LIFE CONCEPTS

Life Concepts Holdings Limited
生活概念控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8056)

ANNOUNCEMENT OF THE ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2021 AND RESUMPTION OF TRADING

The board of directors of Life Concepts Holdings Limited (the "**Company**" and the "**Board**", respectively) hereby announces the audited consolidated results of the Company and its subsidiaries for the year ended 31 March 2021. This announcement, containing the full text of the 2020/21 annual report of the Company (the "**Annual Report**"), complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**") in relation to information to accompany preliminary announcement of the annual results. The printed version of the Annual Report containing the information required by the GEM Listing Rules will be despatched to the shareholders of the Company on 29 July 2021 in the manner required by the GEM Listing Rules.

RESUMPTION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange had been suspended with effect from 9:00 a.m. on 2 July 2021. As a result of the publication of the annual results announcement, an application has been made to the Stock Exchange for the resumption of trading in the shares of the Company on the Stock Exchange with effect from 9:00 a.m. on 23 July 2021.

By Order of the Board
Life Concepts Holdings Limited
James Fu Bin Lu
Chairman, Executive Director and
Chief Executive Officer

Hong Kong, 22 July 2021

As at the date of this announcement, the Board comprises Mr. James Fu Bin Lu (Chairman and Chief Executive Officer), Mr. Long Hai and Ms. Li Qing Ni as executive Directors; and Mr. Lu Cheng, Mr. Shi Kangping and Mr. Kim Jin Tae as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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 announcement 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 announcement misleading.

This announcement will remain on the "Latest Listed Company Information" page of the GEM website at www.hkgem.com for at least 7 days from the date of its publication. This announcement will also be published on the Company's website at www.lifeconcepts.com.

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

*This report, for which the directors (the **"Directors"**) of Life Concepts Holdings Limited (the **"Company"** and 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 of the Stock Exchange (the **"GEM Listing Rules"**) for the purpose of giving information with regard to the Company and the Group. 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 Directors:

Mr. James Fu Bin Lu *(Chairman and Chief Executive Officer)*
Ms. Li Qing Ni *(appointed with effect from 24 July 2020)*
Mr. Long Hai

Non-executive Director:

Mr. Li Lun *(resigned with effect from 24 July 2020)*

Independent non-executive Directors:

Mr. Lu Cheng
Mr. Kim Jin Tae *(appointed with effect from 14 April 2020)*
Mr. Shi Kangping
Mr. Fei Dingan *(resigned with effect from 10 April 2020)*

COMPLIANCE OFFICER

Mr. Long Hai

AUTHORISED REPRESENTATIVES

Mr. James Fu Bin Lu
Ms. Cheng Lucy

COMPANY SECRETARY

Ms. Cheng Lucy

AUDIT COMMITTEE

Mr. Shi Kangping *(Chairman)*
Mr. Kim Jin Tae
Mr. Lu Cheng

REMUNERATION COMMITTEE

Mr. Lu Cheng *(Chairman)*
Mr. Kim Jin Tae
Mr. Long Hai

NOMINATION COMMITTEE

Mr. James Fu Bin Lu *(Chairman)*
Mr. Lu Cheng
Mr. Shi Kangping

REGISTERED OFFICE

Windward 3, Regatta Office Park
PO Box 1350, Grand Cayman KY1-1108
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Suites 1701-3, 17th Floor
Chinachem Hollywood Centre
1,3,5,7,9,11 and 13 Hollywood Road
Central, Hong Kong

PRINCIPAL SHARE REGISTRARS AND TRANSFER OFFICE

Ocorian Trust (Cayman) Limited
Windward 3, Regatta Office Park
PO Box 1350, Grand Cayman KY1-1108
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited
Room 2103B, 21/F
148 Electric Road
North Point
Hong Kong

LEGAL ADVISER TO THE COMPANY

Sidley Austin

PRINCIPAL BANKER

The Hong Kong and Shanghai Banking Corporation Limited

INDEPENDENT AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor
22/F, Prince's Building
Central
Hong Kong

COMPANY'S WEBSITE

http://www.lifeconcepts.com

GEM STOCK CODE

8056

CHAIRMAN'S STATEMENT

CHAIRMAN'S STATEMENT TO OUR SHAREHOLDERS

On behalf of the board of Directors of the Company (the "**Board**"), I am pleased to present the annual results of the Group for the year ended 31 March 2021.

FINANCIAL RESULTS

For the year ended 31 March 2021, the total revenue of the Group was approximately HK$214.3 million (2020: HK$452.1 million). Loss before income tax was approximately HK$58.5 million (2020: HK$132.2 million) and loss for the year attributable to owners of Company was approximately HK$64.4 million (2020: HK$130.9 million). The decrease in loss was mainly attributable to (i) disposal and closure of certain loss-making restaurants of the Group during the last and the current financial period; (ii) one-off government subsidies, mainly represented the Employment Support Scheme, amounting to approximately HK20.2 million received; and (iii) profit amounting to approximately HK$12.1 million from the new financial institution intermediation services for the year ended 31 March 2021.

BUSINESS REVIEW AND PROSPECTS

Due to the outbreak of the COVID-19 Pandemic in early 2020, the real economy, especially food & beverage business, being one of the principal businesses engaged by the Group, was severely affected. To cope with risks caused by these disadvantages, the Group adjusted its relative business strategies and optimized its cost structure, in order to enhance positive development. Meanwhile, with the objective to enhance our food & beverage business, the Group implemented diversified development strategies in the year, including different kinds of expansion of non-food & beverage business and geographical expansion to regions other than Hong Kong, so as to manage operation risks that may be caused by an upcoming complex market and maintain sustainable development. The development of the Company's food & beverage business and the layout of diversified development are as follows:

The Group was committed to developing its existing food & beverage business. For the year ended 31 March 2021, the Company maintained its focus in serving a variety of cuisines at varying prices under different brands to a diversified customer base in Hong Kong and the People's Republic of China (the "**PRC**"). As at 31 March 2021, the Group is operating 14 restaurants, including full-service restaurants and bakery restaurants. 2 restaurants were newly established or acquired and 4 restaurants had been closed or were disposed of during the year ended 31 March 2021. Restructuring the Group's restaurant portfolios helps to manage its costs and enables the utilization of the Group's available financial resources on other existing restaurants and businesses. In response to the increased awareness of hygiene and growing customer demand led by the COVID-19 Pandemic, some of the Group's restaurants offered delivery service. The Group will continue to review, create and enhance the value of our restaurants in aspects of food freshness, authenticity, food presentation, attitude of waiters and waitress, friendliness, aura of restaurants, decoration and design, in order to deliver the best dining experience to all diners at the Group's restaurants. These efforts lay the foundation for the rebound of performance after resuming of economic activities, which was adversely affected by the COVID-19 Pandemic.

Interior design and fitting-out business carried out in the PRC, is related to interior design proposal and managing and supervising the fitting–out works. Some projects were delayed as influenced by the adverse effect brought by the COVID-19 Pandemic. The Group strives to minimise the impact of adverse factors, in order to maintain our future results.

The size of the organic vegetables consulting business carried out in the PRC under Shanghai Aie Agriculture Technology Company Limited , is currently relatively small with a narrow base of customers.

During the year, the Group launched a business which provides financial institution intermediation services in the PRC. The business is related to matching potential qualified borrowers to financial institutions and facilitating the execution of loan agreements between the parties. During the year ended 31 March 2021, the business generated profit of RMB10.6 million (equivalent to approximately HK$12.1 million).

APPRECIATION

I am thankful to my fellow Board members for their guidance and support. Also I would like to express my sincere gratitude to our valuable shareholders, business partners and customers for their trust and unwavering support to the Group. Finally, I would like to thanks the management team and all the staff member of the Group for their tremendous contribution. With such a dedicated team, I am certain that the Group can overcome the challenges and create greater value for our shareholders in 2021.

James Fu Bin Lu

Chairman

Hong Kong, 22 July 2021

MANAGEMENT DISCUSSION AND ANALYSIS

During the year ended 31 March 2021 and up to the date of this annual report, the Group has been principally engaged in (i) operating a variety of cuisines, mainly Asian, Western, Italian and Chinese, targeting different customer segments with mid to high spending power; (ii) provision of interior design proposals, engaging subcontractors to carry out fitting-out works and coordinating, managing and supervising the fitting-out works in the PRC; (iii) provision of consulting services in relation to organic vegetables research and development, plantation and sales in the PRC; and (iv) provision of financial institution intermediation services in the PRC.

Business Review

Food and Beverage Business

During the year ended 31 March 2021, the Group maintained its focus on serving a variety of cuisines at varying prices under different brands to a diversified customer base in Hong Kong. The Group has kept its strength in striving to uphold its core value, "Value for Money", through providing the customers with a boutique dining experience of quality dishes, attentive service and a relaxing environment.

During the year ended 31 March 2021, the operating results of our restaurants have been negatively impacted by the COVID-19 Pandemic. Certain short-term measures have been undertaken by the government in Hong Kong including but not limited to implementation of travel restrictions, several restrictions in relation to catering business and prohibition on group gathering, which has significantly disrupted the local economy, especially local food and beverage business. As a result, the Company recorded a decrease in revenue for the year ended 31 March 2021.

To cope with the impact of the COVID-19 Pandemic, the Group initiated comprehensive risk study and contingency plan, and communicated with the investors of each project on the progress of the projects in a timely manner. The Group will continue to actively deal with the possible adverse impact of the COVID-19 Pandemic on our business operations. We will also continue to adhere to our professionalism and stick to the bottom line of every investment to protect the funds of our investors and strive to minimise the impact of the COVID-19 Pandemic.

During the year ended 31 March 2021, the Group has established Lupengpeng (Beijing) Catering Management Company Limited (呂朋朋 (北京) 餐飲管理有限公司), a company with shareholding of the Group as to 80% and registered capital of RMB2.5 million. The company has commenced its business in January 2021, and its principal business is operating a hot pot restaurant in the PRC.

Interior Design and Fitting-out Business

During the year ended 31 March 2021, the business suffered operating loss of RMB3.7 million (equivalent to approximately HK$4.3 million) as a contract was suspended temporarily due to the impact of the COVID-19 Pandemic and other factors.

Provision of Organic Vegetables Consulting Services

During the year ended 31 March 2021, the business suffered operating loss of RMB10.4 million (equivalent to approximately HK$11.9 million) as the size of such business of the Group is relatively small with a narrow base of customers at the moment.

Financial Institution Intermediation Services

The Group has laid out a one-stop and professional financial services platform for financial practitioners and financial institutions based on the macro background of China's consistent policy of vigorously supporting small and medium-sized enterprises. Currently, the Group cooperates with financial practitioners and financial institutions to contact potential qualified borrowers through financial practitioners, and then the Group recommends potential qualified borrowers to financial institutions and facilitates both parties to enter into loan agreements, and the financial institutions provide loans to the borrowers. As of 31 March, 2021, the Group facilitated financial institutions to provide a total of RMB642.9 million in loans to borrowers. During the year ended 31 March 2021, the business of the Group generated profits of RMB10.6 million (equivalent to approximately HK$12.1 million).

Financial Review

Revenue

During the year ended 31 March 2021, the Group's revenue was generated from (i) the operation of restaurants in Hong Kong and the PRC; (ii) provision of interior design and fitting-out services in the PRC; (iii) provision of organic vegetables consulting services in the PRC; and (iv) provision of financial institution intermediation services in the PRC. As at 31 March 2021, we had 13 (2020: 16) restaurants in Hong Kong, of which 1 (2020: no restaurant) was newly established and 4 restaurants (2020: 11) had been closed or were disposed of during the year ended 31 March 2021. As at 31 March 2021, we had 1 (2020: nil) restaurant in the PRC, of which 1 (2020: no restaurant) was newly established.

The Group's restaurants served mainly four categories of cuisines during the year ended 31 March 2021. The table below sets forth a breakdown of the Group's revenue generated by (i) operation of restaurants by type of cuisines; (ii) provision of interior design and fitting-out services; (iii) provision of organic vegetables consulting services; and (iv) provision of financial institution intermediation services, and as a percentage of the total revenue during the year ended 31 March 2021.

	For the year ended 31 March			
	2021		2020	
	Revenue (HK$'000)	% of total revenue (%)	Revenue (HK$'000)	% of total revenue (%)
Western style	107,179	50.0	311,176	68.8
Italian style	22,122	10.3	76,980	17.0
Asian style	7,670	3.6	58,782	13.0
Chinese style	777	0.4	—	—
Operation of restaurants	137,748	64.3	446,938	98.8
Provision of interior design and fitting-out services	454	0.2	4,619	1.1
Provision of organic vegetables consulting services	2,056	1.0	590	0.1
Provision of financial institution intermediation services	74,067	34.5	—	—
Total	214,325	100.0	452,147	100.0

Western style restaurants

The revenue generated from operation of Western style restaurants decreased by approximately HK$204.0 million, or approximately 65.6%, from approximately HK$311.2 million for the year ended 31 March 2020 to approximately HK$107.2 million for the year ended 31 March 2021. Such decrease was mainly due to (i) the COVID-19 Pandemic during the year and a result of the implementation of the Prevention and Control of Disease (Requirements and Directions) (Business and Premises) Regulation (Chapter 599F of the laws of Hong Kong); and (ii) the disposal and the closure of certain loss-making restaurants since the anti-extradition bill protests erupted in Hong Kong in June 2019. The disposed or closed Western restaurants of the Group collectively contributed approximately HK$133.0 million to the segment revenue during the year ended 31 March 2020.

Italian style restaurants

The revenue generated from operation of Italian style restaurants decreased by approximately HK$54.9 million, or approximately 71.3%, from approximately HK$77.0 million for the year ended 31 March 2020 to approximately HK$22.1 million for the year ended 31 March 2021. The decrease was resulted from the reasons as mentioned above. The disposed or closed Italian restaurants of the Group collectively contributed approximately HK$38.7 million to the segment revenue during the year ended 31 March 2020.

Asian style restaurants

The revenue generated from operation of Asian style restaurants decreased by approximately HK$51.1 million, or approximately 86.9%, from approximately HK$58.8 million for the year ended 31 March 2020 to approximately HK$7.7 million for the year ended 31 March 2021. The decrease was resulted from the reasons as mentioned above. The disposed or closed Asia restaurants of the Group collectively contributed approximately HK$28.8 million to the segment revenue during the year ended 31 March 2020.

Chinese style restaurants

The revenue generated from operation of the newly-established Chinese style restaurant was approximately HK$0.8 million for the year ended 31 March 2021 (2020: Nil).

Interior design and fitting-out services

The revenue generated from provision of interior design and fitting-out services was approximately HK$0.5 million for the year ended 31 March 2021 (2020: HK$4.6 million). The decrease was mainly attributable to the temporary suspension of a contract because of the impact of the COVID-19 Pandemic.

Provision of organic vegetables consulting services

The revenue generated from provision of consulting services by the Group in relation to organic vegetables research and development, plantation and sales was approximately HK$2.1 million for the year ended 31 March 2021 (2020: HK$0.6 million). The main reason for the increase was that revenue was recorded for the full year ended 31 March 2021, as compared with only four months for the year ended 31 March 2020 (since the Group only completed the subscription of 70% equity interest in Shanghai Aie Agriculture Technology Company Limited* (上海愛娥農業科技有限責任公司) in November 2019).

* *For identification purposes only*

Provision of financial institution intermediation services

The revenue generated from the provision of financial institution intermediation services by the Group was approximately HK$74.1 million for the year ended 31 March 2021 (2020: Nil).

Cost of sales and inventories consumed

The cost of sales mainly represents the costs of provision of financial institution intermediation services. The major component includes corporate service fees.

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 includes, but is not limited to, vegetable, meat, seafood and frozen food.

Cost of sales and inventories consumed is one of the major components of the Group's operating expenses which amounted to approximately HK$38.7 million and HK$111.9 million for the years ended 31 March 2021 and 2020, respectively, representing approximately 18.1% and 24.7% of the Group's total revenue regarding food and beverage business, interior design and fitting-out business, provision of organic vegetables consulting services and provision of financial institution intermediation services for the corresponding period. The decrease in cost of inventories consumed was in consistent with the decrease in revenue.

Loan referral and guarantee expenses

Loan and referral and guarantee expenses, which represents the cost of financial institution intermediation services, including customer service cost and third party guarantee fee, which amounted to approximately HK$45.6 million for the year ended 31 March 2021 (year ended 31 March 2020: Nil), representing approximately 61.6% of the Group's revenue generated from the financial institution intermediation business segment for the year ended 31 March 2021.

Employee benefits expenses

Employee benefits expenses represented one of the major components of the Group's operating expenses, which primarily consisted of Directors' emoluments, salaries, retirement benefit scheme contributions and other benefits.

The employee benefits expenses incurred in the Hong Kong food and beverage business decreased by approximately HK$107.0 million from approximately HK$175.7 million to approximately HK$68.7 million for the years ended 31 March 2020 and 2021, respectively. The decrease was mainly due to the decrease in number of staff for Hong Kong office and restaurants as a result of closed down or disposed of the restaurants, as well as the reduction of headcounts in existing restaurants as a measure of cost control.

The employee benefits expenses incurred in the PRC food and beverage business in the PRC increased by approximately HK$0.3 million from HK$Nil to approximately HK$0.3 million for the years ended 31 March 2020 and 2021, respectively. The increase was due to the newly established restaurant in the PRC.

The employee benefits expenses regarding the interior design and fitting-out, organic vegetables consulting and financial institution intermediation business increased by approximately HK$0.1 million from approximately HK$4.6 million for the year ended 31 March 2020 to approximately HK$4.7 million for the year ended 31 March 2021.

Rental and related expenses

Upon the adoption of Hong Kong Financial Reporting Standards 16 "Leases" ("**HKFRS 16**"), rental expenses were no longer recognised. Instead, depreciation on right-of-use assets was recognised in profit or loss and included in depreciation and amortisation.

Our depreciation expense in respect of right-of-use assets plus rental and related expenses regarding the food and beverage business in Hong Kong amounting to approximately HK$42.8 million for the year ended 31 March 2021. Comparing to the rental and related expenses of approximately HK$99.1 million for the year ended 31 March 2020, the decrease was mainly due to (i) reduction of tenancy agreements entered into upon closure and disposal of restaurants during the current and the last financial year; and (ii) rent concessions from the landlords on the leases of certain restaurants of the Group as a result of the COVID-19 Pandemic.

Our depreciation expense in respect of right-of-use assets plus rental and related expenses regarding the food and beverage business in the PRC amounting to approximately HK$0.3 million for the year ended 31 March 2021. Comparing to the rental and related expenses of approximately HK$Nil for the year ended 31 March 2020, the increase was due to the newly established restaurant in the PRC.

Our depreciation expense in respect of right-of-use assets plus rental and related expenses regarding the interior design, fitting-out business, organic vegetables consulting business and financial institution intermediation business amounting to approximately HK$2.5 million for the year ended 31 March 2021. Comparing to the rental and related expenses of approximately HK$2.8 million for the year ended 31 March 2020, the decrease was due to the relocation to new offices with lower rent during the year ended 31 March 2021.

Other expenses

Other expenses mainly include advertising, cleaning and laundry expenses, credit card commission, packing and printing materials, music performance show, repair and maintenance, legal and professional fee and insurance. During the years ended 31 March 2021 and 2020, the Group recognised other expenses of approximately HK$38.0 million and HK$76.3 million, respectively, representing approximately 17.7% and 16.9% of the Group's total revenue for the corresponding periods. The decrease in other expenses incurred in the reporting period was mainly due to (i) the disposal and the closure of certain loss-making restaurants since the anti-extradition bill protests erupted in Hong Kong in June 2019; (ii) the decrease in variable operating costs of the Group's restaurants upon the implementation of the Prevention and Control of Disease (Requirements and Directions) (Business and Premises) Regulation (Chapter 599F of the laws of Hong Kong); and (iii) the cost control policy adopted by the Group to maintain the Group's competitiveness.

Finance income/costs, net

Finance income mainly included interest income from contract assets.

Finance costs mainly represent finance costs recognised in relation to the lease liabilities regarding the rental contracts upon adoption of HKFRS 16 "Leases". The decrease in finance costs for the year ended 31 March 2021 was mainly due to reduction of tenancy agreements entered into upon closure and disposal of the Group's restaurants during the current and the last financial year.

Loss attributable to owners of the Company

Loss attributable to owners of the Company for the year ended 31 March 2021 was approximately HK$64.4 million, while the loss attributable to owners of the Company for the year ended 31 March 2020 was approximately HK$130.9 million.

The decrease of loss attributable to owners of the Company was primarily attributable to the following factors:

(i) The revenue of our restaurants has been negatively impacted by the outbreak of the COVID-19 Pandemic since January 2020;

(ii) The revenue of our interior design and fitting-out business has been negatively impacted by the outbreak of the COVID-19 Pandemic since January 2020;

Which were offset by the following factors:

(iii) The disposal and closure of certain loss-making restaurants of the Group during the last and the current financial period led to the decrease in the operating costs of our food and beverage business, comprising mainly cost of inventories consumed, employee benefit expenses, rental expenses and other operating expenses, which outweighed the decrease in revenue as mentioned above;

(iv) One-off government subsidies, mainly represented the Employment Support Scheme, amounting to approximately HK$20.2 million was received; and

(v) Profit attributable to owners amounting to approximately HK$7.3 million generated by our financial institution intermediation services during the year ended 31 March 2021.

Our management will continue to control costs in order to minimise the impact of such adverse factors on the Group.

Liquidity and Financial Resources

As at 31 March 2021, total assets of the Group amounted to approximately HK$251.1 million (2020: HK$198.6 million) and the cash and cash equivalents of approximately HK$12.2 million (2020: HK$26.9 million). The cash and cash equivalents were denominated in Hong Kong dollars ("**HK$**") and Renminbi ("**RMB**"). The Group's working capital was approximately negative HK$63.9 million (2020: negative HK$88.6 million), represented by total current assets of approximately HK$47.9 million (2020: HK$46.6 million) against total current liabilities, net of amounts due to directors, of approximately HK$111.8 million (2020: HK$135.2 million). The current ratio, being the proportion of total current assets against total current liabilities, was 0.43 (2020: 0.31). The gearing ratio (being net debt divided by the aggregate of net debt and total capital) of the Group as at 31 March 2021 was approximately 140.8% (2020: 101.5%). Net debt was approximately HK$206.9 million (2020: HK$109.8 million) which is calculated based on the sum of total lease liabilities, amounts due to directors, loan from related parties and loan from third parties, less cash and cash equivalents. Total deficit and net debt was approximately HK$146.9 million (2020: HK$108.2 million). Further details are set out in note 3 to the consolidated financial statements in this annual report.

Outlook

Despite the keen competition and challenging operating environment in food and beverage industry in Hong Kong, the Group has emerged as one of the well-known restaurant chains in Hong Kong. During the year ended 31 March 2021, the Group continued to maintain its focus on serving a variety of cuisines at varying prices under different brands to a diversified customer base in Hong Kong and the PRC. As at 31 March 2021, the Group was operating 13 restaurants, with 9 full-service restaurants and 4 bakery restaurants in Hong Kong.

The Group also provides interior design and fitting-out services, organic vegetables consulting services, financial institution intermediation services and food and beverage industry in the PRC.

Our interior design and fitting-out services featured with fashionable and customized one-stop solution aims to provide affordable luxury and environmental-friendly service to the PRC clients. The business is facing fierce competition in the market. We will pay close attention to the market environment and try our best to develop and grow the business by combining our own advantageous resources.

Consulting services in relation to organic vegetables research and development, plantation and sales rely on the extensive managerial experience of the operating team and advanced patents and technologies. As living standards are rising, the demands towards quality of food ingredients are increasing, which could be a critical component of the Group's diversified development structure and deployment.

In the marco environment of a consistent supporting policy for micro, small and medium-sized enterprises in the PRC, the Group is setting up a one-stop and professional financial service platform with excellent performance for financial market practitioners. Small and micro enterprises, including their individual entrepreneurs and owners, are the major forces in absorbing employment, stimulating innovation, driving investment and promoting consumption, and are important contributors to the gross domestic product, national tax revenue and urban employment, but financing has always been a prominent problem limiting the development of small and micro enterprises. The financial service platform established by the Group helps to ease this problem. It is also in line with the policy direction of the government to support the development of small and micro economy. The Group is currently working on improving its existing business model to address the potential non-compliance risks as described in note 36 to the consolidated financial statements in this annual report, and the Group is optimistic about the prospects of this business.

Meanwhile, based on good control on COVID-19 Pandemic and business expansion needs, on 3 December 2020, the Group has established Lupengpeng (Beijing) Catering Management Company Limited (呂朋朋(北京)餐飲管理有限公司), a company with shareholding of the Group as to 80% and registered capital of RMB2.5 million. The company has commenced its business in January 2021, and its principal business is operating a hot pot restaurant in the PRC. Having considered excellent management team, the continuous diversification of dishes with special flavors, and the good reputation and customer resources accumulated, the business is expected to grow steadily and achieve results for the Group in the future.

The Group will take opportunities to continue to invest in and develop new business.

Principal Risks and Uncertainties

The Group's financial condition, results of operations, businesses and prospects would be affected by a number of risks and uncertainties including market risk, credit risk, liquidity risk and compliance risk. The risk management policies and practices of the Group are stated in notes 3 and 36 to the consolidated financial statements in this annual report.

Pledge of Assets

As at 31 March 2021, save as restricted bank deposits of approximately HK$64,250,000 (2020: HK$3,023,000) for the Group's obligations under certain operating leases or service agreements in relation to the provision of financial institution intermediation services, the Group did not pledge any other assets (2020: Nil).

Contingent Liabilities

As at 31 March 2021, the Group did not have any significant contingent liabilities (2020: Nil).

Capital Commitments

As at 31 March 2021, the Group's outstanding capital commitments were approximately HK$1,038,000 (2020: HK$1,211,000).

Dividend

The Board has resolved not to recommend the payment of any final dividend for the year ended 31 March 2021 (2020: Nil).

