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LIFE CONCEPTS

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

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 8056)

**ANNOUNCEMENT OF THE INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022**

The board of directors of Life Concepts Holdings Limited (the “**Company**” and the “**Board**”, respectively) hereby announces the unaudited condensed consolidated results of the Company and its subsidiaries for the six months ended 30 September 2022. This announcement, containing the full text of the 2022/23 interim report of the Company (the “**Interim 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 interim results. The printed version of the Interim Report containing the information required by the GEM Listing Rules will be despatched to the shareholders of the Company in due course in the manner required by the GEM Listing Rules.

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

Hong Kong, 14 November 2022

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 Stock Exchange’s website at www.hkexnews.hk 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.

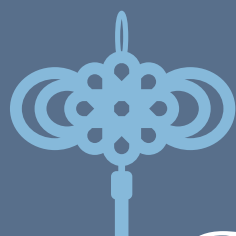
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GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks 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.

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*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

Mr. Long Hai

Independent Non-executive Directors:

Mr. Lu Cheng

Mr. Kim Jin Tae

Mr. Shi Kangping

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

Canon's Court, 22 Victoria Street,

Hamilton, HM 12,

Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Suites 1701-3, 17th Floor

Chinachem Hollywood Centre

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Central, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Appleby Global Corporate Services (Bermuda) Ltd.

Canon's Court, 22 Victoria Street,

Hamilton, HM 12,

Bermuda

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

The board of Directors (the “**Board**”) presents the unaudited condensed consolidated interim results of the Group for the six months ended 30 September 2022, together with the unaudited comparative figures for the corresponding period in 2021 as set out below.

FINANCIAL HIGHLIGHTS

- The Group’s revenue for the six months ended 30 September 2022 was approximately HK\$29.1 million, representing a decrease of approximately 73.0% when compared with that of the corresponding period in 2021.
- Loss and total comprehensive loss attributable to owners of the Company for the six months ended 30 September 2022 was approximately HK\$6.7 million, representing a decrease in loss and total comprehensive loss attributable to owners of the Company of approximately 31.9% when compared with that of the corresponding period in 2021.
- The Board did not declare any dividend for the six months ended 30 September 2022 (for the six months ended 30 September 2021: Nil).

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2022

	Notes	For the three months ended 30 September		For the six months ended 30 September	
		2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Revenue	5	12,675	47,204	29,050	107,767
Cost of sales and inventories consumed		(2,757)	(9,634)	(5,653)	(20,759)
Loan referral and guarantee expenses		(167)	(979)	(325)	(9,772)
Employee benefit expenses		(7,677)	(16,755)	(17,266)	(36,396)
Depreciation of property, plant and equipment		(297)	(780)	(548)	(2,255)
Amortisation of intangible assets		(196)	(1,046)	(1,150)	(2,018)
Amortisation of right-of-use assets		(2,319)	(5,838)	(5,030)	(12,100)
Rental and related expenses		(1,040)	(3,098)	(1,459)	(5,164)
Utilities and consumables		(833)	(1,576)	(1,647)	(3,301)
Franchise and licensing fees		(349)	(863)	(349)	(1,683)
Government grants		780	—	3,170	562
Net impairment losses on financial instruments and contract assets		(2,645)	(7,507)	(5,509)	(13,606)
Other expenses		(2,032)	(8,079)	(7,375)	(15,653)
Other (losses)/gains, net		—	(407)	11	1,205
Finance income, net	6	1,250	2,400	3,289	6,065
Loss before income tax		(5,607)	(6,958)	(10,791)	(7,108)
Income tax (expense)/credit	7	(80)	722	273	387
Loss for the period	8	(5,687)	(6,236)	(10,518)	(6,721)
Other comprehensive income/(loss)					
Item that may be reclassified to profit or loss:					
Exchange differences on translation of foreign operations		1,268	(3,741)	2,449	(3,743)
Total comprehensive loss for the period		(4,419)	(9,977)	(8,069)	(10,464)
Loss/(profit) attributable to:					
Owners of the Company		(5,874)	(5,946)	(10,105)	(6,361)
Non-controlling interests		187	(290)	(413)	(360)
Loss for the period		(5,687)	(6,236)	(10,518)	(6,721)
Total comprehensive loss attributable to:					
Owners of the Company		(4,133)	(9,403)	(6,692)	(9,820)
Non-controlling interests		(286)	(574)	(1,377)	(644)
		(4,419)	(9,977)	(8,069)	(10,464)
Loss per share attributable to owners of the Company					
Basic and diluted (HK\$)	10	(0.01)	(0.01)	(0.01)	(0.01)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2022

	Notes	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	11	823	1,527
Right-of-use assets	11	13,388	5,508
Intangible assets	11	6,136	7,911
Rental and utilities deposits		8,513	8,583
Deposit for property, plant and equipment		429	429
Restricted bank deposits	13	53,097	53,632
Contract assets	12	20,500	29,895
		102,886	107,485
Current assets			
Inventories		1,069	1,154
Trade and other receivables	12	29,068	25,835
Contract assets	12	8,806	12,852
Income tax recoverable		257	961
Cash and cash equivalents		2,510	2,522
		41,710	43,324
Total assets		144,596	150,809
EQUITY			
Equity attributable to owners of the Company			
Share capital	15	6,304	63,037
Reserves		(132,921)	(182,962)
		(126,617)	(119,925)
Non-controlling interests		8,133	9,510
		(118,484)	(110,415)

	Notes	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
LIABILITIES			
Non-current liabilities			
Lease liabilities		8,971	4,369
Provision		854	1,570
Deferred tax liabilities		11,383	12,986
		21,208	18,925
Current liabilities			
Trade and other payables	14	23,979	21,974
Contract liabilities		553	888
Lease liabilities		17,548	17,136
Amounts due to related parties	16	58,840	78,028
Amounts due to directors	16	122,729	100,918
Bank borrowing	17	—	1,233
Guarantee liabilities		18,188	21,890
Current tax liabilities		35	232
		241,872	242,299
Total liabilities		263,080	261,224
Total equity and liabilities		118,484	150,809

