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## **SIMPLICITY HOLDING LIMITED**

**倩碧控股有限公司\***

*(Incorporated in Cayman Islands with limited liability)*

**(Stock Code: 8367)**

### **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023**

The board of directors (the “**Board**”) of Simplicity Holding Limited (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 September 2023 (the “**Interim Results**”). This announcement contains the full text of the interim report of the Group for the six months ended 30 September 2023 and the contents were prepared in accordance with the relevant disclosure requirements of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) (the “**GEM Listing Rules**”). The Interim Results have been reviewed by the Board and the audit committee of the Board.

This results announcement is published on the websites of the Company ([www.simplicityholding.com](http://www.simplicityholding.com)) and the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). The interim report of the Company for the six months ended 30 September 2023 will be delivered to shareholders of the Company and will also be available at the abovementioned websites in due course.

By order of the Board  
**Simplicity Holding Limited**  
**Choi Pun Lap**  
*Executive Director and Company Secretary*

Hong Kong, 14 November 2023

*As at the date of this announcement, the executive Directors of the Company are Mr. Choi Pun Lap and Mr. Leung Wai Tai; and the independent non-executive Directors of the Company are Mr. Lo Cheuk Fei Jeffrey, Mr. Cheung Hiu Fung and Mr. Wang Rongqian.*

*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 Stock Exchange’s website at <http://www.hkexnews.hk> on the “Latest Listed Company Information” page for at least seven days from the date of its publication and posting and will be published and remains on the website of the Company at <http://www.simplicityholding.com>.*

*\* For identification purpose only*

## 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.

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

## CONTENTS

Corporate Information	3
Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	6
Unaudited Condensed Consolidated Statement of Financial Position	8
Unaudited Condensed Consolidated Statement of Changes in Equity	10
Unaudited Condensed Consolidated Statement of Cash Flows	11
Notes to the Unaudited Condensed Consolidated Financial Statements	12
Management Discussion and Analysis	26
Other Information	35

## CORPORATE INFORMATION

### **Board of Directors**

#### *Executive Directors*

Mr. Choi Pun Lap

Mr. Leung Wai Tai

Mr. Yanagihara Kazuya (appointed on 16 August 2023 and resigned on 10 October 2023)

#### *Non-executive Directors*

Mr. Leung Chun Yu Edmund

(appointed on 16 August 2023 and resigned on 10 October 2023)

#### *Independent non-executive Directors*

Mr. Lo Cheuk Fei Jeffrey

Mr. Yeung Man Sun

(resigned on 24 October 2023)

Mr. Cheung Hiu Fung

Mr. Wang Rongqian

(appointed on 24 October 2023)

### **Compliance Officer**

Mr. Choi Pun Lap

### **Authorised Representatives**

Mr. Choi Pun Lap

Mr. Leung Wai Tai

### **Company Secretary**

Mr. Choi Pun Lap

### **Audit Committee**

Mr. Yeung Man Sun (*Chairman*)

(resigned on 24 October 2023)

Mr. Lo Cheuk Fei Jeffrey

(appointed as Chairman on 24 October 2023)

Mr. Cheung Hiu Fung

Mr. Wang Rongqian

(appointed on 24 October 2023)

## **Remuneration Committee**

Mr. Lo Cheuk Fei Jeffrey  
(resigned as Chairman on 24 October 2023)  
Mr. Yeung Man Sun  
(resigned on 24 October 2023)  
Mr. Choi Pun Lap  
Mr. Leung Wai Tai  
Mr. Cheung Hiu Fung  
(appointed as Chairman on 24 October 2023)  
Mr. Wang Rongqian  
(appointed on 24 October 2023)

## **Nomination Committee**

Mr. Yeung Man Sun (*Chairman*)  
(resigned on 24 October 2023)  
Mr. Lo Cheuk Fei Jeffrey  
Mr. Choi Pun Lap  
Mr. Leung Wai Tai  
Mr. Cheung Hiu Fung  
Mr. Wang Rongqian  
(appointed as Chairman on 24 October 2023)

## **Auditor**

Fan, Chan & Co. Limited  
Certified Public Accountants  
Room 1007–1012, 10/F, K. Wah Centre,  
191 Java Road, North Point,  
Hong Kong

## **Principal Bankers**

Shanghai Commercial Bank Limited  
Shanghai Commercial Bank Tower  
12 Queen's Road Central  
Hong Kong