As at the date of this annual report, there was no arrangement under which a shareholder had waived or agreed to waive any dividends.

Employees and Remuneration Policies

As at 31 March 2021, the total number of employees of the Group was 357 (2020: 484). Total staff costs (including Directors' emoluments) were approximately HK$73,680,000 for the year ended 31 March 2021 (2020: HK$180,322,000).

Employees' remuneration (including Directors' emoluments) is commensurate with their job nature, qualifications, experience, competent and market comparable. Salaries and wages are normally reviewed annually based on performance appraisals and other relevant factors.

The Group continues to offer competitive remuneration packages and bonus to eligible staff, based on the performance of the Group and the individual employee.

Furthermore, the Company has adopted a share option scheme as an incentive to the Directors and eligible employees. The Group also provides and arranges on-the job training for the employees.

Foreign Exchange Exposure

The Group mainly operates in Hong Kong and the PRC. The Directors consider that the Group's exposure to foreign currency exchange risk is insignificant as the Group collects most of the revenue and incur most of the expenditure in Hong Kong dollars ("**HK$**") and Renminbi ("**RMB**"), being the local currencies of the operating subsidiaries in Hong Kong and the PRC. Moreover, the Group adopted a conservative treasury policy with most of the bank deposits being kept in HK$, or in RMB to minimise exposure to foreign exchange risks. The management will closely monitor the fluctuation in these currencies and take appropriate actions when needed.

Significant Investments

The Group did not hold any significant investment with a value of 5% or more of the Company's total assets during the year ended 31 March 2021.

Future Plans for Material Investments and Capital Expenditures

Save as disclosed in this annual report, the Group does not have any present plans for material investments and capital assets.

Material Acquisitions and Disposals

On 28 April 2020, the Group entered into a sale and purchase agreement, pursuant to which Ace Strength Limited, a company incorporated in Hong Kong with limited liability and being a third party independent of the Company and its connected persons, agreed to acquire 100% equity interests in Most Glory Holdings Limited, Success Glory Limited and New Era Worldwide Limited (collectively the "**Target Companies**") from the Group, at an aggregate consideration of HK$2,000,000. Each of the Target Companies is a company incorporated in Hong Kong with limited liability and is principally engaged in the operation of Italian and Western restaurants in Hong Kong. The loss on disposal is approximately HK$0.4 million. Details of the disposal are set out in the announcements of the Company dated 23 April 2020 and 29 April 2020. Completion of the disposal of the Target Companies took place on the same date.

Save as disclosed above, the Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures during the year ended 31 March 2021.

Discloseable and Connected Transaction in relation to the Provision of Financial Assistance

On 1 July 2020, Shanghai Aie Agriculture Technology Company Limited* (上海愛娥農業科技有限責任公司) (the "**Lender**") and Shanghai Aie Vegetables Cultivation Specialty Cooperative* (上海愛娥蔬菜種植專業合作社) (the "**Borrower**") entered into a loan agreement, pursuant to which the Lender agreed to grant a loan in the principal amount of RMB13,000,000 to the Borrower for a period of 24 months commencing from the date of the loan agreement (the "**Loan Agreement**"). The loan is interest-bearing at the rate of 4.785% per annum and is payable by the Borrower to the Lender on an annual basis.

In connection with the Loan Agreement, on 1 July 2020, the Borrower entered into an accounts receivable pledge agreement and a floating charge agreement in favour of the Lender, and the shareholders of the Borrower also entered into an equity pledge agreement in favour of the Lender, to secure the obligations of the Borrower under the Loan Agreement.

The Lender is an indirect non-wholly-owned subsidiary of the Company which is owned as to 70% by Ningbo Meishan Bonded Port Area Jiema Investment Company Limited* (寧波梅山保税港區傑馬投資有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company, 25% by Mr. Hou Xiaoba and 5% by Mr. Song Qi. Mr. Hou Xiaoba in turn holds 87% of the equity interest of the Borrower and is the father of Mr. Hou Yazhou. As Mr. Hou Xiaoba is a substantial shareholder and a director of the Lender, each of Mr. Hou Xiaoba, the Borrower and Mr. Hou Yazhou is a connected person at the subsidiary level of the Company. Details of the transaction are set out in the announcement of the Company dated 10 November 2020.

Events After Reporting Period

In early 2020, after the rapid outbreak of the COVID-19 Pandemic, a series of precautionary and control measures have been and continued to be implemented in Hong Kong, including suspension of school, work from home practice, social distancing, restrictions and controls over the inbound and outbound travelling and heightening of hygiene and epidemic prevention requirements.

In March 2020, the Hong Kong Government announced a Prohibition on Group Gathering Regulation and imposed ban on social gathering of parties more than four people, including dining in restaurants and bars. Such precautionary and control measures and poor consumer sentiment caused by the epidemic are causing short-term disruption to the Group's restaurant operations in Hong Kong.

Subsequent to 31 March 2021 and up to the date of this report, the Group noted a continuous downturn on its operating performance as compared to the same period in the year ended 31 March 2021 of Operation of restaurants and provision of interior design and fitting-out services. Management noted that the COVID-19 Pandemic caused material disruption to the Group's operation and restaurants development, which adversely affects the Group's business, financial condition and operating performance. The Group has been actively adopting cost control measures including re-prioritising work plans to improve liquidity position, closely monitor the market situation and timely adjusting the business strategies in view of the development of the COVID-19 Pandemic.

Up to the date on which this report was authorized for issue, the Group had been continuously monitoring the impacts of the COVID-19 Pandemic on the Group's performance in 2021 and was unable to estimate the quantitative impacts to the Group.

The details of the subsequent events are set out in note 32 to the consolidated financial statements in this annual report.

BIOGRAPHICAL DETAILS OF DIRECTORS

Executive Directors

Mr. James Fu Bin Lu (Lu Fubin), aged 39, was appointed as an executive Director, the chairman of the Board and chief executive officer of the Company on 12 December 2018. He is the chairman of the nomination committee of the Board (the "**Nomination Committee**"). Mr. Lu is also a director of various subsidiaries of the Company. Mr. Lu is a founding partner of Joffre Capital Limited, a technology buyout fund with multi-billion dollars under management and presence across United States (the "**U.S.**"), Europe and Asia; and Longview Capital LLC, a U.S. based real estate management company. He has years of experience working in technology, media and internet industries, and previously served as a vice president at Baidu, Inc. ("**Baidu**"), founder and general manager of Amazon Marketing Services, founding team member of chegg.com. Mr. Lu held a number of senior management positions in real estate, internet and e-commerce companies both in China and the U.S., responsible for business operation and investment. Mr. Lu graduated from the University of Michigan with a master's degree in electrical engineering and computer science. Mr. Lu is a director of Strong Day Holdings Limited ("**Strong Day**"), a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong (the "**SFO**"). Mr. Lu is the spouse of Ms. Li Qing Ni, an executive Director.

Mr. Long Hai, aged 36, was appointed as an executive Director on 12 December 2018. He is also a member of the remuneration committee of the Board (the "**Remuneration Committee**"). Mr. Long is a certified public accountant in the PRC and has over 10 years of work experience in the financial sector. He previously served as head of the finance department of Sichuan Shengtian New Energy Development Co. Ltd and as a project manager in ShineWing Certified Public Accountants (Special General Partnership), an accounting firm based in the PRC, where he was involved in initial public offerings, audit, mergers and acquisitions, due diligence and management consulting projects for listed companies, large and medium-sized state owned enterprises, and private enterprises. Mr. Long graduated from Sichuan Normal University with a bachelor's degree in accounting.

Ms. Li Qing Ni, aged 35, was appointed as an executive Director on 24 July 2020. She is the spouse of Mr. James Fu Bin Lu, the chairman, an executive Director and the chief executive officer of the Company. She is currently the chief financial officer of a U.S. based investment management company. Ms. Li previously served as an assistant merchandiser of Eddie Bauer and H. Stern, and held facilities engineer role with Chevron. She is a seasoned investor with about 10 years' experience in the investment industry, covering venture capital, fixed income and stock trading and has over 8 years' experience in the financial sector. Ms. Li graduated from University of Michigan with a bachelor's degree in civil engineering.

Independent non-executive Directors

Mr. Lu Cheng, aged 38, was appointed as an independent non-executive Director on 12 December 2018. He is also the chairman of the Remuneration Committee and a member of each of the audit committee of the Board (the "**Audit Committee**") and the Nomination Committee. Mr. Lu has over 13 years of investment management experience in the U.S., the PRC, Asia and Europe. He is currently the chief operating officer of KCA Capital Partners, an investment management firm with offices in Singapore, Beijing and Seoul and which is engaged in private equity investments. KCA Capital Partners is a subsidiary of China International Capital Corporation Limited. Mr. Lu previously held management roles with HOPU Investments Management Company Limited and Citic Capital Holdings Limited, and commenced his career in investment banking with Citigroup in New York. Mr. Lu received his master's degree in business administration from Harvard Business School, and also holds a bachelor of science degree in computer science and economics from the University of Virginia.

Mr. Shi Kangping, aged 44, was appointed as an independent non-executive Director on 12 December 2018. He is also the chairman of the Audit Committee and a member of the Nomination Committee. Mr. Shi has over 20 years of experience in the accounting and finance sector. He is currently the chief financial officer of Waterdrop Corporation (stock code: WDH), a listed company on The New York Stock Exchange. Among which, Mr. Shi served as the chief financial officer from February 2018 to November 2020 at Maoyan Entertainment, a company listed on the Stock Exchange (stock code: 1896), which is engaged in media and entertainment and related business. Mr. Shi previously served as chief financial officer from December 2016 to December 2017 at Ping An Healthcare and Technology Company Limited, a company listed on the Stock Exchange (stock code: 1833), as director of internal audit and director of financial planning and analysis in Baidu from September 2011 to August 2014 and August 2014 to December 2016, respectively. He also held previous roles in the Microsoft Corporation, a company listed on the NASDAQ (stock symbol: MSFT) from July 2007 to September 2011, the transaction services department of PricewaterhouseCoopers LLP (Beijing) from January 2002 to July 2005, and the auditing department of Arthur Andersen LLP from July 1998 to September 2000. Mr. Shi received a bachelor's degree in accounting from the School of Economics and Management at Tsinghua University in Beijing, the PRC in July 1998, and a master's degree in business administration from Ross School of Business at the University of Michigan in Michigan, the U.S. in April 2007. Mr. Shi has been a chartered professional accountant of Canada since August 2000.

Mr. Kim Jin Tae, aged 40, was appointed as an independent non-executive Director on 14 April 2020. He is also a member of each the Audit Committee and the Remuneration Committee. Mr. Kim has been the chief executive officer of the PJ Design Beijing Office since 2014, after graduation of Master of Business Administration program in Beijing University (北大國家發展研究院) in 2012. PJ Design Group is a branding and interior design firm, established in 1987 with the operations in Seoul, Korea, Beijing and Shanghai, China. Mr. Kim spent 7 years at Mirae Asset Daewoo Investment Group from 2003 to 2009 and 3 years at Towers Watson from 2010 to 2012 in Seoul, Korea. He graduated from Northeastern University in the United States of America in 2003 with a bachelor's degree in accounting and finance.

CORPORATE GOVERNANCE REPORT

The Board is committed to achieving high standards of corporate governance by emphasizing transparency, independence, accountability, responsibility and fairness. The Board strives to ensure that effective self-regulatory practices exist to protect the interests of the shareholders of the Company and to enhance long-term shareholders' value.

Corporate Governance Practices

In the opinion of the Directors, save as disclosed in this report, the Company has applied the principles of, and complied with, the applicable code provisions of the Corporate Governance Code as set out in Appendix 15 to the GEM Listing Rules (the "**CG Code**") during the year ended 31 March 2021. The Board will keep reviewing and updating such practices from time to time to ensure compliance with legal and commercial standards.

Corporate Governance Structure

The Board is primarily responsible for formulating strategies, monitoring performance and managing risks of the Group. At the same time, it also has the duty to enhance the effectiveness of the corporate governance practices of the Group. Under the Board, there are three board committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee. All these committees perform their distinct roles in accordance with their respective terms of reference (available on the Company's website) and assist the Board in supervising certain functions of the senior management.

Directors' Securities Transactions

The Group has adopted the required standard of dealings in the securities as contained in Rules 5.48 to 5.67 of the GEM Listing Rules (the "**Required Standard of Dealings**") as its own code of conduct for dealings in the securities of the Company by the Directors.

Having made specific enquiries by the Company, all the Directors who acted as the Directors as at 31 March 2021 have confirmed that they had complied with the Required Standard of Dealings during the year ended 31 March 2021.

Board of Directors

The Board currently comprises six Directors as follows:

Executive Directors:

Mr. James Fu Bin Lu *(Chairman and Chief Executive Officer)*

Mr. Long Hai

Ms. Li Qing Ni

Independent non-executive Directors:

Mr. Lu Cheng

Mr. Kim Jin Tae

Mr. Shi Kangping

The Board has the responsibility for leadership and control of the Company. They are collectively responsible for promoting the success of the Group by directing and supervising the Group's affairs. The Board may from time to time delegate certain functions to the senior management of the Group if and when considered appropriate. The senior management is mainly responsible for the execution of the business plans, strategies and policies adopted by the Board and assigned to it from time to time. The Board is accountable to the shareholders of the Company for the strategic development of the Group with the goal of maximizing long-term shareholder value, while balancing broader stakeholder interests.

The attendance record of each Director during the year ended 31 March 2021 at Board meetings, Audit Committee meetings, Remuneration Committee meetings, Nomination Committee meetings and annual general meeting (the "**AGM**") is set out in the following table:

Name of Directors	Attendance/no. of meetings eligible to attend Board Meetings	Audit Committee Meetings	Remuneration Committee Meetings	Nomination Committee Meetings	AGM
Executive Directors					
Mr. James Fu Bin Lu	3/4	N/A	N/A	3/3	1/1
Mr. Long Hai	4/4	N/A	3/3	N/A	1/1
Ms. Li Qing Ni#	3/3	N/A	N/A	N/A	1/1
Non-executive Director					
Mr. Li Lun##	1/1	N/A	N/A	N/A	N/A
Independent non-executive Directors					
Mr. Lu Cheng	2/4	2/4	2/3	2/3	1/1
Mr. Kim Jin Tae*	3/4	3/4	2/3	N/A	1/1
Mr. Shi Kangping	4/4	4/4	N/A	3/3	1/1
Mr. Fei Dingan**	N/A	N/A	N/A	N/A	N/A

\# *appointed with effect from 24 July 2020*

\## *resigned with effect from 24 July 2020*

* *appointed with effect from 14 April 2020*

** *resigned with effect from 10 April 2020*

All Directors are provided with details of agenda items for decisions making with reasonable notice. Directors have access to the advice and services of the company secretary of the Company (the "**Company Secretary**") who is responsible for ensuring that the Board procedures are complied with and advising the Board on compliance matters. Directors are also provided with access to independent professional advice, where necessary, in carrying out their obligations as Directors, at the expense of the Company. Directors who are considered to have conflict of interests or material interests in the proposed transactions or issues to be discussed would not be counted in the quorum of meeting and would abstain from voting on the relevant resolution.

All Directors assume the responsibilities owed to the shareholders for the well-being and success of the Company. They are aware of their duties to act in good faith and in the best interests of the Company.

The Board is responsible for maintaining proper accounting records so as to enable the Directors to monitor the Company's overall financial position. The Board updates the shareholders of the Company on the operations and financial position of the Group through quarterly, half yearly and annual results announcements as well as the publication of timely announcements of other matters as prescribed by the relevant rules and regulations.

During the year ended 31 March 2021, the Company has three independent non-executive Directors, at least one of whom has appropriate financial management expertise, in compliance with the GEM Listing Rules. However, as a result of the resignation of Mr. Fei Dingan on 10 April 2020, the number of independent non-executive Directors and the number of members of the Remuneration Committee falls below the minimum number required under Rules 5.05(1) and 5.34 of the GEM Listing Rules, respectively between 10 April 2020 and 13 April 2020. Nevertheless, following the appointment of Mr. Kim Jin Tae as an independent non-executive Director on 14 April 2020, the Company has complied with the requirement of the GEM Listing Rules. Each of the current independent non-executive Directors has made an annual confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company is of the view that all the current independent non-executive Directors meet the independence guidelines set out in Rule 5.09 of the GEM Listing Rules and are independent in accordance with the terms of the guidelines.

Relationship

Save for the fact that Ms. Li Qing Ni is the wife of Mr. James Fu Bin Lu, the Chairman, chief executive officer and executive Director, to the best of the Directors' knowledge, there was no financial, business, family or other material relationship among the Directors. The biographical details of the Directors are set out in the section of "Biographical Details of Directors" of this annual report.

Chairman and Chief Executive Officer

Under code provision A.2.1 of the CG Code, the roles of the chairman of the Board and chief executive officer of the Company should be separated and should not be performed by the same individual.

During the year ended 31 March 2021, the Company has not separated the roles of the chairman of the Board and the chief executive officer of the Company. Mr. James Fu Bin Lu was the chairman of the Board and also the chief executive officer of the Company responsible for overseeing the operations of the Group during the year. The Board believes that vesting the roles of both the chairman of the Board and the chief executive officer of the Company in the same person provides the Company with strong and consistent leadership, and allows for effective and efficient planning and implementation of business decisions and strategies. The Board considers that the structure currently operated by the Company does not undermine the balance of power and authority between the Board and the management as the decisions of the Board are made collectively by way of voting and therefore the chairman of the Board should not be able to monopolize the voting result. The Board shall nevertheless review the structure from time to time to ensure appropriate move is being taken should suitable circumstances arise.

Appointment and Re-Election of Director

Under code provision A.4.1, all the non-executive Directors should be appointed for a specific term, subject to re-election. There was no letter of appointment entered into between the independent non-executive Directors and the Company, however their appointments are subject to retirement by rotation and re-election pursuant to the articles of association of the Company (the "**Articles**").

At each annual general meeting, one-third of the Directors for the time being or, if their number is not a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. Any Director appointed to fill a casual vacancy shall hold office until the first general meeting of members after his appointment and be eligible for re-election at such meeting and any Director appointed as an addition to the existing board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

Corporate Governance Function

The Board is responsible for performing corporate governance duties and has adopted written terms of reference on its corporate governance functions.

The duties of the Board in respect of the corporate governance functions include:

(i) developing and reviewing the Company's policies and practices on corporate governance;

(ii) reviewing and monitoring the training and continuous professional development of Directors and senior management;

(iii) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;

(iv) developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and Directors; and

(v) reviewing the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

During the year ended 31 March 2021 and up to the date of the report, the Board has performed the corporate governance duties in accordance with its terms of reference.

Board Diversity Policy

The Board has adopted a board diversity policy (the "**Policy**") setting out the approach to achieve diversity on the Board. The Company considered diversity of board members can be achieved through consideration of a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. All board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity of the Board. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge.

The ultimate decision will be made upon the merits and contribution that the selected candidates will bring to the Board.

On recommendation from the Nomination Committee, the Board will set measurable objectives to implement the Policy and review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives. The Nomination Committee will review the Policy, as appropriate, to ensure its continued effectiveness from time to time.

Nomination Policy

The Board has established a set of nomination policy (the "**Nomination Policy**") setting out the approach to nominate suitable candidates to the Board for it to consider and make recommendations to shareholders for election as Directors at general meetings or appoint as Directors to fill casual vacancies. The criteria of nomination have been considered from a number of aspects, including but not limited to, skills, experience, qualifications and aspects as detailed in the Nomination Policy.

During the year ended 31 March 2021, the Company reviewed its Nomination Policy for a formal, considered and transparent procedure to help identifying and nomination of candidates for Directors. All valid nomination of candidates, accompanied with biographical details, would be presented to the Board for consideration. Consideration would be given to factors such as the candidate's integrity, experience and qualifications relevant to the Group's business. It is believed that members of the Nomination Committee collectively would have required relevant knowledge and skills to identify, invite and evaluate qualifications of nominated candidates for directorship.

The process of our appointment and re-election of Directors are as follows:

Potential new Directors are identified and considered for appointment at any time by the Board upon the recommendation of the Nomination Committee. External recruitment professional might be engaged to carry out selection procedure when necessary. Nomination Committee considers the candidates based on merit having regard to the knowledge, experience, skills and expertise as well as the overall board diversity which, in the opinion of the Directors, will enable them to make positive contributions on the performance of the Board and makes recommendations to the Board as appropriate. Emoluments of new Directors will be considered by the Remuneration Committee.

During the year, the Nomination Committee adopted the above selection process and criteria in the selection and recommendation of candidates for directorship.

Newly appointed members by the Board to fill a casual vacancy on the Board are subject to re-election at the first general meeting after their appointment or as addition to the existing Board are subject to re-election at the first annual general meeting after their appointment. All Directors are subject to re-election by the shareholders every 3 years.

Remuneration Committee

The Remuneration Committee was set up on 14 July 2016 to oversee the remuneration policy and structure for all Directors and senior management.

The primary objectives of the Remuneration Committee include making recommendations to the Board on the remuneration policy and structure of the Directors and the senior management and recommending to the Board the remuneration packages of all executive Directors and senior management. The Remuneration Committee is also responsible to ensure that no Director or any of his associates will participate in deciding his own remuneration, which will be determined by reference to the performance of the individual and the Company as well as market practice and conditions.

During the year ended 31 March 2021, the Remuneration Committee held three meetings and reviewed the remuneration package of Directors and the senior management of the Company.

As at the date of this annual report, the Remuneration Committee comprises three members namely:

Mr. Lu Cheng (Chairman)

Mr. Long Hai

Mr. Kim Jin Tae

All the members are independent non-executive Directors except Mr. Long Hai, an executive Director.

Particulars of the Directors' remuneration for the year ended 31 March 2021 are set out in note 34 to the consolidated financial statements.

Nomination Committee

The Company has established the Nomination Committee on 14 July 2016 for making recommendations to the Board on appointment of Directors and succession planning for the Directors. The principal duties of the Nomination Committee include reviewing the Board composition, making recommendations to the Board on the appointment and succession planning of Directors, assessing the independence of the independent non-executive Directors and reviewing the Policy.

During the year ended 31 March 2021, the Nomination Committee held three meetings and, among other matters, (i) reviewed the structure, size and composition of the Board; (ii) assessed the independence of the independent non-executive Directors; and (iii) reviewed and made a recommendation on the appointment and re-appointment of Directors.

As at the date of this annual report, the Nomination Committee comprises three members namely:

Mr. James Fu Bin Lu (Chairman)

Mr. Lu Cheng

Mr. Shi Kangping

All the members are independent non-executive Directors except Mr. James Fu Bin Lu, an executive Director.

Audit Committee

The Company has established the Audit Committee on 14 July 2016 with written terms of reference setting out the authorities and duties of the Audit Committee. The Audit Committee performs, amongst others, the following functions:

- Review financial information of the Group;
- Review relationship with and terms of appointment of the independent auditors; and
- Review the Company's financial reporting system, internal control system and risk management system.

During the year ended 31 March 2021, the Audit Committee held four meetings. The Audit Committee oversees the internal control system and risk management system of the Group, reports to the Board on any material issues, and makes recommendations to the Board.

Major accomplishments for the year ended 31 March 2021 comprised of the following:

(i) reviewed the final results for the year ended 31 March 2020, unaudited interim results for the six months ended 30 September 2020, the unaudited quarterly results for the three months ended 30 June 2020 and the unaudited quarterly results for the nine months ended 31 December 2020;

(ii) considered and approved the term and remuneration for the appointment of PricewaterhouseCoopers as independent auditor; and

(iii) reviewed the connected transactions of the Group.

As at the date of this annual report, the Audit Committee comprises three members namely:

Mr. Shi Kangping (Chairman)

Mr. Lu Cheng

Mr. Kim Jin Tae

All the members are independent non-executive Directors (including one independent non-executive Director, Mr. Shi Kangping who possesses the appropriate professional qualifications or accounting or related financial management expertise). None of the members of the Audit Committee is a former partner of the Company's existing independent auditor.

Risk Management and Internal Control

The Audit Committee reviews the adequacy of the Company's internal financial controls, operational and compliance controls, and risk management policies and systems established by the management of the Company.

The Board is responsible for the risk management and internal control systems and is fully aware of the need to put in place a system of risk management and internal controls within the Group to safeguard the interests of the shareholders and the Group's assets, and to manage and mitigate risks. The Board also acknowledges that no cost effective risk management and internal control systems will preclude all errors and irregularities. A system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Group has adopted a three-tier risk management approach to identify, assess and manage different types of risks. As the first line of defence, business units are responsible for identifying, assessing and monitoring risk associated with each business or transaction. The management, as the second line of defence, defines rule sets and models, provides technical support, develops new system and oversees portfolio management. It ensures that risks are within acceptable range and that the first line of defence is effective. As the final line of defense, the Audit Committee reviews the first and second lines of defence.

The Company does not have internal audit department. The Board currently takes the view that there is no immediate need to set up an internal audit function or engage an independent internal control consulting firm in light of the size, nature and complexity of the Group's business. The need for an internal audit function or engaging an independent internal consulting firm will be reviewed from time to time.

The Group has established internal control procedures for handling and dissemination of inside information, amongst others, the following in order to comply with code provision C.2.4 of CG Code as well as Part XIVA of the SFO:

- the Group has implemented and disclosed its policy on fair disclosure by pursuing broad, non-exclusive distribution of information to the public through channels such as financial reporting, public announcements and its website;
- the Group has strictly prohibited unauthorized use of confidential or inside information; and
- the Group has established and implemented procedures for responding to external enquiries about the Group's affairs, so that only the executive Directors, Company Secretary and investor relations officers are authorised to communicate with parties outside the Group.

During the year ended 31 March 2021, the Board has discussed and reviewed the effectiveness of the Group's risk management and internal control systems covering material controls (including financial, operational and compliance controls) at entity and operational levels. Based on the outcome of the review performed by the Company's Audit Committee, administrative management and the independent auditor, the Directors considered and were of the opinion that the Group's risk management and internal control systems and internal audit function are effective and adequate.