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2022

	Attributable to owners of the Company						Attributable to non-controlling interests	Total
	Share capital	Share premium	Other reserve	Translation reserve	Accumulated losses	Subtotal		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
At 1 April 2021 (audited)	63,037	28,785	27,313	2,420	(196,469)	(74,914)	14,960	(59,954)
Loss for the period	—	—	—	—	(6,361)	(6,361)	(360)	(6,721)
Exchange differences on translation of foreign operations	—	—	—	(3,459)	—	(3,459)	(284)	(3,743)
Total comprehensive loss for the period	—	—	—	(3,459)	(6,361)	(9,820)	(644)	(10,464)
At 30 September 2021 (unaudited)	63,037	28,785	27,313	(1,039)	(202,830)	(84,734)	14,316	(70,418)
At 1 April 2022 (audited)	63,037	28,785	27,313	(1,743)	(237,317)	(119,925)	9,510	(110,415)
Loss for the period	—	—	—	—	(10,105)	(10,105)	(413)	(10,518)
Exchange differences on translation of foreign operations	—	—	—	3,413	—	3,413	(964)	2,449
Total comprehensive loss for the period	—	—	—	3,413	(10,105)	(6,692)	(1,377)	(8,069)
Capital reorganisation (note i)	(56,733)	—	—	—	56,733	—	—	—
Reduction of share premium (note ii)	—	(28,785)	—	—	28,785	—	—	—
At 30 September 2022 (unaudited)	6,304	—	27,313	1,670	(161,904)	(126,617)	8,133	(118,484)

Notes:

- i. Pursuant to the extraordinary general meeting held on 15 August 2022, the resolutions involving the capital reorganisation were duly passed by way of poll. Upon the effective of capital reorganisation on 27 September 2022, issued share capital of the Company was applied by the Company to set off the accumulated losses of the Company in full. Details could be referred to the circular dated 28 June 2022 and the announcements dated 15 August 2022, 7 September 2022 and 27 September 2022.
- ii. By a special resolution passed at the extraordinary general meeting held on 15 August 2022, the Company was allowed to reduce the entire amount standing to the credit of the share premium to nil and to transfer the credits arising from such reduction to the contributed surplus account and then the entire amount in the contributed surplus account was applied to set off against the accumulated losses of the Company. The conditions of the reduction of share premium were fulfilled and it was effective from 27 September 2022.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2022

	For the six months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
NET CASH (USED IN)/FROM OPERATING ACTIVITIES	(15,191)	19,046
INVESTING ACTIVITIES		
Purchase of and deposits paid for property, plant and equipment	—	(3,595)
Purchase of intangible assets	—	(172)
Advance to a related party	—	(435)
Decrease of restricted bank deposits	535	4,191
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	535	(11)
FINANCING ACTIVITIES		
New bank borrowings raised	—	1,205
Repayment of bank borrowings	(1,233)	—
Repayment of lease liabilities	(7,882)	(20,982)
Advance from directors	23,800	8,996
Interest paid	(342)	(3)
Inception of loan from related parties	—	459
Repayment of loan from related parties	—	(16,926)
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	14,343	(27,251)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(313)	(8,216)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	2,522	12,193
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	301	93
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	2,510	4,070

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

1. GENERAL INFORMATION

The Company was deregistered in the Cayman Islands and duly continued in Bermuda as an exempted company under the laws of Bermuda with limited liability upon the change of domicile of the Company from the Cayman Islands to Bermuda became effective on 6 September 2022. The shares of the Company are listed on GEM. Its immediate holding company is Strong Day Holdings Limited, a company incorporated in the British Virgin Islands with limited liability. Its registered office has been changed to Canon's Court, 22 Victoria Street, Hamilton, HM 12, Bermuda and its principal place of business is located at Suites 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. The subsidiaries of the Company are principally engaged in (i) operation of restaurants in Hong Kong and People's Republic of China (the "PRC"); (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.

2. BASIS OF PREPARATION AND PRESENTATION

These unaudited condensed consolidated financial statements for the six months ended 30 September 2022 have been prepared in accordance with the applicable disclosure requirements of Chapter 18 of the GEM Listing Rules and comply with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

In preparing the unaudited condensed consolidated financial statements, the Directors have given careful consideration to the future liquidity of the Group. While recognising that the Group had net current liabilities of approximately HK\$200,162,000 as at 30 September 2022 and incurred a net loss of approximately HK\$10,518,000 for the six months then ended, the Directors are of the opinion that, after due and careful enquiry taking into account the internally generated funds available to the Group, the Group has, in the absence of unforeseeable circumstances, sufficient financial resources to meet its financial obligations as they fall due for the foreseeable future.

Accordingly, the Directors believe that it is appropriate to prepare the unaudited condensed consolidated financial statements on a going concern basis without including any adjustments that would be required should the Group fail to continue as a going concern.

These unaudited condensed consolidated financial statements for the six months ended 30 September 2022 are presented in Hong Kong dollars ("HK\$"), which is the functional currency of the Company.

3. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS

In the current interim period, the Group has applied, for the first time, new and revised Hong Kong Financial Reporting Standards ("HKFRSs") (which include all HKFRSs, HKASs, Interpretations and Amendments) issued by the HKICPA that are mandatorily effective for the accounting period beginning on or after 1 April 2022.

The adoption of the new amendments to HKFRSs in the current interim period has had no significant effect on the amounts reported in these unaudited condensed consolidated financial statements and/or disclosures set out in these unaudited condensed consolidated financial statements.

The Group has not applied new and revised standards, amendments or interpretations that have been issued but are not yet effective. The Group is currently assessing the impact of the adoption of such new and revised standards, amendments or interpretations to the Group but is yet to be in a position to state whether they would have any material financial impact on the Group's results of operations and financial position.

4. PRINCIPAL ACCOUNTING POLICIES

The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements for the six months ended 30 September 2022 are consistent with those adopted in the preparation of audited consolidated financial statements included in the Company's 2021/22 annual report, except for the adoption of the new and revised HKFRSs issued by the HKICPA that are adopted for the first time for the current period's unaudited condensed consolidated financial statements.

The unaudited condensed consolidated financial statements for the six months ended 30 September 2022 have been prepared on the historical cost basis.

The condensed consolidated financial statements have not been audited or reviewed by the Company's independent auditor, but have been reviewed by the audit committee of the Board (the "Audit Committee").