The Hongkong and Shanghai  
Banking Corporation Limited  
1 Queen's Road Central  
Hong Kong

Bank of China (Hong Kong) Limited  
Bank of China Tower  
No. 1, Garden Road,  
Central, Hong Kong

**Registered Office**

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman  
KY1-1111  
Cayman Islands

**Headquarters and principal place of  
business in Hong Kong**

35/F, Central Plaza  
18 Harbour Road  
Wanchai  
Hong Kong

**Principal Share Registrar and  
Transfer Office**

Conyers Trust Company (Cayman) Limited  
Cricket Square, Hutchins Drive  
P.O. Box 2681  
Grand Cayman  
KY1-1111  
Cayman Islands

**Hong Kong Share Registrar and  
Transfer Office**

Tricor Investor Services Limited  
17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

**Company Website**

[www.simplicityholding.com](http://www.simplicityholding.com)

**GEM Stock Code**

08367

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

THREE MONTHS AND SIX MONTHS ENDED 30 SEPTEMBER 2023

The unaudited condensed consolidated results of the Group for the three months ended and six months ended 30 September 2023, together with the unaudited comparative figures for the corresponding period in 2022, are as follows:

	Notes	Unaudited Three months ended 30 September		Unaudited Six months ended 30 September	
		2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000
Revenue	4	22,914	17,534	50,576	32,817
Other income	5	4	22	35	363
Other loss	6	(497)	–	(1,100)	–
Raw materials and consumables used		(7,338)	(6,848)	(19,171)	(12,789)
Staff costs		(8,821)	(7,882)	(18,119)	(14,552)
Depreciation		(3,562)	(3,275)	(7,256)	(6,746)
Rental and related expenses		(1,434)	(704)	(2,162)	(1,473)
Utilities expenses		(973)	(793)	(1,828)	(1,599)
Other expenses		(5,538)	(5,506)	(9,159)	(12,771)
Finance costs	7	(294)	(208)	(575)	(411)
Loss before tax	8	(5,539)	(7,660)	(8,759)	(17,161)
Income tax expense	9	(1)	–	(203)	–
Loss for the period		(5,540)	(7,660)	(8,962)	(17,161)
Other comprehensive expense for the period					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
– Exchange differences on translation of financial statements of PRC subsidiaries		–	(24)	–	(122)
Total comprehensive expense for the period		(5,540)	(7,684)	(8,962)	(17,283)

	Notes	Unaudited Three months ended 30 September		Unaudited Six months ended 30 September	
		2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000
Loss for the period attributable to:					
– owners of the Company		(5,540)	(7,660)	(8,962)	(17,161)
– non-controlling interests		–	–	–	–
		<u>(5,540)</u>	<u>(7,660)</u>	<u>(8,962)</u>	<u>(17,161)</u>
Loss and total comprehensive expense for the period attributable to:					
– owners of the Company		(5,540)	(7,684)	(8,962)	(17,283)
– non-controlling interests		–	–	–	–
		<u>(5,540)</u>	<u>(7,684)</u>	<u>(8,962)</u>	<u>(17,283)</u>
Loss per share					
Basic (HK cents)	11	<u>(0.58)</u>	<u>(0.80)</u>	<u>(0.93)</u>	<u>(1.79)</u>



# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2023

		<b>Unaudited 30 September 2023 HK\$'000</b>	Audited 31 March 2023 HK\$'000
	<i>Notes</i>		
<b>Non-Current Assets</b>			
Property, plant and equipment	12	5,183	3,095
Right-of-use assets		13,247	14,571
Deferred tax assets		95	95
Goodwill		20,722	20,722
Intangible asset		9,363	10,423
Deposits	13	3,128	4,160
		<b>51,738</b>	53,066
<b>Current Assets</b>			
Inventories		4,019	3,804
Trade and other receivables, deposits and prepayments	13	12,434	10,232
Financial assets at FVTPL		1,021	2,195
Tax recoverable		328	404
Bank balances and cash		9,754	15,526
		<b>27,556</b>	32,161
<b>Current Liabilities</b>			
Trade and other payables and accruals	14	20,525	15,118
Bank and other borrowings		2,567	2,531
Lease liabilities		9,010	11,154
Financial liabilities at FVTPL		25,403	25,403
		<b>57,505</b>	54,206
<b>Net current liabilities</b>		<b>(29,949)</b>	(22,045)
<b>Total assets less current liabilities</b>		<b>21,789</b>	31,021