Remuneration of Senior Management

The remuneration payable to the senior management of the Company, including those members of senior management who are also the executive Directors, is shown in the following table by band:

Remuneration Bands	Number of Individuals
Nil - HK$500,000	2
HK$500,001 - HK$1,000,000	1

Independent Auditor and its Remuneration

The statement of the independent auditor on their reporting responsibilities and opinion on the Group's consolidated financial statements for the year ended 31 March 2021 is set out in the section headed "Independent Auditor's Report" in this annual report.

The Audit Committee is responsible for considering the appointment of the independent auditor and reviewing any non-audit functions performed by the independent auditor, including whether such non-audit functions could lead to any potential material adverse effect on the Company. There was no disagreement between the Board and the Audit Committee on the selection, appointment, resignation or dismissal of the external auditor.

The fees paid/payable to PricewaterhouseCoopers for the year ended 31 March 2021 are set out as follows:

	Fee paid/payable HK$'000
Audit services	1,800
Non-audit services (Note)	535
Total	2,335

Note: Apart from the provision of annual audit services, PricewaterhouseCoopers, the Group's independent auditor, also provided other non-audit services including agree-upon procedures and tax compliance.

Directors' Responsibilities for the Financial Statements

The Directors acknowledge their responsibility for the preparation of the consolidated financial statements for the year ended 31 March 2021, which give a true and fair view of the state of affairs of the Company and the Group's results and cash flows for the year then ended and are properly prepared on a going concern basis in accordance with the applicable statutory requirements and accounting standards. Material uncertainties which may affect the Company's business or cast significant doubt upon the Company's ability to continue as a going concern are disclosed in note 2.1 to the consolidated financial statements of this annual report.

In addition, PricewaterhouseCoopers has stated its reporting responsibility in the independent auditor's report of the Company's consolidated financial statements for the year ended 31 March 2021.

Company Secretary

Ms. Cheng Lucy ("**Ms. Cheng**") was nominated by Boardroom Corporate Services (HK) Limited ("**Boardroom**") to act as the Company Secretary and Boardroom has been providing certain corporate secretarial services to the Company pursuant to an engagement letter entered between the Company and Boardroom. The primary person at the Company with whom Ms. Cheng has been contacting in respect of company secretarial matters is Mr. James Fu Bin Lu, the Chairman, executive Director and Chief Executive Officer, Ms. Cheng had received no less than 15 hours of relevant professional training for the year ended 31 March 2021.

Investor Relations

The Company believes that maintaining a high level of transparency is a key to enhance investor relations. It is committed to a policy of open and timely disclosure of corporate information to the shareholders of the Company and the investment public.

The Company updates the shareholders of the Company on its latest business developments and financial performance through its annual, interim and quarterly reports. The corporate website of the Company (www.lifeconcepts.com) has provided an effective communication platform to the public and the shareholders of the Company.

Induction and Continuing Professional Development

Each newly appointed Director receives formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the GEM Listing Rules and relevant statutory requirements.

All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company has continuously provided relevant training materials to the Directors. All Directors including the current Directors, namely Mr. James Fu Bin Lu, Mr. Long Hai, Ms. Li Qing Ni, Mr. Lu Cheng, Mr. Kim Jin Tae and Mr. Shi Kangping; and the then Directors, namely Mr. Fei Dingan and Mr. Li Lun participated in courses relating to roles, functions and duties of a listed company director or further enhancement of their professional development by the way of attending training courses or reading relevant materials. All the current Directors had provided the Company their training records for the year ended 31 March 2021 and the Company will continue to arrange training in accordance with code provision A.6.5 of the CG Code. The Directors and officers are indemnified under the directors' and officers' liability insurance against any liability incurred by them in discharge of their duties while holding office as the Directors and officers of the Company. The Directors and officers shall not be indemnified where there is any fraud, breach of duty or breach of trust proven against them.

Dividend Policy

The Board has approved and adopted a dividend policy (the "**Dividend Policy**"). It is the policy of the Board in declaring or recommending a payment of dividends, to allow shareholders of the Company to participate in the Company's profits and for the Company to retain adequate reserves for future growth.

The Board shall consider the following factors before declaring or recommending any dividend:

- general business conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Company;
- the financial condition and results of operations of the Group;
- the expected capital requirements and future expansion plans of the Group;
- future prospects of the Group;
- statutory and regulatory restrictions;
- contractual restrictions on the payment of dividends by the Group to the shareholders of the Company or by the subsidiaries of the Company to the Company;
- taxation considerations;
- shareholders' interests; and
- other factors the Board may deem relevant.

The Board may also pay half-yearly or at other suitable intervals to be settled by it any dividend which may be payable at a fixed rate if the Board is of the opinion that the profits of the Company justify the payment. The payment of dividend is also subject to applicable laws and regulations and the Articles.

Whilst the Dividend Policy reflects the Board's current views on the financial and cash-flow position of the Group, such Dividend Policy will continue to be reviewed from time to time and there can be no assurance that dividends will be recommended or declared in any particular amount for any given period. The declaration of or recommendation of declaration of dividends is subject to the absolute discretion of the Board. Even if the Board decides to recommend and declare dividends, the form, frequency and amount will depend upon the operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors of and affecting the Group.

Shareholder Communication

The objective of shareholder communication is to provide the shareholders of the Company with detailed information about the Company so that they can exercise their rights as shareholders of the Company in an informed manner.

The Company uses a range of communication tools to ensure the shareholders of the Company are kept well informed of key business imperatives. These include AGMs, extraordinary general meeting (the "**EGM**"), annual reporting, various notices, announcements and circulars. The AGM and EGM are primary forums for communication between the Company and the shareholders of the Company. The Company provides the shareholders of the Company with relevant information on the resolution(s) proposed at general meetings in a timely manner in accordance with the GEM Listing Rules. The information provided is reasonably necessary to enable the shareholders of the Company to make an informed decision on the proposed resolution(s).

Constitutional Documents

During the year ended 31 March 2021, no amendments were made any change to the constitutional documents. A consolidated version of the Company's constitutional documents is available on the respective websites of the Company and the Stock Exchange.

Procedures for Shareholders to Convene an EGM

There are no provisions allowing shareholders of the Company to propose new resolutions at the general meetings under the Cayman Islands Companies Law (2018 Revision). However, shareholders of the Company are requested to follow article 64 of the Articles which provides that EGMs should be convened on the requisition of one or more shareholders of the Company holding, at the date of deposit of the requisition, not less than one tenth of the paid-up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the Company Secretary for the purpose of requiring an EGM to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If the Board fails to proceed to convene an EGM within 21 days of the deposit of the requisition, the requisitionist(s) may convene an EGM himself/themselves, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company. The written requisition shall be deposited to the Company Secretary at Suites 1701-3, 17/F., Chinachem Hollywood Centre, 1,3,5,7,9,11 and 13 Hollywood Road, Central, Hong Kong.

For the avoidance of doubt, shareholders of the Company must deposit and send the original duly signed written requisition, notice or statement or enquiry (as the case may be) to the principal place of business of the Company in Hong Kong at Suites 1701-3, 17/F., Chinachem Hollywood Centre, 1,3,5,7,9,11 and 13 Hollywood Road, Central, Hong Kong and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

Procedures for Shareholders to Propose a Person for Election as a Director

The provisions for a shareholder of the Company to propose a person for election as a Director are laid down in article 113 of the Articles. No person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the Head Office or at the Hong Kong Branch Share Registrar. The period for lodgment of the notices required under this article will commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least seven days.

Procedures for Sending Enquiries to the Board

Shareholders of the Company may send written enquiries to the Company, for the attention of the Company Secretary, by email: cosec@lifeconcepts.com, or mail to Suites 1701-3, 17/F, Chinachem Hollywood Centre 1,3,5,7,9,11 and 13 Hollywood Road, Central, Hong Kong.

Information Disclosure

The Company discloses information in compliance with the GEM Listing Rules, and publishes periodic reports and announcements to the public in accordance with the relevant laws and regulations. The primary focus of the Company is to ensure information disclosure is timely, fair, accurate, truthful and complete, thereby enabling shareholders of the Company, investors as well as the public to make rational and informed decisions.

Conclusion

The Company believes that good corporate governance could ensure an effective distribution of the resources and the Shareholders' interests. The senior management will continue endeavors in maintaining, enhancing and increasing the Group's corporate governance level and quality.

DIRECTORS' REPORT

The Board presents its annual report and the audited consolidated financial statements of the Group for the year ended 31 March 2021.

Principal Activities

The Company acts as an investment holding company and its subsidiaries are principally engaged in (i) operation of restaurants in Hong Kong and the PRC; (ii) interior design and fitting-out business in the PRC; (iii) provision of consulting services in relation to organic vegetables research and development, plantation and sales in the PRC; and (iv) financial institution intermediation services in the PRC.

Business Review and Performance

Review of our business and performance

Information about a fair review of, and an indication of likely future development in, the Group's business during the year ended 31 March 2021 with financial key performance indicators is set out in the "Chairman's Statement" and "Management Discussion and Analysis" of this annual report.

Compliance with laws and regulations

The Company was not aware of material non-compliance with the relevant laws and regulations that had a significant impact on the business and operations of the Group during the year ended 31 March 2021.

Important Events after the Reporting Period

The important events after the reporting period are set out the section headed "Management Discussion and Analysis" of this annual report.

Principal risks and uncertainties

A description of the principal risks and uncertainties facing that the Group may be facing is set out in the section headed "Management Discussion and Analysis" of this annual report.

Environmental policies and performance

The Group is committed to nurturing its staff to care about and protect the environment. It conducts its business in a manner that balances the environment and economic needs.

The Group complies with all relevant environment regulations. It works with its partners including customers and suppliers in a concerted effort to operate in an environmentally responsible manner by making concerted efforts to be energy-efficient and to practise "Reduce, Reuse and Recycle".

Among others, the Group has taken the following initiatives:

- uses recycled print paper and toilet paper; and
- adjusts the temperature for an air-conditioning at 24 degrees celsius during winter season.

Details of the Group's environmental policies and performance are contained in the Environmental, Social and Governance Report on pages 39 to 50 of this annual report.

Stakeholders' engagement

The Group understands the importance of its customers, suppliers and employees to its long-term business development, and therefore has dedicated to establishing and maintaining a close and caring relationship with these stakeholders.

Recognising the crucial roles of our customers and suppliers in our business operations, the Group has reinforced its relationship with these business partners by ongoing communication in a proactive and effective manner. In particular, the Group has been through continuous interaction with its customers to ensure that the quality of our services has satisfied their needs and requirements and will, therefore, meet up to our customers' expectation. Besides, the Group is also dedicated to developing good relationship with its suppliers to ensure a stable supply of reliable and high-quality products for the Group's daily operation.

Apart from the above, the Group recognises the importance of human capital in its long-term development. The Group has provided a fair and safe workplace and offered competitive remuneration, benefits and career development opportunities based on the merits and performance of our employees. The Group also places ongoing effort to provide adequate training and development resources to our staff with the aim of fostering an environment in which the employees can develop to their fullest potential and can achieve their personal and professional growth.

Segment Information

Segment Information of the Group for the year ended 31 March 2021 are set out in note 5 to the consolidated financial statements of this annual report.

Share Capital

Details of the movements in the share capital of the Company during the year ended 31 March 2021 are set out in note 20 to the consolidated financial statements of this annual report.

Results and Appropriations

The results of the Group for the year ended 31 March 2021 are set out in the consolidated financial statements on pages 57 to 61 of this annual report.

The Board has resolved not to recommend the payment of a final dividend in respect of the year ended 31 March 2021 (2020: Nil).

Property, Plant and Equipment

Details of the movements in the property, plant and equipment of the Group during the year ended 31 March 2021 are set out in note 14 to consolidated financial statements of this annual report.

Interest Capitalised

No interest was capitalised by the Group during the year ended 31 March 2021.

Reserves

Details of the movement in the reserves of the Company during the year ended 31 March 2021 are set out in note 33 to the consolidated financial statements of this annual report.

Details of the movement in the reserves of the Group during the year ended 31 March 2021 are set out in the consolidated statement of changes in equity in this annual report.

Distributable Reserves

As at 31 March 2021, the Company did not have distributable reserve available for distribution to shareholders (2020: Nil).

Five-Year Financial Summary

A summary of the results, assets and liabilities of the Group for each of the last five financial years is set out on page 128 of this annual report.

Pre-Emptive Rights

There are no provisions for pre-emptive rights under the Articles or the laws of Cayman Islands which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders of the Company.

Directors

The Directors during the year ended 31 March 2021 and up to the date of this report were:

Executive Directors:

Mr. James Fu Bin Lu *(Chairman and Chief Executive Officer)*

Mr. Long Hai

Ms. Li Qing Ni *

Non-executive Director:

Mr. Li Lun #

Independent non-executive Directors:

Mr. Lu Cheng

Mr. Kim Jin Tae **

Mr. Shi Kangping

Mr. Fei Dingan ##

Notes

*	appointed with effect from 24 July 2020
**	appointed with effect from 14 April 2020
#	resigned with effect from 24 July 2020
##	resigned with effect from 10 April 2020

In accordance with article 108(a) of Articles, Mr. James Fu Bin Lu and Mr. Lu Cheng shall retire at the forthcoming AGM and, being eligible, will offer themselves for re-election.

Confirmation of Independence

The Company has received a written confirmation of independence from each of the independent non-executive Directors as at 31 March 2021, namely Mr. Lu Cheng, Mr. Kim Jin Tae and Mr. Shi Kangping, pursuant to Rule 5.09 of the GEM Listing Rules. As at the date of this report, the Company considers the independent non-executive Directors to be independent.

Directors' Biographies

Biographical details of the current Directors are set out on pages 16 and 17 of the annual report.

Directors' Service Contracts

None of the Directors entered a service contract or letter of appointment with the Company in respect of their appointment as a Director. They are subject to retirement by rotation and re-election pursuant to the Articles.

No Director proposed for re-election at the forthcoming AGM has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

Ms. Li Qing Ni, an executive Director, is entitled to an annual emolument of HK$1,000,000 and discretionary bonus (collectively the "**Emolument**"). In view of the outbreak of COVID-19 pandemic and in order to help the Group overcome this difficult period, she voluntarily waived the Emolument since the date of her appointment until further notice to be given by her.

Save for the above, there was no arrangement under which a Director waived or agreed to waive any emolument during the year ended 31 March 2021 (2020: Nil).

Directors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporations

As at 31 March 2021, 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 SFO), which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Long positions

(a) Shares in the Company

Name of Directors	Capacity/Nature of interests	No. of shares and underlying shares	Approximate percentage of shareholding
Mr. James Fu Bin Lu ("**Mr. James Lu**") Note	Interest of spouse/Family interest	607,600,000	74.99%
Ms. Li Qing Ni ("**Ms. Li**") Note	Interest in controlled corporation/ Corporate interest	607,600,000	74.99%

Note: These shares of the Company are held by Strong Day Holdings Limited ("**Strong Day**"). Strong Day is 29.9% owned by Ms. Li, an executive Director and the spouse of Mr. James Lu. By virtue of the SFO, Ms. Li is deemed to be interested in the shares of the Company held by Strong Day and Mr. James Lu, the spouse of Ms. Li, is deemed to be interested in the shares deemed to be held by Ms. Li. Mr. James Lu is also a director of Strong Day.

(b) Shares in associated corporation of the Company

Name of Director	Name of associated Corporation	Capacity/Nature of interest	No. of shares and underlying shares	Approximate percentage of shareholding
Ms. Li	Strong Day	Beneficial owner/Personal interest	299	29.90%

Save as disclosed above, as at 31 March 2021, none of the Directors and chief executive of the Company has any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuer as referred to in Rule 5.46 of the GEM Listing Rules.

Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company

As at 31 March 2021, the interests and short positions of substantial shareholders and other persons (not being a Director or the chief executive of the Company) in the shares and underlying shares which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or required to be entered in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

Long positions of the shares of the Company:

Name of shareholders	Capacity/Nature of interests	No. of shares	Approximate percentage of shareholding
Strong Day Note	Beneficial owner/Personal interest	607,600,000	74.99%
Excel Precise International Limited ("**Excel Precise**") Note	Person having a security interest in shares/Others	607,600,000	74.99%
True Promise Investments Limited ("**True Promise**") Note	Interest in controlled corporation/Corporate interest	607,600,000	74.99%
Mr. Law Fei Shing ("**Mr. Law**") Note	Interest in controlled corporations/Corporate interest	607,600,000	74.99%

Note: These shares of the Company are held by Strong Day. Excel Precise is the lender of record which has direct interest on the shares of the Company pledged by Strong Day. Excel Precise is owned as to 73.50% by True Promise and 25% by Mr. Law. True Promise is wholly owned by Mr. Law. By virtue of the SFO, True Promise and Mr. Law are deemed to be interested in the shares of the Company pledged to Excel Precise.

Save as disclosed above, as at 31 March 2021, so far as it was known by or otherwise notified to the Directors or the chief executive of the Company, no other corporations or persons (other than a Director or the chief executive of the Company) had interest or short positions in the shares and the underlying shares of the Company, which/who would notified to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company under section 336 of the SFO.

Competing Interest

During the year ended 31 March 2021 and up to the date of this report, none of the Directors or substantial shareholders of the Company or any of their respective close associates (as defined in the GEM Listing Rules) has engaged in any business that competed or might compete with the business of the Group, or have any other conflict of interests with the Group, as required to be disclosed under Rule 11.04 of the GEM Listing Rules.

Directors' Interests in Transactions, Arrangements or Contracts of Significance

Save for those interests set out in note 29 to the consolidated financial statements of this annual report, there are no transactions, arrangements or contract of significance in relation to the Group's business, to which the Company or its holding company or any of its subsidiaries or fellow subsidiaries was a party and in which a Director or a connected entity of a Director had a material interest, whether directly or indirectly, subsisted as at 31 March 2021 or at any time during the year ended 31 March 2021.

Controlling Shareholders' Interest in Contracts

No material interest, either directly, in any contract of significance (whether for the provision of services to the Group or not) between the Company or any of its subsidiaries and a controlling shareholder or any of its subsidiaries subsisted as at 31 March 2021 or any time during the year ended 31 March 2021.

Related Party Transactions

A summary of the related party transactions entered into by the Group during the year ended 31 March 2021 is contained in note 29 to the consolidated financial statements of this annual report in accordance with the applicable accounting standards adopted for preparing the Company's consolidated financial statements for the year ended 31 March 2021. Save as disclosed in the section headed "Discloseable and Connected Transaction in relation to the Provision of Financial Assistance" in the Management Discussion and Analysis section of this annual report, there were no other transactions which fall under the definition of "connected transaction" or "continuing connected transaction" in Chapter 20 of the GEM Listing Rules. The Company has complied with the disclosure requirements in accordance with Chapter 20 of the GEM Listing Rules.

Arrangements to Purchase Shares or Debentures

At no time during the year ended 31 March 2021 was the Company or its holding company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisitions of shares in, or debentures of, the Company or any other body corporate.

Employees and Remuneration Policies

Details of the emoluments of the Directors and the five highest paid individuals of the Group are set out in note 9 to the consolidated financial statements of this annual report.

As at 31 March 2021, the Group had 357 employees. The Directors and senior management receive compensation in the form of salaries, benefits in kind and discretionary bonuses with reference to salaries paid by comparable companies, time commitment and the performance of the Group. The Company also reimburses them for expenses which are necessarily and reasonably incurred for the provision of services to the Group or executing their functions in relation to the operations of the Group. The Remuneration Committee is set up by the Board of formulate a remuneration policy for approval by the Board. The Company regularly review and determine the remuneration and compensation package of the Directors and senior management, by reference to, among other things, market level of salaries paid by comparable companies, the respective responsibilities of the Directors and the performance of the Group.

The Company has adopted the share option scheme as incentive to eligible participants.

Major Customers and Suppliers

The information in respect of the Group's revenue attributable from the major customers and purchases attributable to the major suppliers during the year ended 31 March 2021 is as follows:

	Approximate percentage of the Group's total purchases
The largest supplier	10.9%
Five largest suppliers in aggregate	37.9%
The largest customer	31.9%
Five largest customers in aggregate	35.7%

None of the Directors, their close associates or any shareholders, which to the knowledge of the Directors owned more than 5% of the Company's issued shares, had a beneficial interest in any of the Group's five largest suppliers and customers.

Other Borrowings

Details of borrowings of the Group during the year ended 31 March 2021 are set out in notes 23 and 29 to the consolidated financial statements of this annual report.

Purchase, Sale or Redemption of Shares

The Company did not redeem any of its shares of the Company listed on GEM nor did the Company or any of its subsidiaries purchase, sell any such shares of the Company during the year ended 31 March 2021.

Sufficiency of Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirm that the Company has maintained the amount of public float as required under the GEM Listing Rules.

Donations

During the year ended 31 March 2021, the charitable and other donations made by the Group amounted to approximately HK$8,000 (2020: HK$292,000).

Tax Relief

The Company is not aware of any relief on taxation available to the shareholders of the Company by reason of their holdings of the shares of the Company. If the shareholders of the Company are unsure about the taxation implications of purchasing, holding, disposing of or dealing in, or exercising of any rights in relation to the shares of the Company, they are advised to consult their professional advisers.

Management Contract

No contracts, other than employment contracts, concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the year ended 31 March 2021.

Permitted Indemnity

Subject to the applicable laws, every Director will be entitled to be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses incurred by him/her in the execution of his/her duties pursuant to the Articles. Such provisions were in force during the course of the year ended 31 March 2021 and remained in force as of the date of this report.

Equity-linked Agreements

No equity-linked agreements that will or may result in the Company issuing shares of the Company or that require the Company to enter into any agreements that will or may result in the Company issuing shares of the Company were entered into by the Company during the year ended 31 March 2021 or subsisted as at 31 March 2021.

Compliance with the Corporate Governance Code

Particulars of the Company's principal corporate governance practices are set out in the Corporate Governance Report on pages 18 to 28 of this annual report.

The compliance officer of the Company is Mr. Long Hai whose biographical details are set out on page 16 of this annual report. The company secretary of the Company is Ms. Cheng Lucy, a fellow member of both The Hong Kong Institute of Chartered Secretaries and The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) in the United Kingdom.

Share Option Scheme

(a) Pre-IPO Share Option Scheme

The Company's Pre-IPO Share Option Scheme was adopted on 14 July 2016 and the principal terms of which were set out in the Prospectus. Upon the completion of mandatory unconditional cash offer as disclosed in the announcement dated 12 December 2018, the remaining 40,750,000 share options under the Pre-IPO Share Option Scheme were cancelled.

There was no share option outstanding as at 31 March 2021 and no share options were granted, exercised or cancelled or lapsed under the Pre-IPO Share Option Scheme during the year ended 31 March 2021.

(b) Post-IPO Share Option Scheme

The Post-IPO Share Option Scheme was approved by the Shareholders on 14 July 2016 for attracting and retaining the best available personnel of the Group, and providing incentives or rewards to eligible persons of the Group for their contribution to the success of the Group's business. The Post-IPO Share Option Scheme was conditional on the Listing Committee of the Stock Exchange granting approval for the listing of and permission to deal in the Shares which may be issued pursuant to the exercise of share options granted under the Post-IPO Share Option Scheme.

Options granted under the Post-IPO 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 aggregate number of shares of the Company which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the Post-IPO Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the shares of the Company in issue from time to time. No options may be granted under the Post-IPO Share Option Scheme or any other share option schemes of the Company if this will result in the limit being exceeded.

The total number of shares of the Company which may be issued upon the exercise of all share options to be granted under the Post-IPO Share Option Scheme and other share option schemes must not, in aggregate, exceed 10% of the shares of the Company in issue as at the listing date (the "**Listing Date**") (i.e. 5 August 2016) (the "**Scheme Mandate Limit**") provided that options lapsed in accordance with the terms of the Share Option Scheme or other share option schemes will not be counted for the purpose of calculating the Scheme Mandate Limit.

Eligible persons under the Share Option Scheme include employees (full-time or part-time) and other members of the Group, including any executive, non-executive and independent non-executive Directors, advisors and consultants of the Group, or any substantial shareholder of the Company, or any distributor, contractor, supplier, agent, customer, business partner or service provider of the Company.

The total number of Shares issued and to be issued upon exercise of the Options granted to each eligible participant (including both exercised and outstanding Options) in any 12-month period must not exceed 1% of the Shares in issue. Any further grant which would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such Participant (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue must be separately approved by our shareholders in general meeting with such Participant and his close associates (or his associates if the Participant is a connected person) abstaining from voting, and the number and terms (including the Subscription Price) of Options to be granted to such Participant must be fixed before the shareholders' approval.

Where any grant of Options to a substantial shareholder or an independent non-executive Director (or any of their respective associates) would result in the total number of Shares issued and to be issued upon exercise of all options already granted and to be granted to such person under the Post-IPO Share Option Scheme and any other share option schemes of the Company (including options exercised, cancelled and outstanding) in any 12-month period up to and including the date of grant: (a) representing in aggregate over 0.1% of the shares in issue; and (b) having an aggregate value, based on the closing price of the shares at the date of each grant, in excess of HK$5 million, such further grant of options must be approved by the shareholders in general meeting of our Company. The proposed grantees, their respective associates and all core connected persons of our Company must abstain from voting at such general meeting.

A nominal consideration of HK$1 is payable by the grantee on acceptance of the grant of an option. The option may be exercised in whole or in part by the grantee giving notice in writing to the Company in such form as the Board may from time to time determine stating that the option is thereby exercised and the number of shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the aggregate subscription price of the shares in respect of which the notice is given together with the reasonable administration fee specified by the Company from time to time. Within 28 days after receipt of the notice and the remittance, the Company shall allot and issue the relevant shares, credited as fully paid, and a share certificate for the relevant shares so allotted to the grantee.

The subscription price for the shares subject to the options will be a price determined by the Board and shall be at least the highest of (i) the closing price of the shares as stated on the Stock Exchange's daily quotations sheet on the date of grant of the options, which must be a trading date; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of grant of the options; and (iii) the nominal value of a share on the date of grant of the options.