5. REVENUE AND SEGMENT INFORMATION

(i) Disaggregation of revenue from contracts with customers

	For the three months ended 30 September		For the six months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Revenue from contracts with customers				
Restaurant operations				
Italian style	1,937	6,452	4,065	13,439
Western style	9,022	31,241	20,083	67,133
Asian style	—	783	—	3,130
Chinese style	—	1,174	—	2,158
	10,959	39,650	24,148	85,860
Provision of financial intermediation services				
Upfront loan facilitation service fees	—	4,988	—	12,709
Post loan facilitation service fees	942	899	2,230	2,856
Guarantee service fees	771	66	1,807	1,445
Early redemption penalty and service charges	3	682	865	3,171
	1,716	6,635	4,902	20,181
Provision of interior design and fitting-out services	—	—	—	—
Provision of organic vegetables consulting services	—	919	—	1,726
	12,675	47,204	29,050	107,767
Geographical location				
Mainland China	1,716	8,728	4,902	24,065
Hong Kong	10,959	38,476	24,148	83,702
	12,675	47,204	29,050	107,767
Timing of revenue recognition				
A point in time	11,733	45,386	26,820	103,185
Over time	942	1,818	2,230	4,582
	12,675	47,204	29,050	107,767

5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(i) Disaggregation of revenue from contracts with customers (continued)

For all contracts for provision of food 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.

(ii) Performance obligations for contracts with customers

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.

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.

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.

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 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.

5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(ii) Performance obligations for contracts with customers (continued)

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 condensed 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.

The segment information reported to the executive Directors, being the chief operating decision maker (the “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.

Segment revenue and results

For the six months ended 30 September 2022 (unaudited)

The segment information provided to the Group’s CODM for the reportable segments for the six months ended 30 September 2022 are as follow:

	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	4,065	20,083	—	—	1,451	—	—	4,902	(1,451)	29,050
Inter-segment revenue	—	—	—	—	(1,451)	—	—	—	1,451	—
Revenue from external customers	4,065	20,083	—	—	—	—	—	4,902	—	29,050
Segment results	(138)	(562)	(138)	—	(79)	(21)	(786)	(198)	—	(1,922)
Unallocated employee benefit expenses										(4,799)
Unallocated depreciation and amortisation										(358)
Unallocated rental and related expenses										(318)
Unallocated utilities and consumables										(212)
Unallocated other expenses										(3,179)
Finance costs, net										(3)
Loss before income tax										(10,791)
Income tax credit										273
Loss for the period										(10,518)

5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment revenue and results (continued)

For the six months ended 30 September 2021 (unaudited)

	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	13,439	67,133	3,130	2,158	5,352	—	1,726	20,181	(5,352)	107,767
Inter-segment revenue	—	—	—	—	(5,352)	—	—	—	5,352	—
Revenue from external customers	13,439	67,133	3,130	2,158	—	—	1,726	20,181	—	107,767
Segment results	515	4,003	1,611	(686)	107	(21)	(67)	(834)	(107)	4,521
Unallocated employee benefit expenses										(7,653)
Unallocated depreciation and amortisation										(818)
Unallocated rental and related expenses										(131)
Unallocated utilities and consumables										(216)
Unallocated other expenses										(2,786)
Finance costs, net										(25)
Loss before income tax										(7,108)
Income tax credit										387
Loss for the period										(6,721)

5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities

At 30 September 2022 (unaudited)

	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	127,473	112,225	68,961	234	121,256	184	25,049	120,366	(424,715)	151,033
Elimination of inter-segment receivables	(122,330)	(91,335)	(68,758)	—	(119,683)	(170)	(15,041)	(7,398)	424,715	—
	5,143	20,890	203	234	1,572	14	10,008	112,968	—	151,033
Segment liabilities	(130,806)	(144,035)	(91,990)	(1,544)	(76,533)	(1,742)	(8,606)	(116,246)	424,715	(146,787)
Elimination of inter-segment payables	124,458	112,216	91,642	185	71,471	—	—	24,743	(424,715)	—
	(6,348)	(31,819)	(348)	(1,359)	(5,062)	(1,742)	(8,606)	(91,503)	—	(146,787)
Amounts due to directors										(122,730)
										(269,517)

At 31 March 2022 (audited)

	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	120,105	95,481	68,849	255	98,543	99	26,973	123,646	(383,142)	150,809
Elimination of inter-segment receivables	(116,290)	(80,354)	(68,035)	—	(95,962)	(62)	(15,041)	(7,398)	383,142	—
	3,815	15,127	814	255	2,581	37	11,932	116,248	—	150,809
Segment liabilities	(122,019)	(125,598)	(91,739)	(1,700)	(83,024)	(3,237)	(9,338)	(106,793)	383,142	(160,306)
Elimination of inter-segment payables	116,402	98,325	91,487	185	75,448	1,295	—	—	(383,142)	—
	(5,617)	(27,273)	(252)	(1,515)	(7,576)	(1,942)	(9,338)	(106,793)	—	(160,306)
Amount due to directors										(100,918)
										(261,224)

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 4. 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, other gains 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.

5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Other information

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

	Depreciation and amortisation For the six months ended 30 September		Additions to non-current assets For the six months ended 30 September	
	2022	2021	2022	2021
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Italian style	662	3,176	—	80
Western style	4,690	9,572	12,895	1,608
Asian style	—	—	—	—
Chinese style	—	469	—	4
Catering management and design services	15	—	—	—
Provision of interior design and fitting-out services	22	22	—	—
Provision of organic vegetables consulting services	760	1,693	—	—
Provision of financial intermediation services	272	623	—	25
	6,421	15,555	12,895	1,717

	Loss on disposals of property, plant and equipment For the six months ended 30 September		Net impairment losses on financial instruments and contract assets For the six months ended 30 September	
	2022	2021	2022	2021
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Italian style	—	—	—	—
Western style	—	593	—	—
Asian style	—	—	—	—
Chinese style	—	—	—	—
Catering management and design services	—	—	—	—
Provision of interior design and fitting-out services	—	—	—	—
Provision of organic vegetables consulting services	—	—	—	—
Provision of financial intermediation services	—	—	5,509	13,606
	—	593	5,509	13,606

5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

	Loss on disposals of intangible assets For the six months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Italian style	—	—
Western style	—	78
Asian style	—	—
Chinese style	—	—
Catering management and design services	—	—
Provision of interior design and fitting-out services	—	—
Provision of organic vegetables consulting services	—	—
Provision of financial intermediation services	—	—
	—	78

The unallocated depreciation and amortisation amounted to approximately HK\$307,000 (2021: HK\$818,000) for the six months ended 30 September 2022.