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2023

	<b>Unaudited 30 September 2023 HK\$'000</b>	Audited 31 March 2023 HK\$'000
<i>Notes</i>		
<b>Non-current liabilities</b>		
Provisions for reinstatement	1,575	1,575
Lease liabilities	8,158	9,626
Bank and other borrowings	3,247	2,049
Deferred tax liabilities	2,345	2,345
	<u>15,325</u>	<u>15,595</u>
<b>Net assets</b>	<u>6,464</u>	<u>15,426</u>
<b>Capital and reserves</b>		
Share Capital	9,600	9,600
Reserves	(3,103)	5,859
	<u>6,497</u>	<u>15,459</u>
<b>Equity attributable to owners of the Company</b>	<u>6,497</u>	<u>15,459</u>
<b>Non-controlling interests</b>	<u>(33)</u>	<u>(33)</u>
	<u>6,464</u>	<u>15,426</u>
<b>Total equity</b>	<u>6,464</u>	<u>15,426</u>

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SIX MONTHS ENDED 30 SEPTEMBER 2023

	Attributable to the owners of the Company								
	Share capital	Share premium	Share-based payment reserve	Foreign currency			Accumulated losses	Non-controlling interests	Total equity
				translation reserve	Other reserves	Total			
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
<b>As at 31 March 2022 (Audited)</b>	9,600	88,381	-	24	(8,669)	(46,512)	42,824	(33)	42,791
Loss for the period	-	-	-	-	-	(17,161)	(17,161)	-	(17,161)
Other comprehensive income									
Exchange difference arising on translation of foreign operations	-	-	-	(122)	-	-	(122)	-	(122)
Total comprehensive expense	-	-	-	(122)	-	(17,161)	(17,283)	-	(17,283)
Recognition of equity-settled share-based payment	-	-	8,329	-	-	-	8,329	-	8,329
<b>As at 30 September 2022 (Unaudited)</b>	<u>9,600</u>	<u>88,381</u>	<u>8,329</u>	<u>(98)</u>	<u>(8,669)</u>	<u>(63,673)</u>	<u>33,870</u>	<u>(33)</u>	<u>33,837</u>

	Attributable to the owners of the Company								
	Share capital	Share premium	Share-based payment reserve	Foreign currency			Accumulated losses	Non-controlling interests	Total equity
				translation reserve	Other reserves	Total			
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
<b>As at 31 March 2023 (Audited)</b>	9,600	88,381	4,600	-	(8,669)	(78,453)	15,459	(33)	15,426
Loss for the period	-	-	-	-	-	(8,962)	(8,962)	-	(8,962)
Other comprehensive income									
Exchange difference arising on translation of foreign operations	-	-	-	-	-	-	-	-	-
Total comprehensive expense	-	-	-	-	-	(8,962)	(8,962)	-	(8,962)
<b>As at 30 September 2023 (Unaudited)</b>	<u>9,600</u>	<u>88,381</u>	<u>4,600</u>	<u>-</u>	<u>(8,669)</u>	<u>(87,415)</u>	<u>6,497</u>	<u>(33)</u>	<u>6,464</u>

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

SIX MONTHS ENDED 30 SEPTEMBER 2023

	<b>Unaudited</b>	
	<b>Six months ended 30 September</b>	
	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>5,123</b>	4,827
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(7,942)</b>	(158)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(2,953)</b>	(4,792)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(5,772)</b>	(123)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>15,526</b>	31,903
Effect of foreign exchange rate changes	–	(2,437)
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>9,754</b>	29,343

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

The Company was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law Chapter 22 of the Cayman Islands on 27 January 2017 and its shares were listed on GEM of the Stock Exchange (the "**Listing**") on 26 February 2018 (the "**Listing Date**"). The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company is located at 35/F, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong.

The Company is an investment holding company and its subsidiaries are principally engaged in restaurant operations, sales of food ingredients and beverage and aircraft's engine stand repairing and maintenance services. The unaudited condensed consolidated financial statements are presented in Hong Kong Dollars ("**HK\$**"), which is also the functional currency of the Company.

## 2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2023 (the "**Interim Financial Statements**") have been prepared in accordance with the applicable disclosure requirements of the GEM Listing Rules, Hong Kong Accounting Standard ("**HKAS**") 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the disclosure requirements of the Hong Kong Companies Ordinance.