The Post-IPO share Option Scheme will remain in force for a period of ten years commencing on 14 July 2016. For more details, please refer to the section headed "Share Option Schemes – Post-IPO Share Option Scheme" in Appendix IV of the Prospectus.

No share options were granted under the Post-IPO Share Option Scheme since the Listing Date. Therefore, no Options were exercised or cancelled or lapsed during the year ended 31 March 2021 and there were no outstanding Option under the Post-IPO Share Option Scheme as at 31 March 2021.

The total number of shares in respect of which options may be granted under the Post-IPO Share Option Scheme shall not in aggregate exceed 80,000,000 shares, being 9.87% of the total number of shares in issue as at the date of this annual report.

Review by Audit Committee

The Audit Committee consists of three members, namely Mr. Shi Kangping, Mr. Kim Jin Tae and Mr. Lu Cheng, all are independent non-executive Directors. Mr. Shi Kangping is the chairman of the Audit Committee. It has reviewed with management the audited consolidated financial statements of the Company during the year ended 31 March 2021.

Change in Independent Auditor in the Preceding Three Years

PricewaterhouseCoopers was appointed as the independent auditor of the Company (the "**Independent Auditor**") following the retirement of Deloitte Touche Tohmatsu at the annual general meeting of the Company held on 4 September 2019.

Independent Auditor

The consolidated financial statements for the year ended 31 March 2021 have been audited by PricewaterhouseCoopers and a resolution for the re-appointment of PricewaterhouseCoopers as Independent Auditor will be proposed at the forthcoming annual general meeting.

Changes in Director's and Chief Executive's Biographical Details under Rule 17.50A(1) of the GEM Listing Rules

Save as disclosed in the section headed "Biographical details of Directors", there is no other change in Directors' biographical details which is required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules.

Publication of Information on Websites

This annual report is available for viewing on the website of Stock Exchange at www.hkexnews.hk and on the website of the Company at www.lifeconcepts.com.

By order of the Board

James Fu Bin Lu

Chairman

22 July 2021

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

About this Report

The Group strives continuously to incorporate sustainability initiatives into daily operations and management. While sharing the vision to be the preferred choice of our stakeholders, the Group is committed to improving our environmental, social and governance (ESG) performance by upholding good corporate governance standards, protecting our environment, engaging the community and promoting social integration.

This ESG report aims to share the Group's key sustainability performances and outline the Group's milestones on our sustainability journey during the year ended 31 March 2021. Unless other specified, the reporting boundary focuses on the environmental and social performance of the Group's food & beverage business operations in Hong Kong for the year ended 31 March 2021 as this business segment accounts for 64.3% of the Group's overall revenue. As revenue contribution of the food & beverage business operation in the PRC, provision of interior design and fitting-out services, provision of organic vegetables consulting services and provision of financial institution intermediation services which only amounted to 0.2%, 1.0% and 34.5% respectively of the Group's overall revenue, for the year ended 31 March 2021 was relatively small, their environmental and social performances are not included in this ESG report. We endeavor to provide a balanced, honest and transparent account of our performance. The Board of Directors will actively consider whether to include other business of the Group in the future for the report to make the report more complete.

The ESG report has complied with the "comply or explain" provisions set out in the "Environmental, Social and Governance Reporting Guide" under Appendix 20 of the GEM Listing Rules. Disclosure content of the ESG report has been reviewed and confirmed by the Board. We value your feedback regarding the review and our overall sustainability practices. Please provide your comments by email to info@diningconcepts.com.

Stakeholder Engagement

As a responsible business, we have the responsibility to build a thriving future where we can create long-term value for our stakeholders. The stakeholders of the Group include shareholders, investors, customers, employees, business partners, suppliers, regulators, industry practitioners, etc.

To understand the full spectrum of ESG aspects of the operation covers, we have engaged both the internal and external stakeholders about its potential environmental and social impacts. We engaged our stakeholders through meetings, interviews, direct mails and staff performance appraisal interviews.

The overall performance of the Group is reported to the shareholders in the interim report and annual report on a yearly basis. The Group also provides opportunities for shareholders and the Board of Directors to communicate through general meetings. The Chairman of the Board of Directors and the Chairmen of the Audit Committee, the Remuneration Committee and the Nomination Committee or their designated representatives answer shareholders' questions at annual general meetings. The Group leverages the feedback provided by stakeholders to highlight and prioritize subjects based on their materiality.

Board Governance and Involvement

The Board is responsible for overseeing sustainable development for all operating companies under the Group. The Audit Committee is delegated responsibility by the Board for executing our corporate sustainability strategy and initiatives. Information and management on sustainability risks and performance is reported to the Board. In turn, the direct reports in the Group have functional responsibility for carrying out sustainable business practice in specific areas, collection and monitoring of ESG related data.

The Group has developed its own corporate governance code (the CG Code) according to the principles as set out in the Corporate Governance Code and Corporate Governance Report contained in Appendix 14 of the Listing Rules. The CG code sets out the corporate governance principles applied by the Group and is constantly reviewed to ensure transparency, accountability and independence. For details, please refer to Corporate Governance Report section.

Environmental Performance

The Group is committed to the long-term sustainability of the environment and communities in which it operates. To the best knowledge and after making reasonable enquires by the Group, the Group has not identified any material non-compliance with all relevant laws and regulations regarding environmental issues during the year ended 31 March 2021 for the food & beverage business operations in Hong Kong. During the year ended 31 March 2021, the Group measured and managed its environmental performance in several aspects throughout its operations in Hong Kong.

The Group is committed to creating sustainable environment and has actively implemented electricity saving, emission reduction and recycling initiatives. During the reporting year, we measured and managed our environmental performance in several aspects throughout our operations.

Air Emissions

Air pollution has become one of the major environmental problems in cities. As cooking process involves fuel use, restaurant operation inevitably generates exhaust gases. To protect the vicinity environment, all the Group's restaurants in Hong Kong have strictly complied with the oil fume and cooking odor requirements as stipulated by Air Pollution Control Ordinance (Chapter 311 of the laws of Hong Kong).

We have implemented the following measures to minimize air emissions and their impact:

- Air pollution control equipment was installed to remove oily fume in the exhaust stream before discharging into open atmosphere.
- Exhaust system outlets were located at places with good ventilation and avoided any sensitive receptor wherever possible.
- Regular cleaning, inspection and maintenance were conducted to ensure the efficiency of the smoke purification devices and exhaust equipment at the Group's restaurants.

During the year ended 31 March 2021, 20.26 kilograms ("**kg**") of nitrogen oxides (NO_x) and 50.66 grams ("**g**") of sulphur oxides (SO_x) were emitted as a result of towngas consumption (2019/20: 47.89 kg of NO_x and 320.32 g of SO_x).

Greenhouse Gas Emissions and Energy Conservation

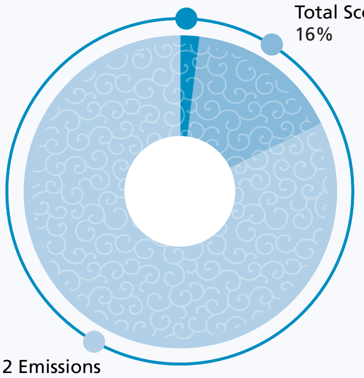
The impact of global climate change is a challenge that businesses and organizations around the world must face and address. The Group is committed to minimizing the adverse impact that its operations may have on the environment. Using energy efficiently will help us to conserve resources and tackle climate change.

Energy consumption accounts for a major part of greenhouse gas ("**GHG**") emissions. To reduce our carbon footprint, we have implemented the following measures:

- Regular maintenance and cleaning of cooking and electronic equipment
- Affix reminder to remind staff of switching the equipment and appliances off or to standby mode after use
- Light zoning has been established
- Maintain proper room temperature (24-26 degrees Celsius)
- Insulation of refrigerator and/or cool water dispenser have been well maintained
- Unwanted materials and thick ice have been regularly cleared and defrosted from refrigerator

In this reporting year, we consumed 2,263,817 kilowatt hours ("**kWh**") of electricity (2019/20: 4,864,260 kWh) in our operations in Hong Kong. GHG emissions of the Group mainly arise from the use of electricity in Hong Kong. The following table shows our GHG emissions and energy consumption in in Hong Kong during this reporting year.

Total Greenhouse Gas Emissions



GHG Emissions	Unit	2019/20	2020/21
Total Scope 1 Emissions	Tonnes of carbon dioxide equivalent ("tCO_2e")	651.67	269.44
Total Scope 2 Emissions	tCO_2e	3,716.66	1,380.27
Total Scope 3 Emissions	tCO_2e	63.99	33.17
Total GHG Emissions	tCO_2e	4,432.32	1,682.87
Total GHG Emissions Intensity	tCO2e/HK$ million revenue (HK$'m revenue)	9.80	12.29

Energy Consumption	Unit	2019/20	2020/21
Towngas Consumption	Megajoule ("MJ")	11,972,159.00	5,065,776.00
Towngas Consumption Intensity	MJ/HK$'m revenue	26,478.46	36,984.23
Electricity Consumption	kWh	4,864,259.81	2,263,817.00
Electricity Consumption Intensity	kWh/HK$'m revenue	10,758.14	16,527.68

Water Management

Water shortage and pollution have become global issues, which lead to health, food supply, ecological and other crises. To preserve the precious water resource, the Group strives to reduce water usage and conserve water resources in its daily operations. During the year ended 31 March 2021, the Group did not encounter any issue in sourcing water for business operations in Hong Kong.

As equipment malfunctioning is a common cause of water wastage in restaurant operation, we asked our employees to timely report any leakage. The Group has also kept an eye on abnormal water consumption. Any suspected leakage will be inspected and repaired promptly.

Water consumption statistics for the business operation in Hong Kong during the year ended 31 March 2021:

Water consumption	Unit	2019/20	2020/21
Water Consumption	cubic meter	96,195.90	46,957.00
Water Consumption Intensity	cubic meter/HK$' million revenue	212.75	342.82

Material Consumption and Waste Management

The Group works diligently in reducing waste produced from operations by minimizing consumption and reusing/recycling materials wherever possible. The Group recognizes the importance of waste reduction and material recycling and have made continuous efforts to realize among the operation boundaries.

All the Group's restaurants in Hong Kong have implemented waste cooking oil recycling since operation. During the year ended 31 March 2021, a total of 8,480 litres ("**L**") (or 7.73tonnes) of waste oil from the operation in Hong Kong was collected and recycled by qualified recyclers as required by the Environmental Protection Department of Hong Kong (2019/20: 31,352 L or 28.59 tonnes). This enabled energy recovery and safeguarded public health by preventing waste oil from re-entering into the food processing or catering market.

Other waste and consumption reduction measures include:

– Repair broken items to avoid waste disposal as far as possible
– Reuse materials for decorating festive events (e.g. Christmas and Chinese New Year, etc.)
– Use reusable containers, dishes, cups and coffee filters whenever possible
– Reuse stationaries and furniture when moving or renovation
– Encourage double-sided printing and print only when necessary
– Reuse single-sided printed paper and old envelopes
– Reduce box files consumption by reusing old box files or applying electronic means for filing
– Recycle the cartridges by manufacturer or government assigned recyclers
– Preserve food properly to prevent wastage
– Purchase/Replace electrical appliances, electronic equipment and batteries only when necessary

During the year ended 31 March 2021, we consumed a total of 0.88 tonne of paper (2019/20: 0.83 tonne) in the business operation in Hong Kong. To encourage customers to reduce the use of disposable plastic straws, some of our restaurants in Hong Kong participated in the "No Straw Campaign". In our dining outlets, we would not provide drinking straws unless customers request. During the year, the Group continued to review theplan for eliminating and monitoring disposable plastic products. We are gradually changing our takeaway packaging to paper-based to minimize use of plastic.

Natural Resources and Environment

While benefiting from the natural resources and environment, the Group should bear the responsibilities and fulfil the obligations of protecting them and making appropriate use. The Group has taken all related environmental risk into account during the planning of its business development. We are committed to applying industry best practices and comply with legislation, establish and review safety, security and environment objectives and targets, use energy and materials efficiently and reduce waste and emissions and communicate our environmental protection policy to all staff in order to minimize the impacts on the environment and natural resources.

Social Performance

Employment and Labor Practices

Employment & Labor Standards

As the key to achieve the Group's economic, environmental and social objectives, staff is among the Group's most valuable assets. The Group believes that creating a workplace that offers a strong sense of belonging will inspire the employees to strive for excellence.

In view of the labor shortage challenge in the food & beverage industry in Hong Kong, the Group regularly reviews and enhances its employees' remuneration terms and benefits to attract and retain top-notch talents. In addition to protection endowed by Employment Ordinance (Chapter 57 of the laws of Hong Kong) and competitive remuneration packages that are structured to be commensurate with individual responsibilities, qualification, experience and performance, employees enjoy a wide range of other benefits including birthday and special leaves, dental and medical benefits, duty meal and staff discount. The Group upholds the value of equal opportunities and diversity in terms of age, sex, nationality, disability and religion as stipulated by applicable discrimination ordinances. Employees are encouraged to report on discriminatory practices to the management.

During the Reporting Period, the Group was not aware of any material non-compliance against employment-related laws and regulations in Hong Kong which have a significant impact on the Group, including without limitation, the Employment Ordinance (Cap. 57 of the Laws of Hong Kong), Minimum Wage Ordinance (Cap. 608 of the Laws of Hong Kong), Employees' Compensation Ordinance (Cap. 282 of the Laws of Hong Kong), Mandatory Provident Fund Scheme Ordinance (Cap. 485 of the Laws of Hong Kong), Sex Discrimination Ordinance (Cap. 480 of the Laws of Hong Kong), Disability Discrimination Ordinance (Cap. 487 of the Laws of Hong Kong), Family Status Discrimination Ordinance (Cap. 527 of the Laws of Hong Kong), Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong) and Race Discrimination Ordinance (Cap. 602 of the Laws of Hong Kong).

To protect juveniles and avoid assigning intolerable workload, the Group prohibits the use of child labor and forced or compulsory labor at all its units and supply chain. No employee is made to work against his/her will or work as forced labor, or subject to corporal punishment or coercion of any type related to work. During our recruitment process in Hong Kong, applicants are required to report their identity by showing their identity cards during the application for compliance with the statutory age requirements. The Human Resources Department also reviews the attendance records on a regular basis. If overtime work is discovered, investigation will be conducted immediately to ensure that employees are not forced to work overtime. If suppliers are found to have any employment of child labor and forced labor, immediate cessation of business would be conducted.

In case any child labor is observed by our employees during daily business operations in Hong Kong, our employees shall report to the Human Resources Department directly and senior departments for immediate verification. The Group will report to Labour Department without delay.

As at 31 March 2021, the Group employed 272 staff in total for the business operation in Hong Kong.

Workforce statistic by gender, employment type and age group for the business operation in Hong Kong:

		Staff Number
(a)	Breakdown by geographical region	
	Employees – Hong Kong	272
(b)	Breakdown by gender	
	Employees - Female	141
	Employees - Male	131
(c)	Breakdown by age group	
	Employees Age < 30	72
	Employees Age 30 - 50	159
	Employees Age > 50	41
(d)	Breakdown by employment type	
	Employees - Part-time	12
	Employees - Full-time	260

Health and Safety

Ensuring health and safety of our employees is one of our prime responsibilities. To reinforce the safety and health protection to employees in workplaces, the Group has implemented its occupational health and safety (OH&S) management system during the business operation in Hong Kong in accordance with Occupational Safety and Health Ordinance (Chapter 509 of the laws of Hong Kong). In case of accident, insurance is covered by our basic security package.

Reinforcing employees' safety awareness is of crucial importance as prevention is always better than cure. In addition to safety information and black-spots sharing during daily briefing, frontline staff is also provided with personal protective equipment based on their job nature.

To overcome the challenges brought by the unexpected outbreak of COVID-19 pandemic, the Group has taken effective health and safety measures during the business operation in Hong Kong in accordance to the Prevention and Control of Disease (Requirement and Directions) (Business and Premises) Regulation (Chapter. 599 of the laws of Hong Kong). An internal epidemic prevention and control structure has been established, covering all restaurants and office. In our office in Hong Kong, all staff are required to wear face masks and subject to body temperature checks before entering into the office. Public spaces and area are disinfected thoroughly. In our restaurants in Hong Kong, sufficient quantity of protective gears like masks and gloves are provided to our staff to ensure hygiene. Body temperature screening is conducted and hand sanitizers are provided before staff and customers entering dining space. Social distancing dining table layout with partitions are arranged to keep a distance between customers and avoid cross-contact. Other requirements are implemented as per government's advice.

During the year ended 31 March 2021, no work-related fatality was reported and 186 work days were lost due to work injury and/or occupational diseases in the business operation in Hong Kong.

Development and Training

The Group conducts regular reviews on its training strategies to enable its talents to develop themselves to their fullest potential. Through training programs, policies and measures, the Group expects to bring diversified development opportunities to each employee. Daily briefing session updates employees on the essential skill sets for operational needs, assuring that the customers are served with quality.

Operational Practices

Supply Chain Management

The Group is aware of the broader impact of the business operations from the supply chain. Addressing the sustainability risks in the supply chain is one of the Group's major ways of minimizing potential negative environmental and social impacts of its procurement decisions.

Ensuring food safety has always been the Group's first and foremost commitment as a leading food and beverage brand in Hong Kong. In selecting suppliers, rigorous mechanism with stringent criteria based on various standards is adopted to evaluate the hygiene, origin, supply performance, compliance with relevant laws and other sustainability aspects of potential suppliers. Upon selection, the Group arranges on-site inspection of the production line. The Group conducts review on existing suppliers regularly, and sample raw materials for third-party quality inspection when necessary.

Service Responsibility and Quality Management

As a responsible company, the Group is fully aware of the importance to comply with relevant laws and regulations concerning the provision of our services, relating to health and safety, advertising, labelling and privacy matters.

A high standard of food safety is upheld to maintain trust from customers. All the Group's restaurants in Hong Kong have strictly complied with Food Safety Ordinance (Chapter 612 of the laws of Hong Kong) and Food Business Regulations (Chapter 132X of the laws of Hong Kong). Not only has the Group kept a close eye on the suppliers, but best efforts have also been put forth on internal control. The Group's restaurants in Hong Kong adopt quality control standards with high standards. To strive for zero food safety incidence, the frontline staff are required to adhere to standard operating guideline, through which good practices and detail procedures on personal hygiene, equipment cleanliness, proper waste and effluent disposal, and pest-free environment are communicated. A team of area managers are assigned in Hong Kong to regularly inspect all restaurants to ensure food safety and hygiene.

The Group values and understands the importance of customers' comments in driving outstanding dining experience. Multiple feedback channels, including customer service hotline, social media page, email and feedback form, have therefore been established to facilitate communication. During the year ended 31 March 2021, 46 service-related complaints were received during the business operation in Hong Kong. Specific personnel had been appointed to follow-up promptly and take appropriate action based on established policies and procedures on each case.

Anti-corruption

While service quality matters, the Group is also committed to maintaining the highest ethical standards and corporate culture of integrity and justice for preventing, detecting and reporting all types of fraud, bribery, extortion, and money laundering. The Group follows the "Prevention of Bribery Ordinance" enforced by the Independent Commission Against Corruption ("ICAC") during the business operation in Hong Kong. To demonstrate such commitment, the Group has set forth a written whistle-blowing policy and reporting procedures. Any employee may report suspected misconduct or malpractice in breach of applicable laws or the code of conduct to his or her immediate head or independent directors.

The Group takes a zero-tolerance approach to bribery and corruption and is committed to doing business with integrity and in compliance with the laws and regulations in operating business. There were no concluded legal cases regarding corrupt practices brought against the Group or its employees during the business operation in Hong Kong for the year ended 31 March 2021.

Community Investment

The Group pursues sustainable development of the community by assessing and managing the social impact of our operations on the marketplace and by supporting initiatives that create effective and lasting benefits to communities. As a member of the society, the Group has always been enthusiastic about public welfare and voluntary work to bring positive impact to the community development.

During the year ended 31 March 2021, a total of HK$8,000 monetary donation was contributed for improving literacy and gender equality in education across the globe.

Personal Data Privacy

According to the Personal Data (Privacy) Ordinance (Chapter 486 of the laws of Hong Kong), the Group is responsible to protect the privacy of individuals in relation to personal data accessed by the Group and to provide for incidental and connected matters. The Group has set up membership programme for its restaurants in Hong Kong and the Group has its internal privacy policy to prevent customers' personal information from being misused. Dedicated staff are appointed to maintain customers' personal data. The management keeps the Group posted on the latest privacy protection requirements. The management will also attend workshops on personal data protection organized by relevant regulatory bodies for personal data as and when necessary.

During the year ended 31 March 2021, the Group did not record any personal data breach or leakage case in the business operation in Hong Kong.

Network security

During the business operation in Hong Kong, the Group has its internal information technology department to:

– Establish and monitor user account management procedures as for creating, modifying and terminating user accounts and related user privileges

– Manage software license updates

– Maintain data backup policy to ascertain completeness and accuracy of the data backup process

– Refine the firewall configuration to properly separate network segments between the internal network and the external networks from time to time

During the year ended 31 March 2021, the Group did not record any significant network breakdown or data losses in the business operation in Hong Kong.

ESG Guide Content Index

Disclosure, Aspects, General Disclosure and KPIs	Description	FY20/21 ESG Report
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	Environmental Performance
KPI A1.1	The types of emissions and respective emissions data.	Environmental Performance – Air Emissions
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Performance – Greenhouse Gas Emissions and Energy Conservation
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Performance – Material Consumption and Waste Management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Performance – Material Consumption and Waste Management
KPI A1.5	Description of measures to mitigate emissions and results achieved.	Environmental Performance – Greenhouse Gas Emissions and Energy Conservation
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Environmental Performance – Material Consumption and Waste Management

Disclosure, Aspects, General Disclosure and KPIs	Description	FY20/21 ESG Report
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Environmental Performance
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Environmental Performance – Greenhouse Gas Emissions and Energy Conservation
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Environmental Performance – Water Management
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	Environmental Performance – Greenhouse Gas Emissions and Energy Conservation
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Environmental Performance – Water Management
KPI A2.5	Total packaging material used for finished products.	Environmental Performance – Material Consumption and Waste Management Our business does not produce any physical goods.
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Environmental Performance
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Performance – Natural Resources and Environment

Disclosure, Aspects, General Disclosure and KPIs	Description	FY20/21 ESG Report
B. Social		
Aspect B1 Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Social Performance – Employment and Labor Standards
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Social Performance – Employment and Labor Standards
Aspect B2 Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Social Performance – Health and Safety
KPI B2.1	Number and rate of work-related fatalities.	Social Performance – Health and Safety
KPI B2.2	Lost days due to work injury.	Social Performance – Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Social Performance – Health and Safety
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Social Performance – Development and Training
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Social Performance – Employment and Labor Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Social Performance – Employment and Labor Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Social Performance – Employment and Labor Standards

Disclosure, Aspects, General Disclosure and KPIs	Description	FY20/21 ESG Report
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Social Performance – Supply Chain Management
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Social Performance – Service Responsibility and Quality Management
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Social Performance – Service Responsibility and Quality Management
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Social Performance – Personal Data Privacy
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Social Performance – Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Social Performance – Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Social Performance – Anti-corruption
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Social Performance – Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Social Performance – Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Social Performance – Community Investment

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Life Concepts Holdings Limited

(incorporated in the Cayman Islands with limited liability)

OPINION

What we have audited

The consolidated financial statements of Life Concepts Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 57 to 127, which comprise:

- the consolidated statement of financial position as at 31 March 2021;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 2.1 to the consolidated financial statements, which indicates that the Group incurred a net loss of HK$67,341,000 during the year ended 31 March 2021 and had net cash used in operating activities of HK$14,352,000, while the Group had a net shareholders' deficit of HK$59,954,000 and its current liabilities exceeded its current assets by HK$63,981,000 as at 31 March 2021. During the year ended 31 March 2021, the Group's catering operations were adversely affected by the Coronavirus Disease 2019 ("COVID-19) pandemic, the COVID-19 restrictions and control measures. These conditions, along with other matters as described in Note 2.1 to the consolidated financial statements, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters identified in our audit are summarised as follows:

- Impairment assessment of property, plant and equipment, intangible assets and right-of-use assets
- Measurement of guarantee liabilities

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment assessment of property, plant and equipment, intangible assets and right-of-use assets Refer to notes 4a, 14, 15 and 16 to the consolidated financial statements. The Group had property, plant and equipment of HK$8,798,000, intangible assets of HK$13,365,000 and right-of-use assets of HK$32,144,000 as at 31 March 2021, of which HK$39,030,000 and HK$11,358,000 were attributable to its restaurant operations and provision of organic vegetables consulting services segment, respectively. In accordance with HKAS 36 "Impairment of Assets", where an indication of impairment of these assets exists, the Group will estimate the recoverable amounts of the relevant assets, based on the higher of value-in-use (VIU) and fair value less costs of disposal (FVLCD). An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount.	Our procedures for assessing management's impairment assessment included: • Obtained an understanding of and evaluated management's process for preparing its impairment assessment, assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors associated, and evaluated management's prior years' experience and the critical judgements exercised in the assessment; • Assessed the valuation methodology adopted and assessed the valuation assumptions such as discount rates used by management in preparation of the discounted cash flow forecast for determining the recoverable amount; • Evaluated the key assumptions used in the cash flow forecast, including projected revenue, gross profit margin, the length of time and severity of the impact of COVID-19 and government stimulus measures, by comparing to actual historical performance of the relevant CGUs, the business plans approved by management which reflected management's expectation as at 31 March 2021 on future operations, and industry research;

Key Audit Matter	How our audit addressed the Key Audit Matter
Management determined that each restaurant under its restaurant operations and the provision of organic vegetables consulting services segment is a cash-generating unit ("CGU") for the purpose of impairment assessment. Due to the COVID-19 pandemic and respective restrictions and control measures, majority of the Group's restaurants were loss making during the year. The provision of organic vegetables consulting services segment is also loss making in its second year of operation. These conditions were considered as impairment indicators. Hence, the Group's management has performed impairment assessments on the relevant CGUs' property, plant and equipment, intangible assets and right-of-use assets by assessing their recoverable amounts based on the higher of VIU and FVLCD. As at 31 March 2021, provision for impairment of property, plant and equipment, intangible assets and right-of-use assets amounted to HK$3,792,000, HK$8,225,000 and HK$14,320,000, respectively. Management judgement was required to identify CGUs that have impairment indicators and determine the recoverable amount of property, plant and equipment, intangible assets and right-of-use assets. The determination of recoverable amount of each CGU involved the use of key assumptions in a discounted cash flow model, including projected revenue, gross profit margin, discount rate, the length of time and severity of the impact of COVID-19 and government stimulus measures.	• Tested the mathematical accuracy of the discounted cash flow models and the calculation of the impairment provisions based on the difference between carrying amount of the assets and the recoverable amount which is the higher of the VIU and FVLCD; • Evaluated the sensitivity analysis performed around the key assumptions to ascertain the extent to which adverse changes individually in those assumptions adopted, in order to assess the potential impact to the impairment assessment. Based on the above audit procedures performed, we found that management's assessments were supported by the evidence that we obtained.