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:

	For the six months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Hong Kong	24,148	83,702
Mainland China	4,902	24,065
	29,050	107,767

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

	Non-current assets	
	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
Hong Kong	12,785	5,601
Mainland China	28,062	39,240
	40,847	44,841

5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Information about major customers

No revenue from individual customer contributed over 10% of total revenue of the Group for both periods.

6. FINANCE INCOME, NET

	For the three months ended 30 September		For the six months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Interest income from contract assets	1,636	2,672	4,012	7,110
Bank interest income	47	60	94	121
Interest income from loan to a related party	—	180	—	362
Finance income	1,683	2,912	4,106	7,593
Interest expense on lease liabilities	(236)	(282)	(323)	(630)
Interest expense on accrued loan referral expenses	(193)	(182)	(475)	(847)
Interest expense on bank borrowings	(4)	(3)	(19)	(3)
Other interest expenses	—	(45)	—	(48)
Finance costs	(433)	(512)	(817)	(1,528)
Finance income, net	1,250	2,400	3,289	6,065

7. INCOME TAX (EXPENSE)/CREDIT

	For the three months ended 30 September		For the six months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Current tax				
Hong Kong profits tax	—	—	—	—
PRC enterprise income tax	—	—	—	(3)
Deferred tax	(80)	722	273	390
Income tax (expense) credit	(80)	722	273	387

7. INCOME TAX CREDIT (CONTINUED)

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%.

No provision for Hong Kong Profits Tax has been made for Hong Kong subsidiaries, as there was no estimated assessable profit during the six months ended 30 September 2022 (2021: Nil).

Deferred tax credit of approximately HK\$273,000 for the six months ended 30 September 2022 (2021: HK\$390,000) arose from the temporary differences in relation to amortisation of intangible assets and unrealised gains in the PRC.

8. LOSS FOR THE PERIOD

	For the three months ended 30 September		For the six months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Loss for the period has been arrived at after charging:				
Depreciation of property, plant and equipment	297	780	548	2,255
Depreciation of right-of-use assets	2,319	5,838	5,030	12,100
Amortisation of intangible assets	196	1,046	1,150	2,018
Loss on disposals of property, plant and equipment	—	510	—	593
Loss on disposals of intangible assets	—	78	—	78

9. DIVIDEND

The Board does not declare any dividend for the six months ended 30 September 2022 (2021: Nil).

10. 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 period.

	For the three months ended 30 September		For the six months ended 30 September	
	2022 (Unaudited)	2021 (Unaudited)	2022 (Unaudited)	2021 (Unaudited)
Loss for the period attributable to owners of the Company (HK\$'000)	(5,874)	(5,946)	(10,105)	(6,361)
Weighted average number of ordinary shares in issue (thousands)	810,250	810,250	810,250	810,250
Basic loss per share (HK\$)	(0.01)	(0.01)	(0.01)	(0.01)

(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 30 September 2022 and 2021.

11. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND INTANGIBLE ASSETS

During the current interim period, the Group did not acquire property, plant and equipment and intangible assets (2021: HK\$122,000 and Nil). In addition, the Group did not dispose property, plant and equipment and intangible assets (2021: HK\$593,000 and HK\$78,000).

During the current interim period, the Group entered into new rental agreements for the use of restaurant operation and management office. The Group is required to make fixed monthly payments and additional variable payments depending on the relevant restaurants' turnover pursuant to the terms and conditions as set out in the respective rental agreements. On lease commencement, the Group recognised HK\$12,895,000 (2021: HK\$1,619,000) of right-of-use assets and HK\$12,895,000 (2021: HK\$1,619,000) of lease liabilities.

12. TRADE AND OTHER RECEIVABLES AND CONTRACT ASSETS

	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
Trade receivables	787	757
Other receivables and deposits	35,056	32,531
Contract assets	29,330	42,794
	65,173	76,082
Loss allowances	(6,799)	(7,500)
	58,374	68,582

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 30 September 2022, the ageing analysis at the gross trade receivables based on invoice date were as follows:

	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
0 - 20 days	267	183
21 to 90 days	23	18
Over 90 days	497	556
	787	757
Loss allowances	(490)	(546)
	297	211

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.

12. TRADE AND OTHER RECEIVABLES AND CONTRACT ASSETS (CONTINUED)

As at 30 September 2022, included in the Group's trade receivables balances are debtors with an aggregate carrying amount of HK\$30,000 (31 March 2022: HK\$27,000) which are past due as at the reporting date. Out of the past due balances, HK\$7,000 (31 March 2022: HK\$9,000) 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.

	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
Other receivables and deposits:		
Prepayments for insurances, consumables and services	3,899	5,258
Prepayments for rental	86	14
Prepayments for loan guarantee expenses	7,826	5,778
Advance to employees	1,373	793
Rental and utilities deposits	329	245
Loan receivable	19,961	18,570
Others	1,582	1,873
Loss allowances	(6,285)	(6,907)
	28,771	25,624

	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
(Contract assets)		
Upfront loan facilitation service fees	29,330	42,794
Loss allowances	(24)	(47)
	29,306	42,747
Less: Contract assets-non-current portion	(20,500)	(29,895)
Contract assets-current portion	8,806	12,852

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.

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.

13. RESTRICTED BANK DEPOSITS

As at 30 September 2022, the 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\$1,736,000 (31 March 2022: HK\$1,848,000) and HK\$51,361,000 (31 March 2022: HK\$51,784,000), respectively. The restricted bank deposits carry interest ranging from 0.02% to 0.35% (31 March 2022: from 0.02% to 1.8%) 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.