The Interim Financial Statements have been prepared under the historical cost basis except for financial assets/liabilities at fair value through profit or loss ("**FVTPL**"), which is measured at fair values.

The Group incurred a net loss of approximately HK\$8,962,000 for the six months ended 30 September 2023, the Group had net current liabilities of approximately HK\$29,949,000 and HK\$22,045,000 as at 30 September 2023 and 31 March 2023 respectively. The Directors adopted the going concern basis in the preparation of the Interim Financial statements and implemented some measures in order to improve the working capital and liquidity of the Group.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES *(Continued)*

The accounting policies and methods of computation used in the preparation of the Interim Financial Statements are the same as those followed in the Group's audited annual report for the year ended 31 March 2023 dated 29 June 2023 (the "**2023 Annual Report**"), except for the adoption of the new and revised HKFRSs (the "**New and Revised HKFRSs**") (which include all HKFRSs, HKASs and Interpretations) issued by the HKICPA that are adopted for the first time for the current period's financial statements.

The adoption of the New and Revised HKFRSs in the current period has had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these Interim 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.

The Interim Financial Statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the 2023 Annual Report.

The Interim Financial Statements have not been audited by the Company's auditors, but have been reviewed by the audit committee (the "**Audit Committee**") of the Company.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 3. ESTIMATES

The preparation of Interim Financial Statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the Interim Financial Statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the 2023 Annual Report.

## 4. REVENUE AND SEGMENT INFORMATION

Revenue represents the fair value of amounts received or receivable for goods sold and services rendered by the Group during the period.

Information reported to the executive directors of the Group, being the chief operating decision maker ("**CODM**"), for the purposes of resource allocation and assessment of segment performance focuses on styles of cuisine serving by the Group's restaurants to the customers and the type of services provided by the Group.

Specifically, the Group's reportable segments under HKFRS 8 "Operating Segments" are as follows:

1. Chinese cuisine — Operations of Chinese cuisine restaurants under the brand of "Marsino"
2. Thai cuisine — Operations of Thai cuisine restaurants under the brand of "Grand Avenue"
3. Malaysian cuisine — Operations of Malaysian cuisine restaurants under the brands of "Baba Nyonya"
4. Sale of food ingredients and beverage — Sale of noodles and wines to external third parties
5. Aircraft's engine stand repairing and maintenance services.

No operating segments have been aggregated in arriving at the reportable segments of the Group.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 4. REVENUE AND SEGMENT INFORMATION *(Continued)*

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

#### Segment revenue and results

Six months ended 30 September 2023

	Chinese cuisine <i>HK\$'000</i> (Unaudited)	Thai cuisine <i>HK\$'000</i> (Unaudited)	Malaysian cuisine <i>HK\$'000</i> (Unaudited)	Sale of food ingredients <i>HK\$'000</i> (Unaudited)	Sales of drug vending machines and related services <i>HK\$'000</i> (Unaudited)	Total <i>HK\$'000</i> (Unaudited)
Segment revenue	<u>10,667</u>	<u>6,957</u>	<u>11,797</u>	<u>786</u>	<u>20,369</u>	50,576
Segment (loss)/profit	<u>(2,467)</u>	<u>(451)</u>	<u>(1,255)</u>	<u>311</u>	<u>1,341</u>	(2,521)
Unallocated other income						35
Unallocated corporate expenses						(6,273)
Share options granted expense						<u>-</u>
Loss before taxation						<u>(8,759)</u>



# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 4. REVENUE AND SEGMENT INFORMATION (Continued)

### Segment revenue and results (Continued)

Six months ended 30 September 2022

	Chinese cuisine HK\$'000 (Unaudited)	Thai cuisine HK\$'000 (Unaudited)	Malaysian cuisine HK\$'000 (Unaudited)	Sale of food ingredients HK\$'000 (Unaudited)	Sales of drug vending machines and related services HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Segment revenue	<u>10,971</u>	<u>7,743</u>	<u>11,223</u>	<u>2,880</u>	<u>-</u>	32,817
Segment (loss)/profit	<u>(2,203)</u>	<u>(947)</u>	<u>(1,469)</u>	<u>2,206</u>	<u>(100)</u>	(2,513)
Unallocated other income						8
Unallocated corporate expenses						(6,327)
Share options granted expense						<u>(8,329)</u>
Loss before taxation						<u>(17,161)</u>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 4. REVENUE AND SEGMENT INFORMATION *(Continued)*