Key Audit Matter	How our audit addressed the Key Audit Matter
Measurement of guarantee liabilities Refer to notes 4g and 25 to the consolidated financial statements. As at 31 March 2021, the Group's guarantee liabilities amounted to approximately HK$25,144,000 was recognised. The implementation of HKFRS 9 requires the Group to make considerable judgements, assumptions, and interpretations of the standard and requires the use of numerous parameters and data inputs in the development of complex models to estimate the guarantee liabilities using the expected credit losses concept. Significant management judgments and assumptions primarily included choosing appropriate models and assumptions and determination of relevant key measurement parameters. The expected credit loss model under HKFRS 9 is a highly complex process and involved significant management judgments and interpretations, and accordingly, we identified this as a key audit matter.	Our procedures for assessing management's measurement of guarantee liabilities included: • Obtained an understanding of and evaluated management's process for preparing its measurement of guarantee liabilities, assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors associated, and evaluated management's critical judgements exercised in the assessment; • Understood and evaluated the relevant internal controls over the selection and approval of the accounting policies and expected credit loss model methodologies; • Reviewed the modelling methodology for measurement of guarantee liabilities, using the expected credit loss concept and assessed the reasonableness of the key parameters calculations, judgements and assumptions in relation to the models. We examined the calculation for model measurement on selected samples and tested whether or not the measurement model reflects the modelling methodology documented by the management; • Reviewed the entry of key data inputs for the expected credit loss models on selected samples to assess their completeness and accuracy. Based on the procedures we have performed, in the context of the inherent uncertainties associated with a measurement of guarantee liabilities, the models, the parameters and the key assumptions adopted by management and the measurement results were supported by the evidence obtained.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Albert K.W. Lee.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 22 July 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2021

	Note	2021 HK$'000	2020 HK$'000
Revenue	6	214,325	452,147
Cost of sales and inventories consumed		(38,692)	(111,905)
Loan referral and guarantee expenses		(45,601)	—
Employee benefit expenses	9	(73,680)	(180,322)
Depreciation of property, plant and equipment		(9,445)	(37,307)
Amortisation of intangible assets		(5,763)	(3,913)
Amortisation of right-of-use assets		(44,363)	(88,256)
Rental and related expenses	8(a)	(1,315)	(13,645)
Utilities and consumables		(5,873)	(18,314)
Franchise and licensing fees		(1,720)	(8,905)
Impairment loss on property, plant and equipment	14	(3,792)	(13,704)
Impairment loss on intangible assets	16	(8,225)	(880)
Impairment loss on right-of-use assets	15	(14,320)	(29,008)
Government grants		20,202	—
Net impairment losses on financial instruments and contract assets	3.1(b)	(9,100)	—
Other expenses	8(b)	(37,952)	(76,330)
Other gain, net	7	1,294	2,049
Finance income/(costs), net	10	5,568	(3,950)
Loss before income tax		(58,452)	(132,243)
Income tax expense	11	(8,889)	(656)
Loss for the year		(67,341)	(132,899)
Other comprehensive income			
Item that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		3,883	(63)
Total comprehensive loss for the year		(63,458)	(132,962)
Loss attributable to:			
Owners of the Company		(64,432)	(130,858)
Non-controlling interests		(2,909)	(2,041)
Loss for the year		(67,341)	(132,899)
Total comprehensive loss attributable to:			
Owners of the Company		(62,101)	(130,767)
Non-controlling interests	21	(1,357)	(2,195)
		(63,458)	(132,962)
Loss per share attributable to owners of the Company			
Basic and diluted	12	(0.08)	(0.16)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2021

	Note	2021 HK$'000	2020 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment	14	8,798	24,508
Right-of-use assets	15	32,144	73,119
Intangible assets	16	13,365	26,069
Rental and utilities deposits		13,036	23,259
Deposit for property, plant and equipment		429	2,043
Restricted bank deposits	19	64,250	3,023
Loan to a related party	29	13,524	—
Contract assets	18	57,715	—
		203,261	152,021
Current assets			
Inventories	17	2,544	3,692
Trade and other receivables	18	14,492	11,110
Contract assets	18	14,429	1,298
Advances to related parties	29	640	2,640
Income tax recoverable		3,575	1,009
Cash and cash equivalents	19	12,193	26,877
		47,873	46,626
Total assets		251,134	198,647
EQUITY			
Equity attributable to owners of the Company			
Share capital	20	63,037	63,037
Reserves	20	(137,951)	(75,850)
		(74,914)	(12,813)
Non-controlling interests	21	14,960	11,168
		(59,954)	(1,645)

	Note	2021 HK$'000	2020 HK$'000
LIABILITIES			
Non-current liabilities			
Lease liabilities	15	18,596	41,372
Other payables	23	7,014	—
Amounts due to directors	29	69,892	—
Amount due to a related party	29	87,437	—
Provisions	22	3,570	3,890
Deferred tax liabilities	28	12,725	3,294
		199,234	48,556
Current liabilities			
Trade and other payables	23	36,089	46,626
Contract liabilities	24	1,185	1,930
Lease liabilities	15	42,006	57,839
Amounts due to related parties	29	6,647	7,246
Amount due to a director	29	71	16,583
Loans from third parties	23(b)	—	20,360
Guarantee liabilities	25	25,144	—
Current tax liabilities		712	1,152
		111,854	151,736
Total liabilities		311,088	200,292
Total equity and liabilities		251,134	198,647

The consolidated financial statements on pages 57 to 127 were approved and authorised for issue by the board of directors on 22 July 2021 and are signed on behalf by:

James Fu Bin Lu
Director

Long Hai
Director

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2021

	Attributable to owners of the Company							
	Share capital HK$'000 (Note 20)	Share premium HK$'000 (Note 20)	Other reserve HK$'000 (Note 20)	Translation reserve HK$'000	Accumulated losses HK$'000	Subtotal HK$'000	Non-controlling interests HK$'000	Total HK$'000
At 1 April 2019	63,037	28,785	27,313	(2)	(1,179)	117,954	—	117,954
Loss for the year	—	—	—	—	(130,858)	(130,858)	(2,041)	(132,899)
Exchange differences on translation of foreign operations	—	—	—	91	—	91	(154)	(63)
Total comprehensive income/(loss) for the year	—	—	—	91	(130,858)	(130,767)	(2,195)	(132,962)
Acquisition of a subsidiary	—	—	—	—	—	—	13,363	13,363
At 31 March 2020	63,037	28,785	27,313	89	(132,037)	(12,813)	11,168	(1,645)
Loss for the year	—	—	—	—	(64,432)	(64,432)	(2,909)	(67,341)
Exchange differences on translation of foreign operations	—	—	—	2,331	—	2,331	1,552	3,883
Total comprehensive loss for the year	—	—	—	2,331	(64,432)	(62,101)	(1,357)	(63,458)
Disposal of subsidiaries (Note 31)	—	—	—	—	—	—	56	56
Capital injection from non-controlling shareholders	—	—	—	—	—	—	5,093	5,093
At 31 March 2021	63,037	28,785	27,313	2,420	(196,469)	(74,914)	14,960	(59,954)

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2021

	Note	2021 HK$'000	2020 HK$'000
Cash flows from operating activities			
Net cash (used in)/generated from operations	27(a)	(19,351)	50,772
Income tax paid		(2,772)	(2,223)
Interest received		7,771	21
Net cash (used in)/generated from operating activities		(14,352)	48,570
Cash flows from investing activities			
Purchase of and deposits paid for property, plant and equipment		(7,720)	(4,647)
(Increase)/decrease in restricted bank deposits		(59,226)	2,267
Purchase of intangible assets		(1,006)	(195)
Inflow/(outflow) of cash and cash equivalents in respect of the disposal of subsidiaries	31	1,754	(2,515)
Proceeds from disposals of property, plant and equipment		—	147
Decrease in rental and utilities deposits		5,754	5,273
Net cash acquired from acquisition of a subsidiary		—	67
Advances to related parties		—	(2,640)
Repayment of advances to related parties		2,471	—
Loan to a related party		(14,584)	—
Net cash used in investing activities		(72,557)	(2,243)
Cash flow from financing activities			
Inception of loan from third parties	27(c)	—	20,360
Repayment of loans from third parties	27(c)	(21,305)	—
Inception of loan from related parties	27(c)	85,113	547
Principal elements of lease payments	27(c)	(49,707)	(70,188)
Advance from directors	27(c)	51,998	16,583
Repayment of loans from former controlling shareholders	27(c)	—	(15,000)
Capital injection from non-controlling shareholders		5,093	—
Interest paid		(2,676)	(3,971)
Net cash generated from/(used in) financing activities		68,516	(51,669)
Net decrease in cash and cash equivalents		(18,393)	(5,342)
Cash and cash equivalents at the beginning of the financial year		26,877	31,900
Effect of exchange rate changes on cash and cash equivalents		3,709	319
Cash and cash equivalents at end of the year	19	12,193	26,877

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Life Concepts Holdings Limited (the "**Company**") was incorporated in the Cayman Islands on 22 May 2014 as an exempted company with limited liability under the Companies Law Cap.22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Clifton House, 75 Fort Street, Grand Cayman, KY1-1108, Cayman Islands, and its principal place of business is at Suite 1701-3, 17/F, Chinachem Hollywood Centre 1, 3, 5, 7, 9, 11 and 13 Hollywood Road, Central, Hong Kong.

The Company is an investment holding company and its subsidiaries (together, the "**Group**") are principally engaged in (i) operation of restaurants; (ii) interior design and fitting-out business; (iii) provision of consulting services in relation to organic vegetables research and development, plantation and sales; and (iv) provision of financial institution intermediation services. Prior to 11 October 2018, the ultimate controlling shareholders were Total Commitment Holdings Limited ("**Total Commitment (HK)**"), Ideal Winner Investments Limited, Minrish Limited ("**Minrish**"), Indo Gold Limited ("**Indo Gold**") and Mr. Jugdish Johnny Uttamchandani ("**Mr. Uttamchandani**") (hereinafter as the "**former controlling shareholders**"). On and after 11 October 2018, its immediate and ultimate holding company is Strong Day Holdings Limited, a company incorporated in the British Virgin Islands with limited liability.

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), unless otherwise stated.

The Company has had its shares listed on Growth Enterprise Market ("**GEM**") of The Stock Exchange of Hong Kong Limited on 5 August 2016 (the "**Listing**").

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (HKICPA) and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention.

During the year ended 31 March 2021, the Group reported a net loss of HK$67,341,000 and had net cash used in operating activities of HK$14,352,000. As at 31 March 2021, the Group had a net shareholders' deficit of HK$59,954,000 and its current liabilities exceeded its current assets by HK$63,981,000 while it had cash and cash equivalents of approximately HK$12,193,000.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

The Group's catering operations have been negatively impacted by the weak market sentiment amidst the Coronavirus Disease 2019 ("**COVID-19**") pandemic during the year ended 31 March 2021. COVID-19 pandemic has started to affect Hong Kong in early 2020 and a series of precautionary and control measures have been and continued to be implemented in Hong Kong. The Hong Kong Government has introduced group gathering measures to limit the number of persons allowed in group gatherings in public places, including those for different types of mode of operations in catering business, under the Prevention and Control of Disease (Prohibition on Group Gathering) Regulation. Although the Hong Kong Government is gradually relaxing the precautionary and control measures, the measures together with poor consumer sentiment caused by the pandemic are still causing short-term disruption to the Group's restaurant operations in Hong Kong. Also, the Directors are not certain whether the COVID-19 pandemic will continue and whether the restrictions and control measures will have a prolong impact to the Group's operating performance and cash flows.

The above conditions indicate the existence of material uncertainties which may cast a significant doubt about the ability of the Group to continue as a going concern.

In view of these circumstances, the Directors have given careful consideration to the future liquidity requirements and operating performance of the Group and its available sources of financing to assess whether the Group would have sufficient financial resources to fulfill its financial obligations to continue as a going concern. The Group has plan and measures to improve its financial position and to alleviate its liquidity pressure, which include but not limited to the following:

1) The Government announced the relief of certain quarantine and social distancing restrictions in June 2021 for different types of mode of operations for the catering business. The Group has been closely monitoring the latest developments on the COVID-19 situation, changes to quarantine and social distancing restrictions in Hong Kong, as well as government stimulus measures so as to formulate appropriate plans to improve its operating performance and cash inflows of its catering business;

2) The Group has adopted a series of measures to control costs and to enhance cash flow and operational efficiency, including implementing salary reduction for staff; closing and disposing of certain underperforming restaurants; obtaining rent concessions from the landlords on the leases of certain restaurants of the Group and tightening expenditures;

3) As at 31 March 2021, the Group had obtained a total of HK$69,892,000 non-interest bearing advance from the Chairman of the Company, Mr James Fu Bin Lu, and his wife, Ms Li Qing Ni which was repayable by 1 April 2022. Subsequent to the year end, Mr James Fu Bin Lu has further advanced HK$6,689,000 to the Group. On 15 June 2021, Mr James Fu Bin Lu and Ms Li Qing Ni agreed with the Group to extend the repayment date of the advances to the Group of HK$74,391,000 to 31 July 2022. On 22 July 2021, Mr. James Fu Bin Lu has agreed with the Group to extend the repayment date of advances to the Group of HK$2,190,000 to 31 July 2022;

4) Furthermore, Mr James Fu Bin Lu has confirmed his intention on 22 July 2021 to commit further financing and/or arrange a loan facility to the Group by either himself, the immediate holding company or other related entities amounting to not more than HK$50,000,000 as and when needed;

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

5) As at 31 March 2021, the Group had non-interest bearing borrowing from a related party, which is a non-controlling shareholder of a subsidiary, of HK$87,437,000 in total which was repayable by 1 April 2022. Subsequent to the year end, the related party has further advanced HK$4,259,000 to the Group. On 15 June 2021, the related party agreed with the Group to extend the repayment date of the above advances to the Group of HK$91,696,000 to 31 July 2022;

6) As set out in Noted 36, the directors of the Group are working to revamp the Group's current business arrangement of the provision of financial intermediation services to cope with the implications of the relevant PRC regulations and based on their assessment, the directors do not expect there will be significant cash outflow arising from the potential non-compliance as well as in the course of revamping the business arrangement. Moreover, as set out above in (5) above, the related company has agreed to extend the repayment date of the funding that has been used to finance the financial intermediation services business to 31 July 2022 from their original repayment date of 1 April 2022; and

7) The Group will consider to raise additional capital, as and when needed, by carrying out fund raising activities, to finance the operation of the Group.

The Directors have reviewed the Group's cash flow projections, which cover a period of not less than twelve months from 31 March 2021. They are of the opinion that the Group will have sufficient financial resources to satisfy its future working capital requirements as and when they fall due within the next twelve months from 31 March 2021. Accordingly, the Directors consider that it is appropriate to prepare the Group's consolidated financial statements on a going concern basis.

Notwithstanding the above, material uncertainty exists as to whether the Group is able to achieve its plans and measures, which incorporate assumptions about future events and conditions that are subject to inherent uncertainties. Whether the Group will be able to continue as a going concern would depend upon the following:

1) whether the Group is able to generate adequate operating cash inflows by adjusting the restaurants operation soonest possible upon easing of the COVID-19 restrictions and controlling the operating costs;

2) whether the Group will be able to obtain financing from either the Chairman, the immediate holding company or other related entities up to HK$50,000,000 as and when needed;

3) whether the Group will be able to obtain additional capital from fund raising activities to finance the operations of the Group as and when needed.

Should the Group be unable to achieve the above plans and measures such that it would not be operate 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 financial liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

The preparation of the consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

(a) Relevant amendments to existing standards and conceptual framework adopted by the Group

The following amended standards and conceptual framework are mandatory for the first time for the financial year beginning 1 April 2020:

Amendments to Hong Kong Accounting Standard "HKAS" 1 (Revised) and HKAS 8	Definition of material
Amendments to HKFRS 3 (Revised)	Definition of a business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform
Conceptual Framework for Financial Reporting 2018	Revised conceptual framework for financial reporting

The adoption of these amended standards and conceptual framework did not result in any substantial change to the Group's accounting policies. The amended standards and conceptual framework listed above had no material impact on the consolidated financial statements.

The Group has not applied any amended standards or conceptual framework that is not yet effective for the current accounting period.

(b) New standards and amendments to existing standards that have been issued and are relevant to the Group but not effective for the financial year beginning 1 April 2020 and have not been early adopted

		Effective for annual periods beginning on or after
Amendments to HKAS 16	Property, plant and equipment - proceeds before intended use	1 January 2022
Amendments to HKAS 37	Onerous contracts - cost of fulfilling a contract	1 January 2022
Amendments to HKFRS 3	Reference to the Conceptual Framework	1 January 2022
Annual improvements	Annual improvements to HKFRSs 2018 - 2020	1 January 2022
Amendments to HKAS 1	Presentation of financial statements, classification of liabilities as current or non-current	1 January 2023
HKFRS 17	Insurance contracts	1 January 2023
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate and joint venture	To be determined

The directors of the Group are in the process of assessing the financial impact of the adoption of the above new standards and amendments to standards and do not expect them to have a material impact in the current or future reporting periods and on foreseeable future transactions. The directors of the Group will adopt the new standards and amendments to standards when they become effective.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to Note 2.4).

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position respectively.

2.3 Changes in ownership interests

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs.

2.4 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Business combinations (continued)

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

2.5 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.6 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (the "**CODM**"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Company who make strategic decisions.

2.7 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('**the functional currency**'). The consolidated financial statements are presented in HK$, which is the Company's functional and presentation currency.

2.7 Foreign currency translation (continued)

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognised in other comprehensive income.

(c) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of total comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(d) Disposal of foreign operation and partial disposal

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss. In the case of a partial disposal that does not result in the Group losing control over a subsidiary that include a foreign operation, the proportionate share of accumulated exchange differences are reattributed to non-controlling interest and are not recognised in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation and accumulated impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements, the shorter of lease term as follows:

• Office equipment	4-5 years
• Furniture, fixtures and equipment	4-5 years
• Leasehold improvements	Shorter of the remaining lease term or 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.10).

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised in the consolidated statement of profit or loss and other comprehensive income.

2.9 Intangible assets

(a) Goodwill

Goodwill is measured as described in Note 2.4. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments (Note 5).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Intangible assets (continued)

(b) Intangible assets with definite useful life

Separately acquired cricket club operating rights and franchise and licensing rights are shown at historical cost. Historical cost for franchise and licensing rights includes upfront and fixed payments. Variable payments on franchise and licensing rights based on revenue are expensed when incurred. Patents and other intangible assets acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

The Group amortises intangible assets with a limited useful life using the straight-line method over the following periods:

• Cricket club operating rights	4 years
• Franchise and licensing rights	4-10 years
• Patents	5 years
• Other intangible assets	4-5 years

2.10 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.11 Financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Financial assets (continued)

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classified its debt instruments as financial assets at amortised costs.

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in 'other gain, net' together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

(d) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 18 for further details.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Financial guarantee contracts

For financial institutions where the Group provides financial guarantee to for specific loan agreements made by the financial institutions, the Group has obligation to fund the losses, if any, in accordance with the guarantee agreements although the Group does not have any legal title in those loans. The Group has no power to direct the activities of the financial institutions.

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument.

(a) Guarantee liabilities

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model under HKFRS 9 "Financial Instruments"; and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of HKFRS 15 "Revenue from Contracts with Customers".

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

(b) Gains/(losses) from guarantee

In accordance with the principles of HKFRS 15, gains from guarantee are recognised over the term of the loans. Losses from guarantee are recognised when the amount of guarantee liability determined in accordance with the expected credit loss model is higher than the amortised balance. Aforesaid gains and losses from guarantee are recognised as guarantee service fees and impairment loss on financial instruments, respectively, on a gross basis for each reporting period.

2.13 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position where the Group currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.14 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first out ("**FIFO**") method and comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days from invoice date and therefore all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 2.11 for further information about the Group's accounting for trade receivables and Note 3.1(b) for a description of the Group's impairment policies.

2.16 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.17 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.18 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The liabilities for goods and services are unsecured and are usually paid within 60 days and 2 to 365 days, respectively, of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.19 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

2.21 Current and deferred income tax

The income tax expense for the year is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred income tax

Inside basis differences

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax are not recognised if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 Current and deferred income tax (continued)

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.22 Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current other payables in the statement of financial position.

(b) Pension obligations

The Group participates in defined contribution plans and pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(c) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of HKAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

2.24 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods sold and services provided in the normal course of business, stated net of discounts.

Revenues are recognised when or as the control of the good is transferred to the customer or when service is provided to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the good or service may be transferred over time or at a point in time. Control of the good or service is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset or service transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset or service.

The progress towards complete satisfaction of the performance obligation is measured based on one of the following methods that best depict the Group's performance in satisfying the performance obligation:

- direct measurements of the value transferred by the Group to the customer; or
- the Group's efforts or inputs to the satisfaction of the performance obligation.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.24 Revenue recognition (continued)

If a contract involves multiple services, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost-plus-margin.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

The Group recognises revenue as follows:

(a) Restaurant operations

The Group operated a chain of restaurants. Revenue is recognised at a point in time upon the provision of food and beverages to customers. Payment of the transaction price is mostly due immediately at the point of providing food and beverages to customers. Customer deposits for corporate events are recognised as contract liability.

(b) Provision of interior design and fitting-out business

The Group provides interior design and fitting-out services to customers. Such services are recognised as a performance obligation satisfied over time as the Group creates or enhances an asset that the customer controls as the asset is created or enhanced.

The progress towards complete satisfaction of a performance obligation is measured based on input method, which is to recognise revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depict the Group's performance in transferring control of goods or services.

(c) Provision of organic vegetables consulting services

The Group provides consulting services in relation to organic vegetables research and development, plantation and sales. Revenue is recognised for such consulting services on a monthly basis based on a pre-determined percentage of customer's monthly revenue amount as agreed in contracts.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.24 Revenue recognition (continued)

(d) Provision of financial institutions intermediation services

In all arrangements where the Group is not the loan originator, the Group also generates non-interest service fees by facilitating transactions between borrowers and financial institutions. The Group determines that it is not the legal lender and legal borrower in the loan origination and repayment process. Therefore, the Group does not record loans receivable and payable arising from the loans.

The Group's services consist of:

- Upfront loan facilitation service: matching potential qualified borrowers to financial institutions and facilitating the execution of loan agreements between the parties;
- Post loan facilitation service: providing repayment processing services for the financial institutions over the loan term, including following up on late repayments;
- Guarantee service provided to financial institutions, if applicable.

The Group does not receive upfront payments from borrowers and financial institutions at loan inception but receives subsequent payments from financial institutions over the term of the loan. The total service fees are first allocated to the guarantee liabilities (Note 2.12) at fair value which meets the definition of a financial guarantee under HKFRS 9. The remaining amount is then allocated to upfront loan facilitation service and post loan facilitation service using best estimated selling price, as neither vendor specific objective evidence or third party evidence of selling price is available.

Upfront loan facilitation service fees are recognised at loan inception. When the cash received is not equal to the fee allocated to the upfront loan facilitation service, a "contract asset" or "contract liability" is recognised in the consolidated statement of financial position. Post loan facilitation service fees are recognised over the term of the loan, which approximates the pattern of when the underlying services are performed. Gains from guarantee are recognised ratably over the term of the loan.

The Group expects to have any contracts where the period between the transfer of the promised services to the customer and payment by the customer exceeds one year. As a consequence, the Group adjusts the transaction prices for the time value of money.

2.25 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.25 Earnings per share (continued)

(b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2.26 Leases as lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

In addition, the Group considered that refundable rental deposits are not lease payments, accordingly, such rental deposits are recognised as financial assets measured at amortised cost. The difference between nominal amount and discounted present value of the refundable deposits are included in the carrying amounts of right-of-use assets.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee’s incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.26 Leases as lessee (continued)

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the Group (through recent financing or market data) which has a similar payment profile to the lease, then the Group use that rate as a starting point to determine the incremental borrowing rate.

Variable lease payments based on an index or rate are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases (mainly equipments) and leases of low-value assets (mainly advertising boards and office furniture) are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

Amendments to HKFRS 16 "COVID-19-related rent concessions" allow lessee to elect not to assess whether a rent concession occurring as a direct consequence of the COVID-19 pandemic is a lease modification. Such practical expedient, which has been early adopted by the Group during the year ended 31 March 2020, applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than the consideration for the lease immediately preceding the change;
- Any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- There is no substantive change to other terms and conditions of the lease.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.26 Leases as lessee (continued)

Regarding the accounting for deferred tax impact in relation to right-of-use assets and lease liabilities, the Group considered right-of-use assets and lease liabilities separately. Deferred tax was recognised based on temporary difference arise separately from right of use assets and lease liabilities. Upon initial recognition of the right-of-use assets and lease liabilities, if any temporary differences arose, in which the transaction affects neither accounting profit nor taxable profit or tax loss, the Group applied initial recognition exemption to these temporary differences and did not recognise deferred tax. In such case, no deferred tax was recognised on subsequent changes to these temporary differences as initial recognition exemption still applies.