14. TRADE AND OTHER PAYABLES

	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
Trade payables to third parties	6,730	5,733
Accruals and other payables:		
Accrued staff salaries	3,422	3,939
Franchise and licensing fee payables	4,150	3,729
Payable for property, plant and equipment	500	546
Audit fee accrual	1,931	1,839
Payable for repair and maintenance	1,626	1,484
Payable for utilities and consumables	1,171	1,254
Payable for cleaning suppliers	645	630
Other tax payables	117	134
Accrued loan referral expenses	—	1,203
Others	3,685	1,483
	17,249	16,241
Trade and other payables	23,979	21,974

The ageing analysis of the trade payables based on invoice date were are follows:

	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
0 – 60 days	3,420	1,509
Over 60 days	3,310	4,224
	6,730	5,733

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.

15. SHARE CAPITAL

AUTHORISED:

	Number of Shares	Amount US\$	HK\$'000
At 1 April 2021, 30 September 2021, 1 April 2022 of US\$0.01 each	10,000,000,000	100,000,000	778,000
Capital reorganization (note (i))	90,000,000,000	—	—
At 30 September 2022 of US\$0.001 each	100,000,000,000	100,000,000	778,000

ISSUED AND FULLY PAID:

	Number of Shares	Amount US\$	HK\$'000
At 1 April 2021, 30 September 2021, 1 April 2022 of US\$0.01	810,250,000	8,102,500	63,037
Capital reorganization (note (i))	—	(7,292,250)	(56,733)
At 30 September 2022 of US\$0.001 each	810,250,000	810,250	6,304

Note:

- (i) By a special resolution passed at the extraordinary general meeting held on 15 August 2022, the issued share capital of the Company is reduced through a cancellation of the paid-up capital of the Company to the extent of US\$0.009 on each of the issued shares such that the nominal value of each issued share is reduced from US\$0.01 to US\$0.001 and each of the authorised but unissued shares of US\$0.01 is sub-divided into 10 shares of US\$0.001 each.

16. RELATED PARTY TRANSACTIONS AND BALANCES

(a) Significant transactions with related parties

上海愛娥蔬菜種植專業合作社 is controlled by a director of a subsidiary of the Company, who is also a non-controlling shareholder of that subsidiary. The following transactions occurred with related parties:

Name of related parties	Nature of transactions	For the six months ended 30 September	
		2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
上海愛娥蔬菜種植專業合作社	Interest income	—	362
上海愛娥蔬菜種植專業合作社	Revenue from provision of organic vegetables consulting services	—	1,726

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

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

	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
Loan to a related party (Note (iv))	13,880	15,188
Loss allowances (Note (iv))	(13,880)	(15,188)
	—	—
Advances to related parties (Note (i))	2,353	2,586
Loss allowances	(2,353)	(2,586)
Total amounts due from related parties	—	—
Amounts due to directors (Note (ii))	(122,729)	(100,918)
Loan from related parties (Note (iii))	(51,358)	(70,776)
Other payables to a related party	(7,482)	(7,252)
Total amounts due to related parties	(58,840)	(78,028)

Notes:

- (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 (iv) of HK\$2,353,000 (31 March 2022: HK\$2,586,000). However, by considering recoverability from related party, loss allowance amounted to HK\$2,353,000 (2021: HK\$2,586,000). Loss allowance movement for the period ended 30 September 2022 is as follows:

	HK\$'000
Opening net book amount	2,586
Exchange realignment	(233)
Ending net book amount	2,353

- (ii) The amount due to directors is non-trade in nature, unsecured and interest-free.
- (iii) Loan from related parties, non-controlling interest of a subsidiary, is non-trade in nature, unsecured and interest-free.

16. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(b) Amounts due from/(to) related parties (continued)

- (iv) As at 30 September 2022, 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 Renminbi ("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. However, the balance is not yet repaid by the related party subsequently. Loss allowances in relation to this balance amounted to HK\$13,880,000 (31 March 2022: HK\$15,188,000) as at 30 September 2022. Loss allowance movement for the six months ended 30 September 2022 is as follows:

	HK\$'000
Opening net book amount	15,188
Exchange realignment	(1,308)
Ending net book amount	13,880

17. BANK BORROWINGS

The loans carry interest at fixed market rates of 3.85% and are repaid in the current interim period. The proceeds were used as working capital.

MANAGEMENT DISCUSSION AND ANALYSIS

During the six months ended 30 September 2022, the Group has been principally engaged in (i) operating restaurants in Hong Kong serving a variety of cuisines, mainly Western and Italian, targeting customers with a medium to high propensity to spend (the “**Food and Beverage Business**”); (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 (the “**Interior Design and Fitting-out Business**”); (iii) provision of consulting services in relation to organic vegetables research and development, plantation and sales in the PRC (the “**Organic Vegetables Consulting Services**”); and (iv) provision of financial institution intermediation services in the PRC (the “**Financial Institution Intermediation Services**”).

Business Review

Food and Beverage Business

During the six months ended 30 September 2022, the Group’s Food and Beverage Business maintained its focus on serving a variety of cuisines under different brands to a diversified base of customer in Hong Kong. The Group has persevered to uphold its core value, “Value for Money”, through providing its customers with a boutique dining experience of delicious dishes, attentive services and a tranquil environment.

During both six months ended 30 September 2022 and 2021, the operating results of our restaurants have been negatively impacted by the novel coronavirus pneumonia (COVID-19) (the “**COVID-19 Pandemic**”). Proportionate to number of confirmed cases in Hong Kong, stringent 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. The “vaccine pass” arrangement and the tightening of social distancing measures upon the fifth wave of COVID-19 in Hong Kong since February 2022 led to a more challenging food and beverage business environment. We had also closed several restaurants due to the difficult business environment. As a result, the Company recorded a decrease in revenue and an increase in operating loss for our food and beverage business for the six months ended 30 September 2022 compared to that recorded for the six months ended 30 September 2021. In the long run, we expect the COVID-19 Pandemic to continue to have a negative impact on the Group’s business.

Interior Design and Fitting-out Business

During the six months ended 30 September 2022, no revenue was recognised in this segment as the business was still in a start-up stage and a contract was suspended temporarily due to the impact of the COVID-19 Pandemic.