### Segment assets and liabilities

At 30 September 2023

	Chinese cuisine <i>HK\$'000</i> (Unaudited)	Thai cuisine <i>HK\$'000</i> (Unaudited)	Malaysian cuisine <i>HK\$'000</i> (Unaudited)	Sale of food ingredients <i>HK\$'000</i> (Unaudited)	Sales of drug vending machines and related services <i>HK\$'000</i> (Unaudited)	Total <i>HK\$'000</i> (Unaudited)
Segment assets	<u>6,732</u>	<u>1,956</u>	<u>5,650</u>	<u>243</u>	<u>51,534</u>	66,115
Deferred tax assets						95
Unallocated deposits, payment and other receivables						3,002
Tax recoverable						328
Bank balances and cash						<u>9,754</u>
Consolidated assets						<u>79,294</u>
Segment liabilities	<u>11,737</u>	<u>2,039</u>	<u>9,549</u>	<u>-</u>	<u>14,800</u>	38,125
Unallocated trade and other payables and accruals						6,957
Financial liabilities at FVTPL						25,403
Deferred tax liabilities						<u>2,345</u>
Consolidated liabilities						<u>72,830</u>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 4. REVENUE AND SEGMENT INFORMATION (Continued)

### Segment assets and liabilities (Continued)

At 31 March 2023

	Chinese cuisine HK\$'000 (Audited)	Thai cuisine HK\$'000 (Audited)	Malaysian cuisine HK\$'000 (Audited)	Sale of food ingredients and beverage HK\$'000 (Audited)	Aircraft's engine stand repairing and maintenance services HK\$'000 (Audited)	Total HK\$'000 (Audited)
Segment assets	<u>6,167</u>	<u>2,069</u>	<u>6,051</u>	<u>4,951</u>	<u>48,290</u>	67,528
Deferred tax assets						95
Unallocated deposits, prepayments and other receivables						1,674
Tax recoverable						404
Bank balances and cash						<u>15,526</u>
Consolidated assets						<u>85,227</u>
Segment liabilities	<u>6,567</u>	<u>4,339</u>	<u>11,480</u>	<u>2,125</u>	<u>14,991</u>	38,502
Unallocated trade and other payables and accruals						2,551
Financial liabilities at FVTPL						25,403
Deferred tax liabilities						<u>2,345</u>
Consolidated liabilities						<u>69,801</u>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 5. OTHER INCOME

	Unaudited Three months ended 30 September		Unaudited Six months ended 30 September	
	2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000
Other income				
Promotion income	–	4	3	7
Bank interest income	–	–	4	–
Subsidies income	–	–	–	300
Others	4	18	28	56
	<u>4</u>	<u>22</u>	<u>35</u>	<u>363</u>

## 6. OTHER LOSS

	Unaudited Three months ended 30 September		Unaudited Six months ended 30 September	
	2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000
Loss on disposal on financial assets at FVTPL	33	–	33	–
Fair value change on financial assets at FVTPL	464	–	1,067	–
	<u>497</u>	<u>–</u>	<u>1,100</u>	<u>–</u>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 7. FINANCE COSTS

	Unaudited Three months ended 30 September		Unaudited Six months ended 30 September	
	2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000
Interest expenses on bank borrowings	69	–	108	–
Interest expenses on lease liabilities	225	208	467	411
	<b>294</b>	<b>208</b>	<b>575</b>	<b>411</b>

## 8. LOSS BEFORE TAX

	Unaudited Three months ended 30 September		Unaudited Six months ended 30 September	
	2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000
Loss before tax has been arrived at after charging:				
Staff costs (including director's emoluments):				
Salaries and other benefits	8,531	7,545	17,432	13,932
Contributions to retirement benefit scheme	291	337	688	620
Operating lease payments in respect of rented premises:				
– Short-term lease expenses	885	233	1,207	515
– contingent rentals ( <i>Note</i> )	8	26	16	36

*Note:*

The lease payments for certain restaurants are determined as the higher of a fixed rental or a predetermined percentage on revenue of respective restaurants pursuant to the terms and conditions that are set out in the respective rental agreements.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 9. INCOME TAX EXPENSE

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Company Law of the Cayman Islands and accordingly, is not subject to income tax in the Cayman Islands.