2.27 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the consolidated statement of comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of plant and equipment and right-of-use assets are initially included in liabilities as deferred government grants and when such plant and equipment and right-of-use assets are built or purchased, the received government grants are netted off with carrying value of the related assts.

Government grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

2.28 Interest income

Interest income is presented within "finance costs, net" (Note 10) where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group is exposed to various kinds of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk), credit risk, liquidity risk and operation risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Market risk

(i) Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument fluctuates because of the changes in foreign exchange rates.

The Group mainly operates in Mainland China and Hong Kong. Foreign exchange rate risk arises when recognised financial assets and liabilities are dominated in a currency that is not the entity's functional currency.

Most of the Group's transactions are denominated in HK$ and Renminbi ("RMB"). Since the majority of the transactions are denominated in each entity's own functional currency, the directors of the Company are of the opinion that the Group's exposure to foreign exchange rate risk is minimal in profit or loss. Accordingly, no foreign currency sensitivity analysis is presented.

(ii) Cash flow and fair value interest rate risk

The Group's fair value interest rate risk mainly arises from loan to a related party carried at fixed interest rate.

The Group's cash flow interest rate risk mainly arises from restricted bank deposits and banks deposits carried at floating interest rates.

The Group continues to monitor the exposure on cash flow interest rate risk and will consider hedging the interest rate exposure should the need arise.

At 31 March 2021, a 100 basis points (i.e. 1%) fall/rise in market interest rates for all currencies in which the Group had restricted bank deposits and bank deposits carried at variable rates would increase /decrease post-tax loss by approximately HK$761,000 (2020: HK$295,000), mainly as a result of lower/higher interest income.

(b) Credit risk

The Group is exposed to credit risk in relation to its cash at bank, restricted bank deposits, deposits, trade and other receivables, contract assets, loan to a related party, and advances to related parties. The Group's maximum exposure to credit risk is the carrying amounts of these financial assets.

While restricted bank deposits and cash and cash equivalents are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial as the counterparties are of high credit quality with no history of default.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

The Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. For the provision of financial institution intermediation services, the Group has formulated a complete set of credit management processes and internal control mechanisms, so as to carry out whole process management of the business. Credit management procedures for loans facilitated by the Group comprise the processes of credit origination, credit review, credit approval, and monitoring. Risks arising from financial guarantees are similar to those associated with loans facilitated by the Group and held by the financial institutions. For other assets, in calculating the expected credit loss rates, the Group considers historical loss rates for each category of receivables and adjusts for current situation and forward-looking macroeconomic data.

The net impairment losses on financial instruments and contract assets as at 31 March 2021 (2020: Nil) is summarized below:

	HK$'000
Movement in loss allowances:	
Trade receivables (Note 18)	507
Contract assets (Note 18)	2,750
Loan to a related party (Note 29(c))	1,060
Derecognition due to early repayment	4,783
Net impairment losses on financial instruments and contract assets	9,100

(i) Trade receivables and contract assets

The Group applies the simplified approach to providing for expected credited losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

In relation to the operation of restaurants, trade receivables mainly represent receivables from reputable and creditworthy financial institutions in relation to the payment settled by credit cards by customers of which the settlement is normally within 3 days from transaction date.

Trade receivables from the provision of interior design and fitting services and organic vegetables consulting services mainly represents receivables from corporate customers with no history of default and settlement is normally within 30 days from invoice date.

As at 31 March 2019, contract assets from the interior design and fitting out services mainly relate to the Group's right to consideration for work completed and not billed because the rights are conditioned on the Group's future performance in achieving specified milestones at the reporting date on the interior design and fitting out services. The contract assets are transferred to trade receivables when the rights become unconditional. The Group typically transfers contract assets to trade receivables upon achieving the specified milestones in the contracts.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(i) Trade receivables and contract assets (continued)

Credit quality of counterparties is assessed based on their financial position, experience and other factors. There is no concentration of credit risk for trade receivables as they are from various counterparties.

The expected credit loss from trade receivables is considered as immaterial as at 31 March 2020 and loss allowance provision recognised for these balances as at 31 March 2020 is close to zero.

The loss allowance as at 31 March 2021 was determined based on past due date for trade receivables and contract assets as follows:

	Current HK$'000	1 to 30 days past due HK$'000	31 to 90 days past due HK$'000	More than 90 days past due HK$'000	Total HK$'000
Expected loss rate	—	—	15.6%	82.7%	
Gross carrying amount – Trade receivables	—	896	544	531	1,971
Loss allowance	—	—	85	439	524
Expected loss rate	3.4%	—	—	—	
Gross carrying amount – Contract assets	79,920	—	—	—	79,920
Loss allowance	2,750	—	—	—	2,750
Expected loss rate	7.3%	—	—	—	
Gross carrying amount – Loan to a related party	14,584	—	—	—	14,584
Loss allowance	1,060	—	—	—	1,060

(ii) Deposits, other receivables, loan to a related party and advances to related parties

The directors of the Group consider the probability of default upon initial recognition of asset and whether there has been significant increase in credit risk on an ongoing basis. To assess whether there is a significant increase in credit risk the Group compares risk of a default occurring on the assets as at 31 March 2021 with the risk of default as at the date of initial recognition. Especially the following indicators are incorporated:

- actual or expected significant adverse changes in business, financial economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;
- actual or expected significant changes in the operating results of the counterparty;
- significant changes in the expected performance and behavior of the counterparty, including changes in the payment status of the counterparty.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(ii) Deposits, other receivables, loan to a related party and advances to related parties (continued)

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group categories a loan or receivable for write off when a debtor fails to make contractual payments/repayable demanded greater than 365 days past due. Where financial assets have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss. The Group reviews regularly the recoverable amount of each individual receivable to ensure that adequate impairment losses are made for irrecoverable amounts. Over the term of the financial assets, the Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of debtors, and adjusts for current situation and forward-looking macroeconomic data.

As at 31 March 2021, management consider deposits, other receivables and advances to related parties as low credit risk as counterparties have a strong capacity to meet its contractual cash flow obligations in the near term. The Group has assessed that the expected credit losses for these receivables are immaterial under 12 months expected losses method. Thus, the loss allowance provision recognised for the year for these balances is immaterial.

Loss allowance provision has been made for loan to a related party. Refer to Note 29 for details.

(c) Liquidity risk

The Group's policy is to maintain sufficient cash to meet its liquidity and working capital requirements.

Management monitors rolling forecasts of the Group's liquidity reserve which comprises cash and cash equivalents (Note 19) on the basis of expected cash flows. The Group's policy is to regularly monitor current and expected liquidity requirements, to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year HK$'000	Between 1 and 2 years HK$'000	Between 2 and 5 years HK$'000	Over 5 years HK$'000	Total HK$'000
At 31 March 2021					
Trade and other payables and interest payables	26,630	580	7,065	—	34,275
Lease liabilities and interest payables	43,108	13,965	6,122	—	63,195
Amounts due to related parties	6,647	87,437	—	—	94,084
Amounts due to directors	71	69,892	—	—	69,963
Guarantee liabilities	25,144	—	—	—	25,144
	101,600	171,874	13,187	—	286,661
At 31 March 2020					
Trade and other payables	33,423	—	—	—	33,423
Lease liabilities and interest payables	60,168	42,495	—	—	102,663
Amounts due to related parties	7,246	—	—	—	7,246
Amount due to a director	16,583	—	—	—	16,583
Loan from third parties	20,360	—	—	—	20,360
	137,780	42,495	—	—	180,275

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.2 Capital risk management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by the aggregate of net debt and total deficit. Net debt is calculated as total lease liabilities (including "current and non-current lease liabilities" as shown in the consolidated statement of financial position), amounts due to directors, loan from related parties (included within "amounts due to related parties" as shown in the consolidated statement of financial position) and loans from third parties, less cash and cash equivalents. Total deficit is calculated as "equity" as shown in the consolidated statement of financial position.

The gearing ratios as at 31 March were as follows:

	2021 HK$'000	2020 HK$'000
Lease liabilities (Note 15)	60,602	99,211
Amounts due to directors (Note 29(c))	69,963	16,583
Loan from related parties (Note 29(c))	88,523	547
Loans from third parties (Note 22)	—	20,360
Less: Cash and cash equivalents (Note 19)	(12,193)	(26,877)
Net debt	206,895	109,824
Total deficit and net debt	146,941	108,179
Gearing ratio	140.8%	101.5%

Gearing ratio increased due to increase in restricted bank deposits and loss incurred during the year ended 31 March 2021.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method.

The different methods of valuation have been defined as follows:

- Quoted prices (unadjusted) in active markets for similar assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The carrying values of the Group's financial assets and financial liabilities approximate to their fair values since the interest rate is close to current market rates or the instruments are short-term in nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments, unless the discounting effect is insignificant.

3.4 Offsetting financial assets and financial liabilities

There is no material offsetting, enforceable master netting arrangement and similar agreements as at 31 March 2021 and 2020.

4 CRITICAL ESTIMATES, JUDGEMENTS AND ERRORS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also need to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

4 CRITICAL ESTIMATES, JUDGEMENTS AND ERRORS (CONTINUED)

(a) Impairment of property, plant and equipment, right-of-use assets and intangible assets

The Group reviews property, plant and equipment, right-of-use assets and intangible assets for impairment whenever events or changes in circumstances indicate that the related carrying amounts may not be recoverable. Determining whether impairment has occurred typically requires various estimates and assumptions, including determining which cash flows are directly related to the potentially impaired asset, the useful life over which cash flows will occur, their amount, and the asset's residual value, if any. In turn, measurement of an impairment loss requires a determination of recoverable amount, which is based on management's estimate with best information available. The Group derives the cash flow estimates from historical experience and internal business plans. To determine recoverable amount, the Group uses cash flow estimates discounted at an appropriate discount rate, quoted market prices when available and independent appraisals, as appropriate.

Impairment loss of HK$26,337,000 (2020: HK$43,592,000) for property, plant and equipment, right-of-use assets and intangible assets was recognised during the year ended 31 March 2021, resulting in the carrying amount being written down to its recoverable amount. Refer to Note 14, 15 and 16 for further details.

(b) Current and deferred income tax

Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Deferred tax assets relating to certain deductible temporary differences and tax losses are recognised when management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. Where the expectation is different from the original estimates, such difference will impact the recognition of deferred tax assets and income tax in the period in which such estimates are changed.

(c) Estimated useful lives of property, plant and equipment and intangible assets

The Group's management determines the estimated useful lives and related depreciation/amortisation for its property, plant and equipment and intangible assets. This estimate is based on the historical experience of the actual useful lives of the property, plant and equipment and intangible assets of similar nature and functions. The useful lives could be changed as a result of asset utilisation, internal technical evaluation, environmental and anticipated use of the assets tempered by related industry benchmark information. Management will change the depreciation/amortisation charge where useful lives are different from the previously estimated lives.

4 CRITICAL ESTIMATES, JUDGEMENTS AND ERRORS (CONTINUED)

(d) Revenue recognition of interior design and fitting-out services

As detailed in Note 2.24, the Group recognises revenue on provision of interior design and fitting-out services to customers. The progress towards complete satisfaction of a performance obligation is measured based on input method, which is to recognise revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depict the Group's performance in transferring control of goods or services. The Group regularly reviews and revises the estimates of total contract costs for interior design and fitting-out services and contract costs incurred for work performed to date as the contract progresses, the actual outcome of the contract in terms of its total costs may be higher or lower than the estimates and this will affect the revenue and profit recognised.

(e) Revenue recognition of provision of financial institution intermediation services

The Group considers the upfront loan facilitation services, post loan facilitation services and guarantee services as distinct performance obligations. However, the Group does not provide these services separately, and the third-party evidence of selling price does not exist either, as public information is not available regarding the amount of fees competitors charge for these services. As a result, the Group uses the expected-cost-plus-a-margin approach to determine its best estimate of selling prices of the different deliverables as the basis for allocation. When estimating the selling prices, the Group considers the cost related to such services, profit margin, customer demand, effect of competition, and other market factors, if applicable.

4 CRITICAL ESTIMATES, JUDGEMENTS AND ERRORS (CONTINUED)

(f) Measurement of expected credit loss allowances

The measurement of the expected credit loss ("ECL") allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses).

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

(i) Determining criteria for significant increase in credit risk;

- The financial instrument is considered to have experienced a significant increase in credit risk if the borrower is 90 days past due on its contractual payments (2020: 90 days past due).
- Using other warning list as supplement criteria such as fraudulent list.

(ii) Choosing appropriate models and assumptions for the measurement of ECL;

- ECL is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. ECL is the discounted product of the Probability for Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), or ECL=PD*LGD*EAD*discount rate.
- The calculation of PD and LGD starts with the Group's historical information. PD and LGD are calculated by type of asset/loan nature, internal risk grades and loan durations as appropriate.
- EAD is calculated based on the amounts the Group expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD).
- The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

(g) Measurement of guarantee liabilities

A guarantee liability is an expected compensation which will be paid in the future due to guarantee contracts. When measuring the guarantee liabilities, the Group needs to make a reasonable estimate of the amounts that the Group is required to pay in fulfilling the obligations under the guarantee contracts. Such estimates are determined based on the estimated loss rate of the loans, taking into account the underlying risk profile and historical loss record. Please refer to Note 2.12 for initial and subsequent measurement for guarantee liabilities.

5 SEGMENT INFORMATION

The segment information reported to the Company's executive directors, being the chief operating decision maker ("CODM"), is being regularly reviewed in order to allocate resources to segments and to assess their performance is prepared under HKFRSs, based on the style of restaurants, including Italian style, Western style, Asian style and Chinese style. In addition, the CODM also reviews performance of catering management and design services, provision of interior design and fitting-out service, provision of organic vegetables consulting services and provision of financial institution intermediation services for resources allocation.

5 SEGMENT INFORMATION (CONTINUED)

The segment information provided to the Group's CODM for the reportable segments for the year ended 31 March 2021 are as follow:

	Year ended 31 March 2021									
	Italian style HK$'000	Western style HK$'000	Asian style HK$'000	Chinese Style HK$'000	Catering management and design services and others HK$'000	Provision of interior design and fitting-out services HK$'000	Provision of organic vegetables consulting services HK$'000	Provision of financial intermediation services HK$'000	Elimination HK$'000	Total HK$'000
Revenue										
Total segment revenue	22,122	107,179	7,670	777	17,044	1,519	2,056	74,067	(18,109)	214,325
Inter-segment revenue	—	—	—	—	(17,044)	(1,065)	—	—	18,109	—
Revenue from external customers	22,122	107,179	7,670	777	—	454	2,056	74,067	—	214,325
Segment results	(4,821)	(19,341)	(4,457)	(1,136)	341	(4,275)	(11,909)	12,136	—	(33,462)
Unallocated employee benefit expenses										(18,384)
Unallocated depreciation and amortisation										(2,756)
Unallocated rental and related expenses										(252)
Unallocated utilities and consumables										(464)
Unallocated other expenses										(3,052)
Finance costs, net										(82)
Loss before income tax										(58,452)
Income tax expense										(8,889)
Loss for the year										(67,341)

At 31 March 2021

	Italian style HK$'000	Western style HK$'000	Asian style HK$'000	Chinese Style HK$'000	Catering management and design services and others HK$'000	Provision of interior design and fitting-out services HK$'000	Provision of organic vegetables consulting services HK$'000	Provision of financial intermediation services HK$'000	Elimination HK$'000	Consolidated total HK$'000
Segment assets	92,324	208,099	43,801	5,586	101,644	42,418	42,323	152,641	(437,702)	251,134
Elimination of inter-segment receivables	(80,959)	(155,475)	(41,678)	(1,100)	(97,165)	(28,196)	(33,129)	—	437,702	—
	11,365	52,624	2,123	4,486	4,479	14,222	9,194	152,641	—	251,134
Segment liabilities	(88,622)	(228,113)	(68,130)	(3,625)	(81,378)	(65,877)	(7,383)	(135,699)	437,702	(241,125)
Elimination of inter-segment payables	79,870	157,993	63,452	—	73,961	62,426	—	—	(437,702)	—
	(8,752)	(70,120)	(4,678)	(3,625)	(7,417)	(3,451)	(7,383)	(135,699)	—	(241,125)
Amounts due to directors										(69,963)
										(311,088)

5 SEGMENT INFORMATION (CONTINUED)

The segment information provided to the Group's CODM for the reportable segments for the year ended 31 March 2020 are as follows:

	Italian style HK$'000	Western style HK$'000	Asian style HK$'000	Year ended 31 March 2020 Catering management and design services and others HK$'000	Provision of interior design and fitting-out services HK$'000	Provision of organic vegetables consulting services HK$'000	Elimination HK$'000	Total HK$'000
Revenue								
Total segment revenue	76,980	311,176	58,782	31,567	4,619	590	(31,567)	452,147
Inter-segment revenue	—	—	—	(31,567)	—	—	31,567	—
Revenue from external customers	76,980	311,176	58,782	—	4,619	590	—	452,147
Segment results	(14,682)	(23,268)	(22,554)	955	(8,757)	(2,333)	(955)	(71,594)
Unallocated employee benefit expenses								(46,445)
Unallocated depreciation and amortisation								(2,859)
Unallocated rental and related expenses								(216)
Unallocated utilities and consumables								(660)
Unallocated other expenses								(10,279)
Finance costs, net								(190)
Loss before income tax								(132,243)
Income tax expense								(656)
Loss for the year								(132,899)

At 31 March 2020

	Italian style HK$'000	Western style HK$'000	Asian style HK$'000	Catering management and design services and others HK$'000	Provision of interior design and fitting-out services HK$'000	Provision of organic vegetables consulting services HK$'000	Elimination HK$'000	Consolidated total HK$'000
Segment assets	139,984	262,587	57,201	103,481	22,501	25,607	(412,714)	198,647
Elimination of inter-segment receivables	(109,064)	(169,936)	(46,177)	(87,537)	—	—	412,714	—
	30,920	92,651	11,024	15,944	22,501	25,607	—	198,647
Segment liabilities	(120,344)	(257,033)	(77,375)	(107,196)	(20,115)	(14,360)	412,714	(183,709)
Elimination of inter-segment payables	92,257	167,852	61,121	91,484	—	—	(412,714)	—
	(28,087)	(89,181)	(16,254)	(15,712)	(20,115)	(14,360)	—	(183,709)
Amount due to a director								(16,583)
								(200,292)

5 SEGMENT INFORMATION (CONTINUED)

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 2. Segment results represents the profit/loss earned by each segment without allocation of the common employee benefit expenses, depreciation and amortisation, rental and related expenses, utilities and consumables, other expenses and finance income/(costs), net incurred. This is the measure reported to the CODM for the purpose of resource allocation and performance assessment. For the purposes of monitoring segment performances and allocating resources between segments, all assets and liabilities, other than amount due to directors, are allocated to operating segments.

Inter-segment sales are charged at cost-plus approach.

Other information

The following is included in the measure of segment results and segment assets.

	Depreciation and amortisation		Additions to non-current assets		Loss on disposals of property, plant and equipment		Loss on disposals of intangible assets		Impairment to non-current assets		Impairment losses on financial instruments and contract assets	
	2021 HK$'000	2020 HK$'000	2021 HK$'000	2020 HK$'000	2021 HK$'000	2020 HK$'000	2021 HK$'000	2020 HK$'000	2021 HK$'000	2020 HK$'000	2021 HK$'000	2020 HK$'000
Italian style	9,116	23,612	2,757	2,109	—	756	—	195	2,531	7,596	—	—
Western style	37,078	78,319	26,593	28,434	—	611	—	385	15,177	30,613	—	—
Asian style	2,400	19,468	653	765	604	5,200	—	—	1,302	5,383	—	—
Chinese style	351	—	4,095	—	—	—	—	—	—	—	—	—
Catering management and design services and others	661	938	917	6,738	—	—	—	—	—	—	—	—
Provision of interior design and fitting-out services	1,471	2,245	—	236	—	—	—	—	—	—	507	—
Provision of organic vegetables consulting services	4,859	2,035	668	23,958	—	—	—	—	7,327	—	1,060	—
Provision of financial institution intermediation services	879	—	4,478	—	—	—	—	—	—	—	7,533	—
	56,815	126,617	40,161	62,240	604	6,567	—	580	26,337	43,592	9,100	—

5 SEGMENT INFORMATION (CONTINUED)

Other information (continued)

The unallocated depreciation and amortisation amounted to approximately HK$2,756,000 (2020: HK$2,859,000) for the year ended 31 March 2021.

Non-current assets included property, plant and equipment, right-of-use assets and intangible assets.

Geographical information

The geographical location is based on the location at which the services were rendered or the goods delivered.

The amount of revenue from external customers broken down by geographical location is as follows:

	2021 HK$'000	2020 HK$'000
Hong Kong	136,971	446,938
Mainland China	77,354	5,209
	214,325	452,147

The non-current assets, other than rental and utilities deposits, deposit for property, plant and equipment, restricted bank deposits and loan to a related party broken down by geographical location of the assets, is shown as below:

	2021 HK$'000	2020 HK$'000
Hong Kong	35,160	100,958
Mainland China	76,862	22,738
	112,022	123,696

Information about major customers

No revenue from individual customer contributed over 10% of total revenue of the Group for the year ended 31 March 2021 and 2020.

6 REVENUE

Disaggregation of revenue from contracts with customers

	2021 HK$'000	2020 HK$'000
Revenue from contracts with customers		
Restaurants operations		
– Italian style	22,122	76,980
– Western style	107,179	311,176
– Asian style	7,670	58,782
– Chinese style	777	—
	137,748	446,938
Provision of financial intermediation services		
– Upfront loan facilitation service fees	63,270	—
– Post loan facilitation service fees	3,686	—
– Guarantee service fees	2,519	—
– Early redemption penalty and service charges	4,592	—
	74,067	—
Provision of interior design and fitting-out services	454	4,619
Provision of organic vegetables consulting services	2,056	590
	214,325	452,147
Timing of revenue recognition		
A point in time	208,129	446,938
Over time	6,196	5,209
	214,325	452,147

For all contracts for provision of good and beverages and provision of interior design and fitting-out services for periods of one year or less, as permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

The transaction price allocated to the unsatisfied performance obligation for provision of organic vegetables consulting services is not disclosed because it is variable consideration and cannot be estimated as it is dependent on customers' future revenue.

7 OTHER GAIN, NET

	2021 HK$'000	2020 HK$'000
Loss on disposals of property, plant and equipment	(604)	(6,567)
Loss on disposals of intangible assets	—	(580)
Gain on disposals of subsidiaries, net (Note 31)	745	663
Gain on early termination of lease, net	1,153	8,533
	1,294	2,049

8 EXPENSES BY NATURE

(a) Rental and related expenses

	2021 HK$'000	2020 HK$'000
Short-term leases expenses	163	143
Low-value leases expenses	24	24
Variable lease payment expenses	340	199
Management fee	9,743	17,660
Rent concession (Note 15(f))	(8,955)	(4,381)
	1,315	13,645

(b) Other expenses

	2021 HK$'000	2020 HK$'000
Advertising	1,421	5,424
Air-conditioning charge	1,409	1,846
Cleaning and laundry expenses	5,130	12,649
Credit card commission	2,346	7,854
Donation	8	292
Insurance	1,815	3,498
Legal and professional fee	3,555	7,079
Food and beverage license expenses	107	297
Packing and printing materials	1,453	3,742
Music performance show	299	6,695
Repair and maintenance	5,757	13,157
Travelling expenses	635	3,821
Auditors' remuneration		
– Audit services	1,800	2,300
– Non-audit services	535	630
Others	11,682	7,046
	37,952	76,330

9 EMPLOYEE BENEFIT EXPENSES

	2021 HK$'000	2020 HK$'000
Wages, salaries, bonuses and allowances	70,982	174,248
Pension cost – defined contribution scheme	2,698	6,074
	73,680	180,322

(a) Five highest paid individuals

The five individuals whose emoluments were the highest in the group for the year include 1 director (2020: 1 director and 1 former director) whose emoluments are reflected in the analysis shown in Note 34. The emoluments payable to the remaining 4 (2020: 3) individuals during the year are as follows:

	2021 HK$'000	2020 HK$'000
Wages, salaries, bonuses and allowances	5,818	6,232
Pension cost – defined contribution scheme	72	54
	5,890	6,286

The emoluments fell within the following bands:

	Number of individuals	
	2021	2020
Emolument bands		
Nil – HK$1,000,000	3	—
HK$1,000,001 – HK$1,500,000	—	1
HK$1,500,001 – HK$2,000,000	—	1
HK$2,000,001 – HK$3,000,000	1	—
HK$3,000,001 – HK$3,500,000	—	1
	4	3

(b) Retirement benefits plans

The Group participates in a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of relevant payroll costs to the Scheme, which contribution is matched by employees.

As stipulated by rules and regulations in Mainland China, the Group contributes to a state-sponsored retirement plan for its employees in Mainland China, which is a defined contribution plan. The Group and its employees contribute a certain percentage of the employees' basic wages/salary as specified by the local government, and the Group has no further obligations for the actual payment of pensions or post-retirement benefits beyond the annual contributions. The state-sponsored retirement plan is responsible for the entire pension obligations payable to retired employees.

The total expense recognised in profit or loss of HK$2,698,000 (2020: HK$6,074,000) represents contributions payable to these plans by the Group at rates specified in the rules of the plans.