Organic Vegetables Consulting Services

During the six months ended 30 September 2022, no revenue was recognised in this segment due to the COVID-19 Pandemic lockdown in Shanghai, the segment’s principle place of business in the first quarter ended 30 June 2022 and a lack of opportunities because of such closure and the significant downturn of macroeconomy since then.

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. However, during the six months ended 30 September 2022, this business has been significantly affected by the downturn of macro-economy and the heightening of risk appetite in the PRC and globally.

Financial Review

Revenue

During the six months ended 30 September 2022, the Group's revenue was generated from (i) the operation of restaurants in Hong Kong; and (ii) provision of financial institution intermediation services in the PRC. As at 30 September 2022, we had 4 (2021: 9) restaurants in Hong Kong and 3 restaurants (2021: 4) was closed or had been disposed of for the half year ended 30 September 2022. The Group served mainly two categories of cuisines during the six months ended 30 September 2022. 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 six months ended 30 September 2022 (and 2021 for comparison purpose).

	For the three months ended 30 September				For the six months ended 30 September			
	2022		2021		2022		2021	
	Revenue (HK\$'000) (Unaudited)	% of total Revenue (%)	Revenue (HK\$'000) (Unaudited)	% of total Revenue (%)	Revenue (HK\$'000) (Unaudited)	% of total Revenue (%)	Revenue (HK\$'000) (Unaudited)	% of total Revenue (%)
Western style	9,022	71.2	31,241	66.2	20,083	69.1	67,133	62.3
Italian style	1,937	15.3	6,452	13.7	4,065	14.0	13,439	12.5
Asian style	—	—	783	1.7	—	—	3,130	2.9
Chinese style	—	—	1,174	2.4	—	—	2,158	2.0
Operation of restaurants	10,959	86.5	39,650	84.0	24,148	83.1	85,860	79.7
Provision of interior design and fitting-out services	—	—	—	—	—	—	—	—
Provision of organic vegetables consulting services	—	—	919	1.9	—	—	1,726	1.6
Provision of financial institution intermediation services	1,716	13.5	6,635	14.1	4,902	16.9	20,181	18.7
Total	12,675	100%	47,204	100.0	29,050	100%	107,767	100.0

Western style restaurants

The revenue generated from operation of Western style restaurants decreased by approximately HK\$47.1 million, or approximately 70.1%, from approximately HK\$67.1 million for the six months ended 30 September 2021 to approximately HK\$20.1 million for the six months ended 30 September 2022. Such decrease was mainly due to (i) the occurrence of the fifth wave of COVID-19 Pandemic in Hong Kong since February 2022; and (ii) the closure of Western style restaurants of the Group during the last year and the six months ended 30 September 2022.

Italian style restaurants

The revenue generated from operation of Italian style restaurants decreased by approximately HK\$9.4 million, or approximately 69.8%, from approximately HK\$13.4 million for the six months ended 30 September 2021 to approximately HK\$4.1 million for the six months ended 30 September 2022. The decrease was a result from (i) the occurrence of the fifth wave of COVID-19 Pandemic in Hong Kong since February 2022; and (ii) the closure of several Italian style restaurants during the last financial year.

Asian style restaurants

No revenue was generated from operation of Asian style restaurants for the six months ended 30 September 2022 (2021: HK\$3.1 million). It was caused by the closing of Asian style restaurants in the last financial year due to the difficult business environment.

Chinese style restaurants

No revenue was generated from operation of Chinese style restaurant in the PRC for the six months ended 30 September 2022 (2021: HK\$2.2 million) as it was affected by the COVID-19 Pandemic, the operation had been suspended since the third fiscal quarter and the management has decided to close it down during the last financial year.

Interior Design and Fitting-out Business

During the six months ended 30 September 2022, no revenue was recognised in this segment as the business was still in a start-up stage and a contract was suspended temporarily due to the impact of the COVID-19 Pandemic.

Organic Vegetables Consulting Services

During the six months ended 30 September 2022, no revenue was recognised in this segment due to the COVID-19 Pandemic lockdown in Shanghai, the segment's principle place of business in the first quarter ended 30 June 2022 and a lack of opportunities because of such closure and the significant downturn of macroeconomy since then.

Provision of financial institution intermediation services

The revenue generated from provision of financial institution intermediation services by the Group was approximately HK\$4.9 million for the six months ended 30 September 2022 (six months ended 30 September 2021: HK\$20.2 million). The decrease was resulted from the unfavourable macro-economic environment in the PRC, particularly with the gigantic loan default events in 2021 with lasting impacts up to the date of this report, which led to no new loans facilitated for the six months ended 30 September 2022 compared to the corresponding period in 2021. Income from early redemption penalty and service charges may also adversely affect future post loan facilitation service fees and future guarantee service fees.

Cost of sales and inventories consumed

Cost of sales and inventories consumed was mainly represented the costs of food ingredients and beverages for the operation of the Group's restaurant for the six months ended 30 September 2022. The major food ingredients purchased by the Group includes 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\$5.6 million and HK\$20.8 million for the six months ended 30 September 2022 and 2021, respectively, representing approximately 19.5% and 19.3% of the Group's total revenue for the corresponding period in 2022 and 2021. The decrease in cost of sales and inventories consumed was consistent with the decline in revenue.

Loan referral and guarantee expenses

Loan referral and guarantee expenses, which represents the costs of financial institution intermediation services, including customer service cost and third party guarantee fee, which amounted to approximately HK\$325,000 for the six months ended 30 September 2022 (2021: HK\$9.8 million), representing approximately 6.6% and 48.4% of the Group's revenue generated from the financial institution intermediation business segment for the six months ended 30 September 2022 and 2021, respectively. The decrease is mainly attributable to and in line with the decrease in the revenue generated from the financial institution intermediation business segment

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 decreased by approximately HK\$19.1 million from approximately HK\$36.4 million to approximately HK\$17.3 million for the six months ended 30 September 2021 and 2022, respectively. The decrease was mainly due to the closure of restaurants and the continuous streamlining of organizational structure in the PRC.

Rental and related expenses

Our rental and related expenses were mainly represented by lease of premises for the Group's restaurants operation and lease of office premises for the Group's PRC financial services operations. The amount decreased by HK\$3.7 million for the six months ended 30 September 2022 compared to the amount for the six months ended 30 September 2021. The decrease was mainly due to the closure of restaurants in the previous and current financial periods leading to reduced leased space.