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of assessable profits of a qualifying corporation will be taxed at 8.25%, and assessable profits above HK\$2 million will continue to be taxed at 16.5%. For the six months period ended 30 September 2023 and 2022, Hong Kong Profits Tax of the qualified entity of the Group is calculated in accordance with the two-tiered profits tax rates regime. 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% in 2022.

No provision was made for Hong Kong Profits Tax and Enterprise Income Tax as there was no assessable profit for the six months period ended 30 September 2022.

Hong Kong profits tax has been provided at the rate of 16.5% of the estimated assessable profits for the six months ended 30 September 2023.

## 10. DIVIDENDS

The board of Directors (the "**Board**") does not recommend any payment of dividend in respect of the six months ended 30 September 2023 (2022: Nil).

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 11. LOSS PER SHARE

The calculation of the basic loss per share (2022: basis loss per share) attributable to owners of the Company is based on the following data:

	Unaudited Three months ended 30 September		Unaudited Six months ended 30 September	
	2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000
Loss for the period attributable to owners of the Company for the purpose of basic loss per share	(5,540)	(7,660)	(8,962)	(17,161)
<b>Number of shares</b>				
Weighted average number of ordinary shares for the purpose of basic loss per share	960,000	960,000	960,000	960,000

The computation of diluted loss per share for the six months period ended 30 September 2023 did not assume the exercise of the Company's outstanding share options since it would result in a decrease in loss per share.

Therefore, the diluted loss per share is the same as the basic loss per share for the six months period ended 30 September 2023.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2023, the Group acquired property, plant and equipment of approximately HK\$4.0 million (30 September 2022: HK\$0.16 million).

## 13. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	<b>Unaudited 30 September 2023 HK\$'000</b>	Audited 31 March 2023 HK\$'000
Trade receivables from sale of food ingredients and beverage	<b>469</b>	550
Trade receivables from restaurant operations	<b>797</b>	840
Trade receivables from aircraft engine stand repairing	<b>3,853</b>	3,223
Rental deposits	<b>3,128</b>	4,160
Other deposits	<b>2,030</b>	1,374
Prepayments and other receivables	<b>5,285</b>	4,245
	<hr/>	<hr/>
Total	<b>15,562</b>	14,392
	<hr/>	<hr/>
Analysed for reporting purposes as:		
Non-current assets	<b>3,128</b>	4,160
Current assets	<b>12,434</b>	10,232
	<hr/>	<hr/>
	<b>15,562</b>	14,392
	<hr/>	<hr/>

There was no credit period granted to individual customers for the restaurant operations. The Group's trading terms with its customers are mainly by cash, octopus card and credit card settlement. The settlement terms of octopus card and credit card companies are usually within 7 days after the service rendered date. All trade receivables from restaurant operations are aged within 7 days after the service rendered date. All trade receivables from sales of food ingredients are aged within 30-90 days based on the invoice date at the end of the reporting period.



## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 13. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS *(Continued)*

The Group has a policy of allowing credit periods ranging from 0 to 90 days to its customers in the sales of food ingredients and beverage operations. Longer credit period is also allowed on a case by case basis. The following is an aged analysis of trade receivables of sales of food ingredients and beverage operations, net of ECL, presented based on the invoice date, which approximated the revenue recognition date for income of food ingredients and beverage operations, as appropriate:

	<b>Unaudited</b> <b>30 September</b> <b>2023</b> <b>HK\$'000</b>	Audited 31 March 2023 HK\$'000
0-90 days	<b>797</b>	550
91-180 days	<b>469</b>	-
	<hr/> <b>1,266</b> <hr/>	<hr/> 550 <hr/>

The Group has a policy of allowing a credit period ranging from 0 to 180 days to its customers in the engine stand repairing operations. Longer credit period is also allowed on a case by case basis. The following is an aged analysis of trade receivables of engine stand repairing, net of ECL, presented based on the invoice date, which approximated the revenue recognition date for income of engine's standing repairing, as appropriate:

	<b>Unaudited</b> <b>30 September</b> <b>2023</b> <b>HK\$'000</b>	Audited 31 March 2023 HK\$'000
0-90 days	<b>3,853</b>	2,905
91-180 days	-	293
Over 180 days	-	25
	<hr/> <b>3,853</b> <hr/>	<hr/> 3,223 <hr/>

The expected credit loss for the trade receivables of engine's repairing is HK\$nil.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 14. TRADE AND OTHER PAYABLES AND ACCRUALS

	<b>Unaudited 30 September 2023 HK\$'000</b>	Audited 31 March 2023 HK\$'000
Trade payables	1,224	1,299
Salaries payables	3,695	2,607
Accruals and other payables	15,606	11,212
	<u>20,525</u>	<u>15,118</u>

The credit period granted to the Group by suppliers normally ranges from 0 to 60 days. All trade payables are aged within 60 days based on the invoice date at the end of the reporting period.