10 FINANCE INCOME/(COSTS), NET

	2021 HK$'000	2020 HK$'000
Interest income from contract assets	7,613	—
Bank interest income	158	21
Interest income from loan to a related party	473	—
Finance income	8,244	21
Interest expense on lease liabilities	(1,762)	(3,838)
Interest expense on accrued loan referral expenses	(904)	—
Interest expense on loans from former controlling shareholders	—	(94)
Other interest expenses	(10)	(39)
Finance costs	(2,676)	(3,971)
Finance income/(costs), net	5,568	(3,950)

11 INCOME TAX EXPENSE

	2021 HK$'000	2020 HK$'000
Current tax		
Hong Kong profits tax	—	(1,269)
Under-provision in respect of prior years	(44)	(5)
One-off tax reduction of profits tax by the Hong Kong Inland Revenue Department ("IRD")	—	245
	(44)	(1,029)
Deferred tax (Note 28)	(8,845)	373
Income tax expense	(8,889)	(656)

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces 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 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

11 INCOME TAX EXPENSE (CONTINUED)

Taxation for the year can be reconciled to the loss before income tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2021 HK$'000	2020 HK$'000
Loss before income tax	(58,452)	(132,243)
Tax calculated at the applicable domestic tax rates	10,088	22,763
Effect of:		
Expenses not deductible for tax purpose	(1,611)	(10,226)
Income not taxable for tax purpose	3,563	33
Temporary differences not recognised	(2,096)	(2,896)
Utilisation of deductible temporary differences previously not recognised	840	4,454
Tax losses not recognised	(19,802)	(15,048)
Utilisation of tax losses previously not recognised	173	126
Under-provision in respect of prior years	(44)	(5)
One-off tax reduction by the IRD	—	245
Others	—	(102)
Income tax expense for the year	(8,889)	(656)

12 LOSS PER SHARE

(a) Basic

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

	2021	2020
Loss attributable to owners of the Company (HK$'000)	(64,432)	(130,858)
Weighted average number of ordinary shares in issue (thousands)	810,250	810,250
Basic loss per share (HK$)	(0.08)	(0.16)

(b) Diluted

Diluted loss per share presented is the same as the basic loss per share as there was no potentially dilutive ordinary share outstanding as at 31 March 2021 and 2020.

13 SUBSIDIARIES

Particulars of the Company's principal subsidiaries at 31 March 2021 and 2020 were as follows:

Name of subsidiary	Place and date of incorporation	Issued and fully paid share capital	Proportion ownership interest held by the Company				Principal activities/place of operation
			Directly		Indirectly		
			2021	2020	2021	2020	
Dining Concepts Management Limited	British Virgin Islands 21 February 2018	United States Dollar ("US$") 1	100%	100%	—	—	Investment holding
Dining Concepts Limited	Hong Kong 11 September 2002	HK$10,000	—	—	100%	100%	Provision of catering management and design services in Hong Kong
Ace Trend Holdings Limited 順勢集團有限公司	Hong Kong 23 March 2017	HK$1	—	—	100%	100%	Operating restaurant in Hong Kong
BBQ Restaurants Limited	Hong Kong 9 March 2010	HK$1,000	—	—	100%	100%	Operating restaurant in Hong Kong
BLT Restaurants (HK) Limited	Hong Kong 10 September 2008	HK$500,000	—	—	100%	100%	Operating restaurant in Hong Kong
BLT Burger (HK) Limited	Hong Kong 27 July 2009	HK$500,000	—	—	100%	100%	Operating restaurant in Hong Kong
Bombay Dreams (HK) Limited	Hong Kong 26 July 2002	HK$10,000	—	—	100%	100%	Operating restaurant in Hong Kong
DC Events Limited	Hong Kong 1 December 2016	HK$10,000	—	—	100%	100%	Organising promotional events for restaurants
Excel Team Restaurants Limited	Hong Kong 14 January 2005	HK$1,000	—	—	100%	100%	Operating restaurants in Hong Kong
Excel Team Trading Limited 卓榮貿易有限公司	Hong Kong 3 September 2003	HK$1,000	—	—	100%	100%	Operating restaurant in Hong Kong
Fame Top Holdings Limited 銘高集團有限公司	Hong Kong 7 December 2011	HK$10,000	—	—	100%	100%	Operating restaurant in Hong Kong
Global Profit Enterprise Limited	Hong Kong 22 January 2007	HK$10,000	—	—	100%	100%	Operating restaurant in Hong Kong
Great Grant Limited 瀚鈞有限公司	Hong Kong 28 November 2016	HK$10,000	—	—	100%	100%	Operating restaurant in Hong Kong

13 SUBSIDIARIES (CONTINUED)

Particulars of the Company's principal subsidiaries at 31 March 2021 and 2020 were as follows: (Continued)

Name of subsidiary	Place and date of incorporation	Issued and fully paid share capital	Proportion ownership interest held by the Company — Directly 2021	Directly 2020	Indirectly 2021	Indirectly 2020	Principal activities/place of operation
Kowloon Cantons Cricket Company Limited	Hong Kong 23 November 2016	HK$250,000	—	—	100%	100%	Operating cricket club activities and promotion in Hong Kong
Lettuce Entertain You Limited	Hong Kong 18 November 2005	HK$1,000	—	—	100%	100%	Operating restaurant in Hong Kong
Max Prospect Holdings Limited 鴻昇集團有限公司	Hong Kong 18 November 2013	HK$10,000	—	—	100%	100%	Operating restaurant in Hong Kong
Most Glory Holdings Limited 至威集團有限公司	Hong Kong 3 March 2011	HK$10,000	—	—	— (Note 31)	100%	Operating restaurant in Hong Kong
Multi Million Way Limited 萬元威有限公司	Hong Kong 18 October 2010	HK$1,000,000	—	—	100%	100%	Operating restaurant in Hong Kong
New Era Worldwide Limited	Hong Kong 22 March 2014	HK$10,000	—	—	— (Note 31)	100%	Operating restaurant in Hong Kong
Profit Best Holdings Limited 澤成集團有限公司	Hong Kong 17 September 2009	HK$500,000	—	—	100%	100%	Operating restaurant in Hong Kong
Rich Ever Limited 眾富有限公司	Hong Kong 24 December 2015	HK$300,000	—	—	100%	100%	Operating restaurant in Hong Kong
Smart Joy Limited 卓喜有限公司	Hong Kong 15 April 2010	HK$10,000	—	—	100%	100%	Operating restaurant in Hong Kong
Spectrum Rise Limited 濤昇有限公司	Hong Kong 12 December 2014	HK$1	—	—	100%	100%	Operating restaurant in Hong Kong
Strong Empire Limited	Hong Kong 8 October 2015	HK$1,000,000	—	—	100%	100%	Operating restaurant in Hong Kong
Success Glory Limited	Hong Kong 5 January 2016	HK$10,000	—	—	— (Note 31)	100%	Operating restaurant in Hong Kong

13 SUBSIDIARIES (CONTINUED)

Particulars of the Company's principal subsidiaries at 31 March 2021 and 2020 were as follows: (Continued)

Name of subsidiary	Place and date of incorporation	Issued and fully paid share capital	Proportion ownership interest held by the Company				Principal activities/place of operation
			Directly		Indirectly		
			2021	2020	2021	2020	
Trendy Move Limited 健海有限公司	Hong Kong 12 December 2014	HK$1	—	—	100%	100%	Operating restaurant in Hong Kong
Wealthy Trade Limited 貿寶有限公司	Hong Kong 8 November 2013	HK$300,000	—	—	100%	100%	Operating restaurant in Hong Kong
Wide Scope Holdings Limited 景宏集團有限公司	Hong Kong 28 May 2004	HK$1,000	—	—	100%	100%	Operating restaurant in Hong Kong
Wider Team Holdings Limited 博滙集團有公司	Hong Kong 6 March 2017	HK$1,000,000	—	—	100%	100%	Operating restaurant in Hong Kong
Winner Star Limited	Hong Kong 18 December 2015	HK$10,000	—	—	100%	100%	Operating restaurant in Hong Kong
北京翰鋮建築工程有限公司	Mainland China, limited liability company 14 May 2019	Nil*	—	—	70%	70%	Providing interior design and fitting-out services in the PRC
Shanghai Aie Agriculture Technology Company Limited 上海愛娥農業科技有限責任公司	Mainland China, limited liability company 1 June 2017	RMB1,000,000	—	—	70%	70%	Providing organic vegetables consulting services in the PRC
成都中誠竣捷科技有限公司	Mainland China, limited liability company 12 December 2019	RMB 10,000,000	—	—	60%	60%	Providing financial institution intermediation services in the PRC (2020: Inactive)
呂朋朋(北京)餐飲管理有限公司	Mainland China, limited liability company 3 December 2020	RMB 2,450,000	—	—	80%	—	Operating restaurant in the PRC

* No capital injection as at 31 March 2021 and 2020.

13 SUBSIDIARIES (CONTINUED)

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

None of the subsidiaries had issued any debt securities at the end of the year.

At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. The principal activities of these subsidiaries are summarised as follows:

Principal activities	Principal place of business	Number of subsidiaries	
		2021	2020
Operating restaurants	Hong Kong	7	7
Investment holding	British Virgin Islands	4	4
Operating restaurant	The People's Republic of China	1	—
Financial institution intermediation services	The People's Republic of China	1	—
Investment holding	The People's Republic of China	2	2
Dormant companies	The People's Republic of China	4	6
		19	19

14 PROPERTY, PLANT AND EQUIPMENT

	Office equipment HK$'000	Furniture, fixtures and equipment HK$'000	Leasehold improvements HK$'000	Total HK$'000
As at 1 April 2019				
Cost	7,825	87,615	186,489	281,929
Accumulated depreciation and impairment	(5,955)	(59,031)	(133,829)	(198,815)
Net book amount	1,870	28,584	52,660	83,114
Year ended 31 March 2020				
Opening net book amount	1,870	28,584	52,660	83,114
Additions	42	2,330	6,707	9,079
Disposals	(114)	(1,321)	(5,279)	(6,714)
Depreciation	(948)	(13,522)	(22,837)	(37,307)
Exchange difference	(11)	(2)	—	(13)
Impairment	(112)	(3,280)	(10,312)	(13,704)
Acquisition of a subsidiary	169	165	—	334
Disposal of subsidiaries	(326)	(5,336)	(4,619)	(10,281)
Closing net book amount	570	7,618	16,320	24,508

14 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Office equipment HK$'000	Furniture, fixtures and equipment HK$'000	Leasehold improvements HK$'000	Total HK$'000
As at 31 March 2020				
Cost	5,445	54,328	122,533	182,306
Accumulated depreciation and impairment	(4,875)	(46,710)	(106,213)	(157,798)
Net book amount	570	7,618	16,320	24,508
Year ended 31 March 2021				
Opening net book amount	570	7,618	16,320	24,508
Additions	246	2,572	4,762	7,580
Disposals	—	—	(604)	(604)
Depreciation	(297)	(4,103)	(5,045)	(9,445)
Exchange difference	18	21	18	57
Impairment	(97)	(1,118)	(2,577)	(3,792)
Disposal of subsidiaries (Note 31)	(10)	(845)	(8,651)	(9,506)
Closing net book amount	430	4,145	4,223	8,798
As at 31 March 2021				
Cost	5,036	42,332	94,121	141,489
Accumulated depreciation and impairment	(4,606)	(38,187)	(89,898)	(132,691)
Net book amount	430	4,145	4,223	8,798

The Group had property, plant and equipment of HK$8,798,000 (2020: HK$24,508,000), intangible assets of HK$13,365,000 (2020: HK$26,069,000) and right-of-use assets of HK$32,144,000 (2020: HK$73,119,000) as at 31 March 2021, of which HK$39,030,000 (2020: HK$100,958,000) and HK$11,358,000 (2020: HK$22,738,000) were attributable to its restaurant operations and provision of organic vegetables consulting services segment. Each restaurant under its restaurant operations and the provision of organic vegetables consulting services segment is a cash-generating unit ("CGU") for the purpose of impairment assessment. For CGUs with impairment indicators, the Group has performed impairment assessments on the relevant restaurants' and the provision of organic vegetables consulting services segment's property, plant and equipment, intangible assets and right-of-use assets by assessing their recoverable amounts based on the higher of value-in-use and fair value less costs of disposal. The recoverable amounts of the CGUs are determined based on value-in-use calculations, which are higher than the fair value less costs of disposal calculations.

Key assumptions to the value-in-use calculations include projected revenue, gross profit margin, discount rates and the length of time and severity of the impact of COVID-19 and government stimulus measures. The pre-tax discount rates used to determine the recoverable amounts ranges from 13% to 28% (2020: 13% to 21%) for the restaurant operations and 19% (2020: Nil) for the provision of organic vegetables consulting services segment

14 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

During the year ended 31 March 2021, provision for impairment of property, plant and equipment, intangible assets and right-of-use assets amounted to HK$3,792,000 (2020: HK$13,704,000), HK$8,225,000 (2020: HK$880,000) and HK$14,320,000 (2020: HK$29,008,000), respectively. Out of the total provision for impairment, HK$19,010,000 (2020: HK$43,592,000) and HK$7,327,000 (2020: Nil) were attributable to its restaurant operations segment and provision of organic vegetables consulting services segment, respectively.

If the forecasted revenue and cost of inventories consumed had been lowered by five percent for the Group's restaurants for the forecasted period, a further increase in impairment loss of HK$29,242,000 (2020: HK$31,394,000) would have been resulted.

If the forecasted revenue and cost of inventories consumed had been lowered by five percent for the Group's provision of organic vegetables consulting services segment for the forecasted period, a further increase in impairment loss of HK$2,457,000 (2020: Nil) would have been resulted.

If the adopted pre-tax discount rate had been increased/decreased by one percentage point for the Group's restaurants for the forecasted period, a further increase/decrease in impairment loss of HK$1,745,000/HK$955,000 (2020: HK$360,000/HK$368,000) would have been resulted.

If the adopted pre-tax discount rate had been increased/decreased by one percentage point for the Group's provision of organic vegetables consulting services segment for the forecasted period, a further increase/decrease in impairment loss of HK$930,000/HK$815,000 (2020: Nil) would have been resulted.

15 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) Amounts recognised in the consolidated statement of financial position

Right-of-use assets

	HK$'000
As at 1 April 2019	
Cost	182,945
Accumulated depreciation and impairment	—
Net book amount	182,945
Year ended 31 March 2020	
Opening net book amount	182,945
Additions	29,008
Disposals	(5,075)
Depreciation	(88,256)
Impairment	(29,008)
Exchange difference	(93)
Disposal of subsidiaries	(16,402)
Closing net book amount	73,119
As at 31 March 2020	
Cost	190,383
Accumulated depreciation and impairment	(117,264)
Net book amount	73,119
Year ended 31 March 2021	
Opening net book amount	73,119
Additions	32,581
Disposals	(1,528)
Depreciation	(44,363)
Impairment	(14,320)
Exchange difference	281
Disposal of subsidiaries (Note 31)	(13,626)
Closing net book amount	32,144
At 31 March 2021	
Cost	90,829
Accumulated depreciation and impairment	(58,685)
Net book amount	32,144

Lease liabilities

	2021 HK$'000	2020 HK$'000
Current	42,006	57,839
Non-current	18,596	41,372
	60,602	99,211

15 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

(b) Amounts recognised in the consolidated statement of profit or loss and other comprehensive income

The consolidated statement of profit or loss and other comprehensive income shows the following amounts relating to leases:

	2021 HK$'000	2020 HK$'000
Depreciation of right-of-use assets	44,363	88,256
Interest expenses on lease liabilities	1,762	3,838
Expense relating to short-term leases	163	143
Expense relating to low-value leases	24	24
Expense relating to variable lease payments not included in lease liabilities	340	199
Rent concession	8,955	4,381

The total cash outflow for leases for the year ended 31 March 2021 was HK$43,041,000 (2020: HK$70,011,000).

(c) The Group's leasing activities and how these are accounted for

The Group leases various offices, warehouses and restaurants. Rental contracts for restaurants are typically made for fixed periods of 2 to 6 years (2020: 2 to 6 years) and rental contracts for warehouses are typically made for fixed periods of 1 to 3 years (2020: 1 to 3 years), but may have extension options as described in (e) below.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

(d) Variable lease payments

The majority of property leases in the Group is based on fixed payment terms. Some property leases contain mixed of fixed and variable payment terms that are linked to revenue generated from restaurants. For these leases, they are subject to variable payment terms with percentages ranging from 10% to 15% (2020: 10% to 15%) of restaurant revenue on higher of base rent or turnover rent. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for newly established restaurants. Variable lease payments that depend on revenue and not in substance fixed payments are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

15 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

(e) Extension and termination options

Extension and termination options are included in a number of property leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

Potential future cash outflows have not been included in the lease liability if it is not reasonably certain that the leases will be extended (or not terminated). After taking into account the above factors, the Group considered that it is reasonably certain for them to exercise the renewal options or not to exercise the termination options for all property leases.

(f) COVID-19-related rent concessions

The Group has applied practical expedient to all rent concessions occurring as a direct consequence of the COVID-19 pandemic with adoption precondition met under the "COVID-19-related rent concessions amendment to HKFRS 16 Leases".

Rent concession amounting to HK$8,955,000 (2020: HK$4,381,000) represents the change in lease payment arising from COVID-19-related rent concession and has been recognised in "Rental and related expenses" in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2021.

16 INTANGIBLE ASSETS

	Goodwill HK$'000	Cricket club operating rights HK$'000	Franchise and licensing rights HK$'000	Patents HK$'000	Others HK$'000	Total HK$'000
As at 1 April 2019						
Cost	—	2,000	15,582	—	—	17,582
Accumulated amortisation and impairment	—	(500)	(6,756)	—	—	(7,256)
Net book amount	—	1,500	8,826	—	—	10,326
Year ended 31 March 2020						
Opening net book amount	—	1,500	8,826	—	—	10,326
Additions		—	—	—	195	195
Disposals	—	—	(580)	—	—	(580)
Amortisation	—	(500)	(1,375)	(2,013)	(25)	(3,913)
Exchange difference	—	—	—	(313)	(17)	(330)
Impairment	—	—	(880)	—	—	(880)
Acquisition of a subsidiary	1,464	—	—	21,158	1,002	23,624
Disposal of subsidiaries	—	—	(2,373)	—	—	(2,373)
Closing net book amount	1,464	1,000	3,618	18,832	1,155	26,069
As at 31 March 2020						
Cost	1,464	2,000	11,382	20,794	1,180	36,820
Accumulated amortisation and impairment	—	(1,000)	(7,764)	(1,962)	(25)	(10,751)
Net book amount	1,464	1,000	3,618	18,832	1,155	26,069
Year ended 31 March 2021						
Opening net book amount	1,464	1,000	3,618	18,832	1,155	26,069
Amortisation	—	(500)	(743)	(4,474)	(46)	(5,763)
Exchange difference	—	—	—	1,271	13	1,284
Impairment	(1,464)	(175)	(930)	(5,656)	—	(8,225)
Closing net book amount	—	325	1,945	9,973	1,122	13,365
As at 31 March 2021						
Cost	1,464	2,000	10,493	22,560	1,196	37,713
Accumulated amortisation and impairment	(1,464)	(1,675)	(8,548)	(12,587)	(74)	(24,348)
Net book amount	—	325	1,945	9,973	1,122	13,365

17 INVENTORIES

	2021 HK$'000	2020 HK$'000
Food and beverages	2,544	3,692

Cost of inventories has been charged to "Cost of sales and inventories consumed" in the consolidated statement of profit or loss and other comprehensive income for year ended 31 March 2021.

18 TRADE AND OTHER RECEIVABLES AND CONTRACT ASSETS

	2021 HK$'000	2020 HK$'000
Trade receivables	1,971	1,838
Other receivables and deposits	13,045	9,272
Contract assets	79,920	1,298
	94,936	12,408
Loss allowances	(8,300)	—
	86,636	12,408

Loss allowances movement for the year ended 31 March 2021 is as follows:

	Trade receivables HK$'000	Contracts assets HK$'000	Total HK$'000
Opening net book amount	—	—	—
Impairment loss (Note 3.1(b))	507	2,750	3,257
Derecognition due to early repayment	—	4,783	4,783
Exchange difference	17	243	260
Ending net book amount	524	7,776	8,300

Trade receivables from restaurant operation business are receivables from financial institutions in relation to the payment settled by credit cards by customers of which the settlement period is normally within 3 days from transaction date. Generally, for restaurant operation business, there is no credit period granted to customers, except for certain well-established corporate customers in which credit period of 20 days is granted by the Group. Trade receivables from the provision of interior design and fitting-out services and organic vegetables consulting services are normally settled within 30 days from invoice date. As at 31 March 2021, the ageing analysis at the gross trade receivables based on invoice date were as follows:

	2021 HK$'000	2020 HK$'000
0 - 30 days	879	1,181
31 to 90 days	561	503
Over 90 days	531	154
	1,971	1,838
Loss allowances	(524)	—
	1,447	1,838

18 TRADE AND OTHER RECEIVABLES AND CONTRACT ASSETS (CONTINUED)

Before accepting any new corporate customers, management of the Group will base on the credit quality of the potential customers to define credit limits. Credit limits to customers are reviewed annually.

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. All of the trade receivables that are neither past due nor impaired are mainly from the reputable financial institutions.

As at 31 March 2021, included in the Group's trade receivables balances are debtors with aggregate carrying amount of HK$568,000 (2020: HK$657,000) which are past due as at the reporting date. Out of the past due balances, HK$7,000 (2020: HK$154,000) has been past due 90 days or more and is not considered as default as the Group considered such balances could be recovered based on repayment history, the financial conditions and the current credit worthiness of each debtors.

	2021 HK$'000	2020 HK$'000
Other receivables and deposits:		
Prepayments for insurances, consumables and services	4,140	2,185
Prepayments for rental	—	39
Prepayments for loan guarantee expenses	2,697	—
Advance to employees	2,415	2,783
Rental and utilities deposits	3,793	4,265
	13,045	9,272

	2021 HK$'000	2020 HK$'000
(Contract assets) - Interior design and fitting out services	—	1,298
Upfront loan facilitation service fees	79,920	—
Loss allowances	(7,776)	—
	72,144	1,298
Less: Contract assets-non-current portion	(57,715)	—
Contract assets-current portion	14,429	—

The contract assets are transferred to trade receivables when the rights become unconditional. The Group typically transfers contract assets to trade receivables upon achieving the specified milestones in the contracts. There are no past due as at the reporting date (2020: Nil).

For the provision of interior design and fitting out services, the contract assets primarily relate to the Group's right to consideration for work completed and not billed because the rights are conditioned on the Group's future performance in achieving specified milestones at the reporting date.

19 CASH AND CASH EQUIVALENTS AND RESTRICTED BANK DEPOSITS

	2021 HK$'000	2020 HK$'000
Cash at banks	11,845	26,465
Cash on hand	348	412
Cash and cash equivalents	12,193	26,877
Restricted bank deposits	64,250	3,023
	76,443	29,900
Maximum exposure to credit risk	76,095	29,488

Restricted bank deposits represented variable rate deposits placed in banks pursuant to the Group's obligations under certain operating leases and service agreements in relation to the provision of financial institution intermediation services of HK$1,848,000 and HK$62,402,000, respectively. The restricted bank deposits carry interest ranging from 0.02% to 1.8% (2020: from 1.0% to 1.5%) per annum. The deposits will be released upon termination or expiry of the agreements which is expected to be beyond one year from the end of respective reporting periods. Accordingly, the amounts are included in non-current assets.

The Group's cash and cash equivalents comprise cash at bank which carry interest at prevailing market rate at 0.001% to 0.4% (2020: 0.001% to 0.3%) per annum.

The carrying amounts of cash and cash equivalents and restricted bank deposits are denominated in the following currencies:

	2021 HK$'000	2020 HK$'000
HK$	8,510	13,979
RMB	67,926	15,846
Others	7	75
	76,443	29,900

Cash at banks and restricted bank deposits of the Group denominated in RMB of HK$67,926,000 (2020: HK$15,846,000) which are deposited with the banks in the PRC are not freely convertible into other currencies. The Group can apply to exchange RMB for other currencies through banks authorised to conduct foreign exchange business under PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

20 SHARE CAPITAL AND RESERVES

(a) Share capital and premium

	Number of ordinary shares	Nominal value of ordinary shares HK$'000
Authorised:		
Ordinary shares at US$0.01 each		
At 1 April 2019, 31 March 2020 and 31 March 2021	10,000,000,000	778,000

	Number of ordinary shares	Nominal value of ordinary shares HK$'000	Share premium HK$'000
Issued and fully paid:			
Ordinary shares at US$0.01 each			
At 1 April 2019, 31 March 2020 and 31 March 2021	810,250,000	63,037	28,785

(b) Other reserve

Other reserve mainly represented waiver of loans from its related companies controlled by the former controlling shareholders, waiver of loan from one of the former controlling shareholders and amounts arising on the Group reorganisation underwent prior to the listing of the Company's shares on the Stock Exchange in 2016. Details were set out in the Company's prospectus dated 27 July 2016 (the "Prospectus").

21 NON-CONTROLLING INTERESTS ("NCI")

	2021 HK$'000	2020 HK$'000
NCI attributed to:		
成都中誠竣捷科技有限公司	6,777	—
Shanghai Aie Agriculture Technology Company Limited	10,482	12,855
Other insignificant non-wholly owned subsidiaries	(2,299)	(1,687)
Non-controlling interests	14,960	11,168

	2021 HK$'000	2020 HK$'000
Total comprehensive income/(loss) for the year attributed to NCI of:		
成都中誠竣捷科技有限公司	3,229	—
Shanghai Aie Agriculture Technology Company Limited	(2,373)	(364)
Other insignificant non-wholly owned subsidiaries	(2,213)	(1,831)
Total comprehensive loss attributable to NCI	(1,357)	(2,195)

21 NON-CONTROLLING INTERESTS ("NCI") (CONTINUED)

Set out below is summarised financial information for 成都中誠竣捷科技有限公司("中誠竣捷") for the year ended 31 March 2021 and Shanghai Aie Agriculture Technology Company Limited (上海愛娥農業科技有限公司) ("Aie Company") for both years that have non-controlling interests material to the Group.