Government grants

Government grants for the six months ended 30 September 2022 were mainly represented by the fifth and sixth round of Anti-epidemic Fund measures received from the government of the Hong Kong Special Administrative Region by our restaurant business in Hong Kong. There was no similar measure of similar scale in place for the six months ended 30 September 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 six months ended 30 September 2022 and 2021, the Group recognised other expenses of approximately HK\$7.4 million and HK\$15.7 million, respectively, representing approximately 25.4% and 14.5% of the Group's total revenue for the corresponding periods. The decrease in other expenses incurred in the current period was mainly due to the closure of restaurants, leading to reduction of such operating expenses.

Finance income, net

Finance income mainly included interest income from contract asset.

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 income, net is mainly due the decrease in the provision of financial intermediation services in a greater extent than the decrease in interest charge on leases.

Loss attributable to owners of the Company

Loss attributable to owners of the Company for the six months ended 30 September 2022 was approximately HK\$10.1 million (2021: HK\$6.4 million). The increase of loss attributable to owners of the Company was primarily attributable to the following factors:

- (i) the revenue and operating results of our restaurants have been severely affected by the fifth wave of COVID-19 Pandemic; and
- (ii) the closure of operating restaurants leading to reduction of revenue, whereas the unallocated fixed costs of the supporting departments can only be reduced at a lesser proportion.

Liquidity and Financial Resources

As at 30 September 2022, total assets of the Group amounted to approximately HK\$144.6 million (31 March 2022: HK\$150.8 million) and the cash and cash equivalents amounted to approximately HK\$2.5 million (31 March 2022: HK\$2.5 million). The cash and cash equivalents were denominated in HK\$ and RMB. The Group's working capital was approximately negative HK\$77.4 million (31 March 2022: negative HK\$98.1 million), represented by total current assets of approximately HK\$41.7 million (31 March 2022: HK\$43.3 million) against total current liabilities, net of amounts due to directors, of approximately HK\$119.1 million (31 March 2022: HK\$141.4 million). The current ratio, being the proportion of total current assets against total current liabilities, net of amounts due to directors, was 0.35 (31 March 2022: 0.31).

The gearing ratio (being net debt divided by the aggregate of net debt and total capital) of the Group as at 30 September 2022 was approximately 248.9% (31 March 2022: 235.5%). Net debt was approximately HK\$198.1 million (31 March 2022: HK\$191.9 million) which is calculated based on the sum of total lease liabilities, amounts due to directors, loans from related parties and bank borrowings, less cash and cash equivalents. Total deficit and net debt was approximately HK\$79.6 million (31 March 2022: HK\$81.5 million).

Capital Reorganisation

Pursuant to the extraordinary general meeting of the Company held on 15 August 2022 (the “**EGM**”), the resolutions involving a capital reorganisation (the “**Capital Reorganisation**”) were duly passed by way of poll. Upon the effective of capital reorganisation on 27 September 2022, (i) the issued share capital of the Company be reduced through a cancellation of the paid-up capital of the Company to the extent of US\$0.009 on each of the issued shares such that the nominal value of each issued share will be reduced from US\$0.01 to US\$0.001 (the “**Capital Reduction**”); (ii) immediately following the Capital Reduction, each of the authorised but unissued shares of US\$0.01 each will be sub-divided into 10 adjusted shares of US\$0.001 each; and (iii) the amount arising in the books of the Company from the Capital Reduction in the amount of US\$7,292,250 be applied by the Board to set off the accumulated losses of the Company in full.

By a special resolution passed in the EGM, the Company was allowed to reduce entire amount outstanding of the share premium to nil and to apply the entire amount to set off against the accumulated losses of the Company (the “**Share Premium Reduction**”). The conditions of the reduction of share premium were fulfilled and it was effective from 27 September 2022.

Upon the effective of the above, the Directors are in the opinion that the Capital Reorganisation and the Share Premium Reduction will provide the Company with greater flexibility in possible fund raisings in the future. Further, these amounts will enable the Company to set off its accumulated loss and may be applied in the future for distribution to its shareholders or in any manner permitted by the laws of Bermuda and the bye-laws of the Company in effect from time to time.

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 six months ended 30 September 2022, the Group continued to maintain its focus in serving a variety of cuisines at varying prices under different brands to a diversified customer base in Hong Kong. As at 30 September 2022, the Group was operating 4 restaurants in Hong Kong. The Group also provides interior design and fitting-out services, organic vegetables consulting services and financial institution intermediation services 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. The Group will continue to observe the changes of business environment and government policies in this segment and adjust its business strategy in accordingly. The Group will take opportunities to continue to invest in and develop new business.

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 HK\$ and 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.

Pledge of Assets

As at 30 September 2022, save for restricted bank deposits of approximately HK\$53,097,000 (31 March 2022: HK\$53,632,000) 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 (31 March 2022: Nil).

Contingent Liabilities

As at 30 September 2022, the Group did not have any significant contingent liabilities (31 March 2022: Nil).

Capital Commitments

As at 30 September 2022, the Group did not have any outstanding capital commitments (31 March 2022: Nil).

Interim Dividend

The Board has resolved not to declare any interim dividend for the six months ended 30 September 2022 (2021: Nil).

Employees and Remuneration Policies

As at 30 September 2022, the total number of employees of the Group was 119 (31 March 2022: 171). Total staff costs (including Directors' emoluments) were approximately HK\$17,266,000 for the six months ended 30 September 2022 (2021: HK\$36,396,000). Employees' remuneration (including Directors' emoluments) is commensurate with their job nature, qualifications and experience. 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.

Significant Investments

As at 30 September 2022, the Group did not hold any significant investments or capital assets.

Future Plans for Material Investments or Capital Assets

The Group has no plan authorised by the Board for other material investments or additions of capital assets as at the date of this report.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

The Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures during the six months ended 30 September 2022.

