except as disclosed elsewhere in this report, the Group did not have any material contingent liabilities, guarantees or any litigations or claims of material importance, pending or threatened against any member of the Group that is likely to have a material and adverse effect on the Group's business, financial condition or results of operations as at 30 September 2024.

CHARGE OF ASSETS

As at 30 September 2024, the Group did not have any mortgages, charges and pledges over the Group's assets (31 March 2024: nil).

DIVIDEND

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

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not have any significant investments, material acquisitions and disposals of subsidiaries and associated companies during the six months ended 30 September 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

SHARE OPTIONS

The Company has conditionally adopted by the resolutions in writing of all the shareholders passed on 21 February 2019 a share option scheme (the “**Share Option Scheme**”). The Share Option Scheme became effective on the listing date (e.g. 15 March 2019). The Share Option Scheme enables the Company to grant share options to any Director, employee or other stakeholders to the Company or any of its subsidiaries, as incentives or rewards for their contributions to the Group. As at 1 April 2024, 30 September 2024 and the date of this report, there was no outstanding share option under the Share Option Scheme. During the six months ended 30 September 2024, no share option was granted, exercised, lapsed or cancelled under the Share Option Scheme. The total number of share options available for grant under the Share Option Scheme was 5,500,000 as at 1 April 2024 and 30 September 2024, representing approximately 2.9% of the issued share capital of the Company as at the date of this report.

SEGMENT INFORMATION

Segmental information is presented for the Group as disclosed on note 4 to the condensed consolidated interim financial information.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this report, the Group did not have other plans for material investments or capital assets as at 30 September 2024.

CAPITAL COMMITMENT

As at 30 September 2024, the Group did not have any capital commitment (31 March 2024: approximately HK\$4.3 million).

HUMAN RESOURCES AND REMUNERATION POLICY

As at 30 September 2024, the Group had a total of 42 employees (2023: 80). The staff costs (included Directors’ emoluments) were approximately HK\$4.7 million for the six months ended 30 September 2024 (2023: HK\$10.1 million). The remuneration package of the employees is determined by various factors such as their working experience and job performance, the market condition, industry practice and applicable employment law. Discretionary bonus based on job performance will be paid to employees as recognition of and reward for their contributions. The Group also maintains the Mandatory Provident Fund Scheme and insurance for its employees in Hong Kong. Various types of trainings were provided to the employees. Share options may also be granted to eligible employees by reference to the Group’s performance as well as individual employees’ contribution.

MANAGEMENT DISCUSSION AND ANALYSIS

USE OF NET PROCEEDS FROM THE RIGHTS ISSUE

During the year ended 31 March 2024, the Company raised fund by way of a rights issue of 137,500,000 rights shares at the subscription price of HK\$0.2 each and on the basis of five (5) rights share for every two (2) shares. The net proceeds raised from the rights issue were approximately HK\$26.5 million. An analysis of the utilisation of the net proceeds is set out below:

Business objective and strategy	Approximately % of net proceeds %	Planned amount HK\$'000	Unutilised net proceeds as at 1 April 2024 HK\$'000	Actual amount utilised during the period HK\$'000	Unutilised net proceeds as at 30 September 2024 HK\$'000
Expansion of restaurant network	64	17,000	8,584	8,584	-
General working capital	36	9,500	-	-	-
	100.0	26,500	8,584	8,584	-

As at 30 September 2024, all of the net proceeds from the rights issue had been utilised as intended. The utilised proceeds has been used for capital expenditures of new restaurants and general working capital.

OTHER INFORMATION

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

As at 30 September 2024, none of the Directors and chief executives of the Company had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they 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 which were required, pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

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

As at 30 September 2024, the following persons/entity (other than the Directors and chief executives of the Company) had or were deemed to have an interest or a short position in the shares or the underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under Section 336 of the SFO, or who were directly or indirectly, to be interests in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group:

Long position in the shares

Name	Capacity/Nature	Number of Shares held/interested	Percentage of shareholding
Goldstone 1 LPF	Beneficial owner	21,155,000	10.99%
Goldstone Wealth Management Limited	Interested in a controlled corporation	21,155,000	10.99%
Lam Yu Chor Paul	Interested in a controlled corporation	21,155,000	10.99%

Notes:

(1) Goldstone 1 LPF is wholly owned by Goldstone Wealth Management Limited and Goldstone Wealth Management Limited is wholly owned by Mr. Lam Yu Chor Paul. By virtue of the SFO, Goldstone Wealth Management Limited and Mr. Lam Yu Chor Paul were deemed to be interested in all the shares held by Goldstone 1 LPF.

Save as disclosed above, as at 30 September 2024, none of the substantial or significant shareholders or other persons, other than the Directors and chief executives of the Company whose interests are set out in the section "Other information – Directors' and chief executives' interests and short positions in shares, underlying shares and debentures" above, had or were deemed to have an interest or a short position in the shares or the underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under Section 336 of the SFO, or who were directly or indirectly, to be interests in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group.

OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

COMPETITION AND CONFLICT OF INTERESTS

None of the Directors, the controlling shareholders of the Company or any of its respective close associates (as defined under the GEM Listing Rules) has engaged in any business that competes or may compete, either directly or indirectly, with the businesses of the Group or has or may have any other conflict of interests with the Group during the six months ended 30 September 2024.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings, as set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for securities transactions by the Directors in respect of the shares of the Company. Having made specific enquiry of all Directors, all Directors have confirmed that they have complied with the required standard of dealings and the code of conduct for securities transactions during the six months ended 30 September 2024.

CORPORATE GOVERNANCE PRACTICE

The Directors are committed to the maintenance of good corporate governance practices and procedures. The Company believes that good corporate governance provides a framework that is essential for effective management, a healthy corporate culture, successful business growth and enhancing shareholders' value. The corporate governance principles of the Company emphasise a quality Board, sound internal controls, and transparency and accountability to all shareholders.

To the best knowledge of the Board, the Company has complied with the code provisions of Corporate Governance Code set out in part 2 of Appendix C1 of the GEM Listing Rules (the "**CG Code**") during the six months ended 30 September 2024.

OTHER INFORMATION

AUDIT COMMITTEE

Pursuant to the GEM Listing Rules, the Company established an audit committee (the “**Audit Committee**”) with written terms of reference aligned with the provision of the code provisions set out in the GEM Listing Rules. The primary duties of the Audit Committee are mainly to review the financial information and reporting process, internal control procedures and risk management system, audit plan and relationship with external auditors and arrangements to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company. As at the date of this report, the Audit Committee comprises Mr. Lui Sze Ho (the chairman of the Audit Committee), Ms. Li Mingrong and Ms. Kanlaya Bunphor, all of whom are independent non-executive Directors.

The Audit Committee has reviewed with the management of the Company on the accounting principles and practices adopted by the Group in preparation of this report and the unaudited condensed consolidated financial results of the Group for the six months ended 30 September 2024. The Audit Committee is of the opinion that such results and report comply with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

By order of the Board
Tasty Concepts Holding Limited
Sung Kwan Wun
Executive Director

Hong Kong, 29 November 2024

As at the date of this report, the Board comprises Ms. Sung Kwan Wun as executive Director; and Mr. Lui Sze Ho, Ms. Kanlaya Bunphor and Ms. Li Mingrong as independent non-executive Directors.