	中誠竣捷	Aie Company	
	2021 HK$'000	2021 HK$'000	2020 HK$'000
Current			
Assets	28,673	17,416	34,663
Liabilities	(27,635)	(6,074)	(11,065)
Net current assets	1,038	11,342	23,598
Non-current			
Assets	123,968	24,907	22,547
Liabilities	(108,063)	(1,309)	(3,294)
Net non-current assets	15,905	23,598	19,253
Net assets	16,943	34,940	42,851
NCI %	40%	30%	30%
Accumulated NCI	6,777	10,482	12,855

Summarised statement of profit or loss and other comprehensive income:

	中誠竣捷	Aie Company	
	2021 HK$'000	2021 HK$'000	2020 HK$'000
Revenue	74,067	2,056	590
Total comprehensive income/(loss) for the year	8,076	(7,910)	(1,216)
Total comprehensive income/(loss) for the year attributable to NCI	3,229	(2,373)	(364)

Summarised statement of cash flows:

	中誠竣捷	Aie Company	
	2021 HK$'000	2021 HK$'000	2020 HK$'000
Net cash (used in)/generated from operating activities	(24,826)	8,964	412
Net cash (used in)/generated from investing activities	(60,935)	(12,215)	33
Net cash (used in)/generated from financing activities	72,374	5,034	—
Net (decrease)/increase in cash and cash equivalents	(13,387)	1,783	445

22 PROVISIONS

	2021 HK$'000	2020 HK$'000
Opening net book amount	3,890	—
Additions of property, plant and equipment	250	3,890
Disposal of subsidiaries	(270)	—
Closure of restaurant	(300)	—
Closing net book amount	3,570	3,890

The provision represents reinstatement provision which is expected that the majority of this provision will be utilised after one year upon maturity of lease agreements without renewal.

23 TRADE AND OTHER PAYABLES AND LOANS FROM THIRD PARTIES

	2021 HK$'000	2020 HK$'000
Trade payables to third parties (Note (a))	9,997	14,513
Accruals and other payables:		
Accrued staff salaries	5,158	11,786
Rental and management fee payables	2,560	514
Franchise and licensing fee payables	3,674	5,222
Payable for property, plant and equipment	4,476	2,772
Audit fee accrual	2,608	2,300
Payable for repair and maintenance	1,806	2,176
Payable for utilities and consumables	1,944	3,299
Payable for cleaning suppliers	1,481	1,773
Other tax payables	267	283
Accrued loan referral expenses	7,014	—
Others	2,118	1,988
	33,106	32,113
Trade and other payables	43,103	46,626
Less: Accrued loan referral expenses – non-current portion	(7,014)	—
Trade and other payables – current portion	36,089	46,626

(a) Trade payables to third parties

At 31 March, the ageing analysis of the trade payables based on invoice date were are follows:

	2021 HK$'000	2020 HK$'000
0 - 60 days	7,131	14,513
Over 60 days	2,866	—
	9,997	14,513

The credit period on purchases of goods and services is about 60 days. The Group has financial risk management policies in place to ensure that all payables are within the credit timeframe.

(b) Loans from third parties

The balances are non-trade in nature, unsecured, interest-free and repayable on demand.

24 CONTRACT LIABILITIES

	2021 HK$'000	2020 HK$'000
Deposits from customers	1,185	1,930

Contract liabilities represent deposits from customers for unsatisified performance obligations and are recognised as revenue when the Group performs its obligations under the contracts. At contract inception, performance obligation is expected to be satisified within six months.

The following table shows how much of the revenue recognised in the current year relates to carried forward contract liabilities:

	2021 HK$'000	2020 HK$'000
Revenue recognised that was included in the contract liability balance at the beginning of the year	1,930	1,862

When the Group receives a deposit from a customer who makes a reservation before the provision of catering services will give rise to contract liabilities until services are provided.

25 GUARANTEE LIABILITIES

A summary of the Group's guarantee liabilities movement for the year ended 31 March 2021 is presented below:

	2021 HK$'000	2020 HK$'000
Opening net book value	—	—
Increase in guarantee liabilities	24,337	—
Exchange difference	807	—
Ending net book amount	25,144	—

26 CAPITAL COMMITMENTS

	2021 HK$'000	2020 HK$'000
Capital expenditure in respect of the acquisition of property, plant and equipment and intangible assets contracted for but not provided for in the consolidated financial statements	1,038	1,211

27 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Net cash (used in)/generated from operations

	2021 HK$'000	2020 HK$'000
Loss before income tax	(58,452)	(132,243)
Adjustments for:		
Depreciation of property, plant and equipment	9,445	37,307
Amortisation of intangible assets	5,763	3,913
Amortisation of right-of-use assets	44,363	88,256
Impairment of property, plant and equipment	3,792	13,704
Impairment of intangible assets	8,225	880
Impairment of right-of-use assets	14,320	29,008
Net impairment losses on financial instruments and contract assets	9,100	—
Loss on disposals of property, plant and equipment	604	6,567
Loss on disposals of intangible assets	—	580
Gain on disposals of subsidiaries, net	(745)	(663)
Gain on early termination of lease, net	(1,153)	(8,533)
Interest expense on lease liabilities	1,762	3,838
Interest expense on accrued loan referral expenses	904	—
Interest expense on loans from former controlling shareholder	—	94
Other interest expenses	10	39
Finance income	(8,244)	(21)
Operating profit before changes in working capital	29,694	42,726
Changes in working capital:		
Increase in rental and utilities deposits	—	(330)
Decrease in inventories	100	4,118
(Increase)/decrease in trade and other receivables	(6,481)	9,363
Increase in contract assets	(75,096)	(1,298)
Increase in guarantee liabilities	24,337	—
Increase/(decrease) in trade and other payables	8,144	(3,499)
Increase in contract liabilities	83	80
Decrease in amounts due to related parties	(132)	(388)
Net cash (used in)/generated from operations	(19,351)	50,772

27 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(b) Net debt reconciliation

	2021 HK$'000	2020 HK$'000
Cash and cash equivalents	12,193	26,877
Amount due to a director – repayable within one year	(71)	(16,583)
Amount due to directors – repayable after one year	(69,892)	—
Loan from a related party – repayable after one year	(87,437)	—
Loan from related parties – repayable within one year	(1,086)	(547)
Loan from third parties – repayable within one year	—	(20,360)
Lease liabilities	(60,602)	(99,211)
	(219,088)	(136,701)

	2021 HK$'000	2020 HK$'000
Cash and cash equivalents	12,193	26,877
Gross debt – non-interest bearing	(158,486)	(37,490)
Gross debt – fixed interest rates	(60,602)	(99,211)

(c) Reconciliation of net cash generated from/(used in) financing activities

The table below details changes in the Group's liabilities arising from a financing activity, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from a financing activity.

	Amount due directors HK$'000	Loans from former controlling shareholders HK$'000	Loans from related parties HK$'000	Loans from third parties HK$'000	Lease liabilities HK$'000	Total HK$'000
At 1 April 2019	—	15,000	—	—	179,562	194,562
Non-cash item	—	94	—	—	(6,325)	(6,231)
Cash flow	16,583	(15,094)	547	20,360	(74,026)	(51,630)
At 31 March 2020	16,583	—	547	20,360	99,211	136,701
Non-cash item	1,382	—	2,863	945	12,860	18,050
Cash flow	51,998	—	85,113	(21,305)	(51,469)	64,337
At 31 March 2021	69,963	—	88,523	—	60,602	219,088

28 DEFERRED TAX LIABILITIES

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset income tax recoverable against current tax liabilities and when the deferred tax assets and liabilities relate to income tax levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis. The offset amounts are as follows:

	2021 HK$'000	2020 HK$'000
Deferred tax assets:		
Deferred tax assets to be recovered after more than 12 months	6,920	—
Deferred tax assets to be recovered within 12 months	1,298	—
Deferred tax liabilities:		
Deferred tax liabilities to be recovered after more than 12 months	(17,016)	(2,175)
Deferred tax liabilities to be recovered within 12 months	(3,927)	(1,119)
	(12,725)	(3,294)

The movement of the net deferred tax liabilities is as follow:

	2021 HK$'000	2020 HK$'000
Opening net book amount	(3,294)	—
Acquisition of a subsidiary	—	(3,721)
(Charged)/credited to profit or loss (Note 11)	(8,845)	373
Exchange difference	(586)	54
Closing net book amount	(12,725)	(3,294)

The nature of items giving rise to the deferred tax assets/(liabilities), without taking into consideration of the offsetting of balances within the same jurisdiction are as follows:

	ECL allowances HK$'000	Fair value gain of intangible assets HK$'000	Unrealised gains HK$'000	Others HK$'000	Total HK$'000
At 1 April 2019	—	—	—	—	—
Acquisition of a subsidiary	—	(3,721)	—	—	(3,721)
Credited to profit or loss (Note 11)	—	373	—	—	373
Exchange difference	—	54	—	—	54
At 31 March 2020	—	(3,294)	—	—	(3,294)
Credited/(charged) to profit or loss (Note 11)	1,883	2,180	(19,002)	6,094	(8,845)
Exchange difference	39	(196)	(631)	202	(586)
At 31 March 2021	1,922	(1,310)	(19,633)	6,296	(12,725)

28 DEFERRED TAX (CONTINUED)

At 31 March 2021, the Group has unrecognised deferred tax arising from tax losses of approximately HK$57,025,000 (2020: HK$37,396,000), of which HK$45,362,000 (2020: HK$34,692,000) will be carried forward indefinitely, available for offsetting against future profits. Tax losses of HK$9,132,000 and HK$2,531,000 (2020: Nil and HK$2,704,000) will be expired in 2031 and 2030, respectively. In the opinion of the directors of the Company, no deferred tax asset was recognised due to the unpredictability of future profit streams.

At 31 March 2021, the Group has unrecognised deferred tax arising from deductible temporary differences of approximately HK$13,778,000 (2020: HK$11,682,000) arising from property, plant and equipment, intangible assets and loss allowances. No deferred tax assets has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

29 RELATED PARTY TRANSACTIONS

(a) Significant transactions with related parties

Global Hotelware Limited and Total Commitment (HK) Limited are controlled by a former executive director of the Company, while 上海愛娥蔬菜種植專業合作社 is controlled by a director of a subsidiary of the Group, who is also a non-controlling shareholder of that subsidiary. The following transactions occurred with related parties:

	2021 HK$'000	2020 HK$'000
Purchase of property, plant and equipment		
Global Hotelware Limited	—	1,844
Lease payment/rental expense		
Total Commitment (HK) Limited	—	220
Interest income		
上海愛娥蔬菜種植專業合作社	471	—
Revenue from provision of organic vegetables consulting services		
上海愛娥蔬菜種植專業合作社	2,056	590

(b) Key management personnel compensation

Key management includes directors and senior management of the Group.

The directors of the Company and the five highest paid individuals (including directors and employees) are identified as key management members of the Group. Their compensation during the year are set out in Note 9 and 34.

29 RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Amounts due from/(to) related parties

Details of the amounts due from/(to) related parties are shown as follows:

	2021 HK$'000	2020 HK$'000
Loan to a related party (vi)	14,584	—
Loss allowances (vi)	(1,060)	—
	13,524	—
Advances to related parties (i)	640	2,640
Total amounts due from related parties	14,164	2,640
Amount due to directors (ii)	(69,963)	(16,583)
Loan from related parties (iii)	(88,523)	(547)
Trade payables to related parties (iv)	—	(132)
Other payables to a related party (v)	(5,561)	(6,567)
Amounts due to related parties	(94,084)	(7,246)

Note:

(i) Within the balance includes interest receivable in relation to loan to a related party, a company controlled by a non-controlling interest, in note (vi) of HK$487,000. The balance is non-trade in nature, unsecured and interest-free.

(ii) The amount due to directors is non-trade in nature, unsecured and interest-free as at 31 March 2021 and 2020. Other than HK$69,892,000 (2020: Nil) which will mature on 1 April 2022, the remaining balance of HK$71,000 (2020: HK$16,583,000) is payable on demand as at reporting date. On 15 June 2022, the directors agreed with the Group to extend the repayment date of HK$69,892,000 to 31 July 2022. Refer to Note 2.1 for further details.

(iii) Loan from related parties, non-controlling interest of a subsidiary, is non-trade in nature, unsecured and interest-free as at 31 March 2021 and 2020. Other than HK$87,437,000 (2020: Nil) which will mature on 1 April 2022, the remaining balance of HK$1,086,000 (2020: HK$547,000) is payable on demand as at reporting date. On 15 June 2022, the related party agreed with the Group to extend the repayment date of HK$87,437,000 to 31 July 2022. Refer to Note 2.1 for further details.

(iv) The amounts due to Global Hotelware Limited as at 31 March 2020 are trade in nature, unsecured, interest-free and have a general credit term of 60 days.

The aging analysis of amount due to Global Hotelware Limited, presented based on the invoice date at the end of the reporting period is as follows:

	2021 HK$'000	2020 HK$'000
0-60 days	—	56
Over 60 days	—	76
	—	132

(v) The amount due to a related party, a company controlled by a non-controlling interest, represents payable for acquisition of certain intangible assets occurred during the year ended 31 March 2020. The balance is trade in nature, unsecured and interest-free.

(vi) As at 31 March 2021, the loan to a related party, a company controlled by a non-controlling interest, is interest bearing at 4.785% per annum and is denominated in RMB. The balance is secured by the trade receivables, certain plant and equipment, certain inventories and equity interest of the related party. The balance is repayable on maturity date at 30 June 2022. Loss allowances in relation to this balance amounted to HK$1,060,000 (2020: Nil) as at 31 March 2021. Loss allowance movement for the year ended 31 March 2021 is as follows:

	HK$'000
Opening net book amount	—
Impairment loss (Note 3.1(b))	1,060
Ending net book amount	1,060

30 BANK FACILITIES

As at 31 March 2021 and 2020, the Group has bank facilities with UCO Bank, in which UCO Bank guarantees, unconditionally and irrevocably, due payment to a landlord of the Group on one or more written demand(s) by the landlord, all sums of moneys, losses, damages, costs, charges and expenses which may become due or payable by the Group to the landlord. The guarantee shall not exceed the aggregate of restricted bank deposits of HK$1,848,000.

31 DISPOSAL OF SUBSIDIARIES

In April 2020, the Group entered into a Sale and Purchase Agreement and agreed to sell the entire shares in Most Glory Holdings Limited, Success Glory Limited and New Era Worldwide Limited (together, the "Disposed HK Subsidiaries") to an independent third party at an aggregate consideration of HK$2,000,000, provided that the net intercompany payables amounted to HK$49,024,000 owing by the Disposed HK subsidiaries to the Group are waived and discharged in full upon completion.

In May 2020, the Group entered into a transfer agreement to transfer the entire shares in 恒捷(北京)資訊服務有限公司 ("恒捷北京") to a related party, which is a key management personnel and shareholder of 恒捷北京, with nil consideration.

In March 2021, the Group entered into a transfer agreement transfer of the entire shares in 北京一鳴鴻順供應鏈管理有限公司("北京一鳴") to an independent third party with nil consideration. 北京一鳴 has minimal net assets on disposal date.

Upon completion, the financial results of the disposed subsidiaries are no longer consolidated into the consolidated financial statements. The net intercompany payables owned by the Disposed HK Subsidiaries from the Group is included within "other assets" and "other liabilities" in the table below.

Analysis of assets and liabilities over which control was lost:

	Disposed HK Subsidiaries HK$'000	恒捷北京 HK$'000	北京一鳴 HK$'000	Total HK$'000
Property, plant and equipment	9,506	—	—	9,506
Rental and utilities deposits	4,469	—	—	4,469
Right-of-use assets	13,626	—	—	13,626
Cash and cash equivalents	246	—	—	246
Other assets	27,231	—	2,198	29,429
Trade and other payables	(6,612)	—	(3,351)	(9,963)
Lease liabilities	(19,229)	—	—	(19,229)
Other liabilities	(75,909)	—	—	(75,909)
Net liabilities disposed of	(46,672)	—	(1,153)	(47,825)
Less: Carrying amount of non-controlling interests	—	—	56	56
Add: (Loss)/gain on disposals of subsidiaries	(352)	—	1,097	745
Consideration – Cash consideration less net intercompany payables owed to the Group waived	(47,024)	—	—	(47,024)

31 DISPOSAL OF SUBSIDIARIES (CONTINUED)

An analysis of the inflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

	Disposed HK Subsidiaries HK$'000	恒捷北京 HK$'000	北京一鳴 HK$'000	Total HK$'000
Cash consideration received	2,000	—	—	2,000
Less: Cash and cash equivalents disposed of	(246)	—	—	(246)
Inflow of cash and cash equivalents in respect of the disposal of subsidiaries	1,754	—	—	1,754

32 EVENTS AFTER THE REPORTING PERIOD

Subsequent to the year end and up to the date of this report, Mr James Fu Bin Lu and a related party have further advanced HK$6,689,000 and HK$4,259,000, respectively, to the Group. On 15 June 2021, Mr James Fu Bin Lu, Ms Li Qing Ni and the related party agreed with the Group to extend the repayment date of their non-interest-bearing advances to the Group of HK$166,087,000 to 31 July 2022. On 22 July 2021, Mr. James Fu Bin Lu has agreed to further extend the repayment date of non-interest-bearing advances to the Group of HK$2,190,000 to 31 July 2022. Furthermore, Mr James Fu Bin Lu has confirmed his intention to commit further financing and/or arrange a loan facility to the Group by himself, the immediate holding company or other related entities amounting to approximately HK$50,000,000 as and when needed.

33 STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY

	2021 HK$'000	2020 HK$'000
ASSETS		
Non-current asset		
Investments in subsidiaries	—	54,349
Current assets		
Other receivables	127	344
Cash and cash equivalents	15	3,376
	142	3,720
Total assets	142	58,069
EQUITY		
Equity attributable to owners of the Company		
Share capital	63,037	63,037
Reserves	(104,764)	(15,975)
Total deficit attributable to owners of the Company	(41,727)	47,062
LIABILITIES		
Non-current liability		
Amount due to a director	39,270	—
Current liabilities		
Other payables	2,599	3,007
Amount due to a director	—	8,000
	2,599	11,007
Total liabilities	41,869	11,007
Total equity and liabilities	142	58,069

33 STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY (CONTINUED)

Movement of the Company's reserves

	Share premium HK$'000	Other reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 April 2019	28,785	22,081	(38,103)	12,763
Loss and total comprehensive loss for the year	—	—	(28,738)	(28,738)
At 31 March 2020	28,785	22,081	(66,841)	(15,975)
Loss and total comprehensive loss for the year	—	—	(88,789)	(88,789)
At 31 March 2021	28,785	22,081	(155,630)	(104,764)

34 BENEFITS AND INTERESTS OF DIRECTORS

The directors' emoluments representing the remuneration paid or payable by the entities comprising the Group to the executive directors and non-executive directors of the Company are set out below:

	Directors' fee HK$'000	Salaries HK$'000	Allowances and benefits in kind HK$'000	Discretionary bonus HK$'000 (note a)	Share-based payments HK$'000	Employer's contribution to a retirement benefit scheme HK$'000	Other emoluments paid or receivable in respect of directors' other services in connection with the management of the affairs of the Company or its subsidiary undertaking HK$'000	Total HK$'000
Year ended 31 March 2021								
Executive directors:								
James Fu Bin Lu (chief executive officer)	1,000	—	—	—	—	—	—	1,000
Long Hai	215	—	—	—	—	—	14	229
Li Qing Ni (note c)	—	—	—	—	—	—	—	—
Non-executive directors:								
Li Lun (note b)	—	—	—	—	—	—	—	—
Independent non-executive directors:								
Lu Cheng	—	—	—	—	—	—	—	—
Fei Dingan (note d)	—	—	—	—	—	—	—	—
Shi Kangping	—	—	—	—	—	—	—	—
Kim Jin Tae (note d)	—	—	—	—	—	—	—	—
	1,215	—	—	—	—	—	14	1,229

34 BENEFITS AND INTEREST OF DIRECTORS (CONTINUED)

	Directors' fee HK$'000	Salaries HK$'000	Allowances and benefits in kind HK$'000	Discretionary bonus HK$'000 (note a)	Share-based payments HK$'000	Employer's contribution to a retirement benefit scheme HK$'000	Other emoluments paid or receivable in respect of directors' other services in connection with the management of the affairs of the Company or its subsidiary undertaking HK$'000	Total HK$'000
Year ended 31 March 2020								
Executive directors:								
James Fu Bin Lu (chief executive officer)	1,000	—	—	—	—	—	—	1,000
Long Hai	225	—	—	—	—	—	14	239
Sandeep Sekhri	4,950	—	—	—	—	—	17	4,967
Non-executive directors:								
Li Lun (note b)	—	—	—	—	—	—	—	—
Independent non-executive directors:								
Lu Cheng	—	—	—	—	—	—	—	—
Fei Dingan (note d)	—	—	—	—	—	—	—	—
Shi Kangping	—	—	—		—	—	—	—
	6,175	—	—	—	—	—	31	6,206

Notes:

(a) The discretionary bonuses are determined with reference to the Group's and individual performance.

(b) Mr. Li Lun resigned as non-executive director of the Company on 24 July 2020.

(c) Ms. Li Qing Ni was appointed as executive director of the Company on 24 July 2020.

(d) Mr. Fei Dingan resigned as independent non-executive director of the Company on 10 April 2020, while Mr. Kim Jin Tae was appointed as independent non-executive director of the Company on 14 April 2020.

(e) None of the directors received any other retirement benefits or termination benefits during the year ended 31 March 2021 (2020: Nil).

(f) During the year ended 31 March 2021, no consideration was provided to or receivable by third parties for making available directors' services (2020: Nil).

(g) Save as disclosed in Note 29, there were no loans, quasi-loan and other dealing arrangements in favor of directors, controlled bodies corporate by and connected entities with such directors as at 31 March 2021 (2020: Nil).

(h) Save as disclosed in Note 29(a), there were no significant transactions, arrangements and contracts in relation to the Group's business to which the Group was a party and in which a director of the Group had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 March 2021 (2020: Nil).

35 IMPACT OF THE COVID-19 PANDEMIC

After the outbreak of the COVID-19 pandemic in early 2020, a series of precautionary and control measures have been and continued to be implemented across the PRC and Hong Kong. However, the ongoing COVID-19 pandemic put considerable downward pressure on the economy in the PRC and Hong Kong and caused a decline in personal consumption and demand for personal consumer credit, which have resulted in uncertainty on the future volume of catering business, loan origination and facilitation activities.

36 COMPLIANCE RISK

China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會), jointly with other regulatory authorities, issued the Circular on Issuing Supplementary Provisions on Supervision of Financing Guarantee Companies (關於印發融資擔保公司監督管理補充規定的通知) (the "**Circular**") on 24 October 2019 to further regulate certain financial guarantee activities. The Circular stated that institutions engaging in the provision of services, such as borrower referrals and credit assessments, to financial institutions shall not provide any financing guarantee arrangement, directly or indirectly (in a disguised manner), without prior approval from the competent regulatory agency. After the Group had engaged in the financial intermediation services business in Mainland China, the Group has performed a reassessment and acknowledged the requirements set forth in the Circular and the potential non-compliance under the current business arrangement for the guarantees provided to third-party lending institutions as part of the Group's financial intermediation services business in Mainland China (the "**Guarantee Arrangement**").

In view of the non-compliance risk to the requirements set forth in the Circular, the directors obtained external professional legal advices and were advised that if the PRC competent authorities conclude that the Group has contravened the relevant PRC laws, the Group's activity with Guarantee Arrangement may be banned or suspended from operations and imposed a fine of RMB500,000 to RMB1 million, and any illegal income will be confiscated. Moreover, the relevant clauses within the contracts with the lending institutions in relation to Guarantee Arrangement may be invalidated under PRC laws and became unenforceable.

Based on the external professional legal advices, taking into consideration of the current practice, related regulatory requirements and the environment underlying the financial intermediation services business in Mainland China, the directors considered that it is unlikely that the Group will be penalised by the competent regulatory agency for the Guarantee Arrangement and the potential adverse implications of the Guarantee Arrangement in the circumstances are not material.

The Group is working to revamp its current business arrangement of the financial intermediation services business in Mainland China in order to cope with the implications of the Circular by considering all feasible options. Based on their assessment, the directors do not expect there will be significant cash outflow arising from the potential non-compliance as well as in the course of revamping the business arrangement. The Group will pay close attention to market developments and will continue to monitor the impact to its operations and financial position.

FINANCIAL SUMMARY

Results

	Year ended 31 March				
	2021 HK$'000	2020 HK$'000	2019 HK$'000	2018 HK$'000	2017 HK$'000
Revenue	214,325	452,147	593,000	550,448	491,539
(Loss)/profit before taxation	(58,452)	(132,243)	(22,101)	5,074	(23,917)
Taxation	(8,889)	(656)	(5,816)	(7,340)	(5,717)
(Loss)/profit for the year	(67,341)	(132,899)	(27,917)	(2,266)	(29,634)
(Loss) profit for the year attributable to					
Owners of the Company	(64,432)	(130,858)	(27,917)	(2,266)	(29,634)
Non-controlling interests	(2,909)	(2,041)	—	—	—
	(67,341)	(132,899)	(27,917)	(2,266)	(29,634)

Assets and liabilities

	As at 31 March				
	2021 HK$'000	2020 HK$'000	2019 HK$'000	2018 HK$'000	2017 HK$'000
Total assets	251,134	198,647	197,068	228,940	226,237
Total liabilities	(311,088)	(200,292)	(79,114)	(83,067)	(79,654)
	(59,954)	(1,645)	117,954	145,873	146,583
Total equity attributable to					
Owners of the Company	(74,914)	(12,813)	117,954	145,873	146,583
Non-controlling interests	14,960	11,168	—	—	—
	(59,954)	(1,645)	117,954	145,873	14,583

The summary of the consolidated results of the Group for the years ended 31 March 2017, 2018, 2019 and 2020 and the consolidated assets and liabilities of the Group as at 31 March 2017, 2018, 2019 and 2020 have been extracted from the Annual Report 2016/17, 2017/18, 2018/19 and 2019/20.

The summary above does not form part of the audited financial statements.