DISCLOSURE OF ADDITIONAL INFORMATION

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 30 September 2022, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (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, were as follows:

Long positions

(a) Shares in the Company:

Name of Directors	Capacity/Nature of interests	No. of shares	Approximate percentage of shareholding
Mr. James Fu Bin Lu ("Mr. James Lu") ^{Note}	Interest of spouse/Family interest	407,600,000 (L)	50.31%
Ms. Li Qing Ni ("Ms. Li") ^{Note}	Interest in controlled corporation/ Corporate interest	407,600,000 (L)	50.31%

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.

(L) Long position

(b) Shares in associated corporation of the Company:

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

Save as disclosed above, as at 30 September 2022, none of the Directors and the chief executive of the Company had 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 THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 September 2022, 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 of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Long positions in 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	407,600,000 (L)	50.31%
Excel Precise International Limited ("Excel Precise") ^{Note}	Person having a security interest in shares/Others	407,600,000 (L)	50.31%
True Promise Investments Limited ("True Promise") ^{Note}	Interest in controlled corporation/ Corporate interest	407,600,000 (L)	50.31%
Mr. Law Fei Shing ("Mr. Law") ^{Note}	Interest in controlled corporation/ Corporate interest	407,600,000 (L)	50.31%
Mr. Wong Man Hin Max	Beneficial owner/Personal interest	171,550,000 (L)	21.17%

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.

(L) Long position

Save as disclosed above, as at 30 September 2022, 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 as recorded in the register required to be kept by the Company under section 336 of the SFO.

SHARE OPTION SCHEME

The Company has adopted a share option scheme (the "Share Option Scheme") which was approved by the shareholders of the Company 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.

There was no share option outstanding as at 30 September 2022 and no share options were granted, exercised or cancelled or lapsed under the Share Option Scheme during the six months ended 30 September 2022.

PURCHASE, SALE OR REDEMPTION OF SHARES OF THE COMPANY

The Company did not redeem any of the shares of the Company listed on GEM nor did the Company or any of its subsidiaries purchase or sell any such shares of the Company during the six months ended 30 September 2022.

DIRECTORS' INTERESTS IN CONTRACTS

During the six months ended 30 September 2022, no Director had a significant beneficial interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or its holding company or any of its subsidiaries or fellow subsidiaries was a party.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' COMPETING INTERESTS

During the six months ended 30 September 2022, none of the Directors or the controlling shareholders (as defined in the GEM Listing Rules) of the Company or any of their respective close associates (as defined in the GEM Listing Rules) had 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.

DIRECTORS' SECURITIES TRANSACTIONS

The Group has adopted the required standard of dealings in the securities (the "**Required Standard of Dealings**") as contained in Rules 5.48 to 5.67 of the GEM Listing Rules 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 have confirmed that they had complied with the Required Standard of Dealings during the six months ended 30 September 2022.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

To the best knowledge of the Directors, the Directors consider that up to the date of this report, the Company has complied with all the applicable code provisions of the Corporate Governance Code as set out in Part 2 of Appendix 15 to the GEM Listing Rules (the "**CG Code**"), except for certain deviation as specified with considered reasons for such deviation as explained below.

Under code provision C.2.1 of the CG Code, the roles of the chairman and chief executive officer should be separate and should not be performed by the same individual.

During the six months ended 30 September 2022, the Company has not separated the roles of chairman and chief executive officer of the Company. Mr. James Lu is the chairman of the Board and the chief executive officer of the Company. The Board believes that vesting the roles of both the chairman and the chief executive officer 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.

AUDIT COMMITTEE

Pursuant to Rule 5.28 of the GEM Listing Rules, the Board has established the Audit Committee with written terms of reference aligned with the code provisions set out in Appendix 15 of the GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control procedures of the Group. As at the date of this report, the Audit Committee comprises Mr. Shi Kangping (chairman of the Audit Committee), Mr. Lu Cheng and Mr. Kim Jin Tae, all of whom are independent non-executive Directors.

The unaudited condensed consolidated results of the Group for the six months ended 30 September 2022 and this report of the Company have been reviewed by the Audit Committee, which was of the opinion that the preparation of such results and report comply with the applicable accounting standards, the GEM Listing Rules and other legal requirements and that adequate disclosures have been made.

EVENT AFTER REPORTING PERIOD

On 28 April 2022, the Company proposed to implement the rights issue on the basis of three rights shares for every two shares at the subscription price of HK\$0.04 per rights share, to raise up to approximately HK\$48,600,000 (before expenses and if full subscription) by issuing up to 1,215,375,000 rights shares to the qualifying shareholders (the “**Rights Issue**”). The Rights Issue was approved by the shareholders of the Company at the EGM.

As at 24 October 2022, such proposal was accepted in the amount of 234,990,908 rights shares representing approximately 19.3% of the total number of 1,215,375,000 rights shares available for subscription under the Rights Issue. As a result of the under-subscription of the rights shares and pursuant to the terms of the Underwriting Agreement, the Underwriter and its sub-underwriters, on a best effort basis, have procured subscribers to subscribe for 853,050,000 rights shares, representing approximately 70.2% of the total number of 1,215,375,000 rights shares available for subscription under the Rights Issue. After the subscribers’ subscription procured by the Underwriter and its sub-underwriters, together with the 234,990,908 rights shares subscribed, a total of 1,088,040,908 rights shares were subscribed and the Rights Issue was subscribed as to approximately 89.5% of the total number of 1,215,375,000 rights shares available for subscription under the Rights Issue.

The gross proceeds from the Rights Issue are approximately HK\$43.5 million and the net proceeds from the Rights Issue, after deducting all relevant expenses for the Rights Issue, are estimated to be approximately HK\$41.1 million. The Company intends to apply the net proceeds from the Rights Issue for general corporate and working capital purposes, including but not limited to settling trade and other payables, staff salaries, rental expenses and other indebtedness in relation to the Group’s catering business.

For further details, please refer to the announcements of the Company dated 28 April 2022, 25 May 2022, 14 June 2022, 16 June 2022, 27 July 2022, 15 August 2022, 7 September 2022 and 31 October 2022; the circular of the Company dated 28 June 2022 and a prospectus of the Company dated 10 October 2022.

Save as disclosed above, the Group does not have any material subsequent event after the six months ended 30 September 2022 and up to the date of this report.

By order of the Board

Life Concepts Holdings Limited

James Fu Bin Lu

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 14 November 2022

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