## 15. SHARE CAPITAL

	<b>Number of shares</b>	<b>Share Capital HK\$'000</b>
<b>Authorised:</b>		
As at 31 March 2023 and 30 September 2023	<u>2,000,000,000</u>	<u>20,000</u>
<b>Issued and fully paid:</b>		
As at 31 March 2023 and 30 September 2023	<u>960,000,000</u>	<u>9,600</u>

## 16. SHARE OPTION SCHEME

### Movements in share options

	<b>Unaudited</b>
<b>Number of share options</b>	
Outstanding at 1 April 2023	80,000,000
Granted	–
Lapsed	–
	<u>–</u>
Outstanding at 30 September 2023	<u>80,000,000</u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY OVERVIEW

#### For the business of catering

According to the data released by the Census and Statistics Department of the Government of Hong Kong on 3 November 2023, the value of total receipts of the restaurants sector in the third quarter of 2023, provisionally estimated at \$27.1 billion, increased by 12.5% over a year earlier. Over the same period, the provisional estimate of the value of total purchases by restaurants increased by 8.1% to \$8.6 billion.

Analysed by type of restaurant and comparing the third quarter of 2023 with the third quarter of 2022, total receipts of Chinese restaurants increased by 18.3% in value and 14.0% in volume. Total receipts of non-Chinese restaurants increased by 5.5% in value and 1.9% in volume. Total receipts of fast food shops increased by 11.4% in value and 7.1% in volume. Total receipts of bars increased by 10.4% in value and 6.6% in volume. As for miscellaneous eating and drinking places, total receipts increased by 18.1% in value and 13.8% in volume.

A Government spokesman said that the value of total restaurant receipts continued to record a visible year-on-year increase of 12.5% in the third quarter of 2023.

The industry of catering business seems getting better, the cost was increased that Group has incurred segment loss. Therefore, the Group is continuing to monitor the developments closely and will be cautious in running our business of catering.

#### For the business of engineering

According to the data released by the Census and statistics Department of the Government of Hong Kong on 11 September 2023, the total gross value of construction works (GVCW) performed by main contractors in the second quarter of 2023 increased by 7.5% in nominal terms over a year earlier to \$66.1 billion, according to the provisional results of the Quarterly Survey of Construction Output released today (September 11) by the Census and Statistics Department (C&SD). After discounting the effect of price changes, the provisional results showed that the total GVCW performed by main contractors increased by 8.6% in real terms over the same period. GVCW in real terms is derived by deflating the corresponding nominal value with an appropriate price index to the price level in the base period of 2000. Analysed by type of construction works, the GVCW performed at private sector sites totalled \$20.9 billion in the second quarter of 2023, up by 27.6% in nominal terms over a year earlier. In real terms, it increased by 26.4%. The GVCW performed at public sector sites decreased by 8.9% in nominal terms over a year earlier to \$22.1 billion in the second quarter of 2023. In real terms, it decreased by 8.6%.

The Group is continuing to monitor the development of new business closely and will be cautious in running our business of engineering.

## MANAGEMENT DISCUSSION AND ANALYSIS

### PROSPECTS

For the business of catering, the ongoing recovery of inbound tourism should continue to render support to business of restaurants. Continued improvement in household income, as well as the Government's various support initiatives including "Night Vibes Hong Kong", should also help.

For the business of engineering, the Group expect the jobs of aircraft engine stand repair will be stable and continue to be increased.

The Group is committed to strengthen our core capabilities to keep on improving its business performance and operating results so as to cope with these challenges and to present satisfactory results and bring favourable returns to our shareholders. In view of the challenges faced by the Group, we will adopt a conservative and cautious approach to operate our businesses. Actions we have taken or are likely to take are:

- 1) Minimising our staff costs by reducing the usage of staff in our restaurants;
- 2) Negotiating with our landlords for rent concession;
- 3) Negotiating with our suppliers for purchase discounts and longer payment terms;
- 4) Expanding the take-away product line such as food pack and ready-to-eat products and increasing marketing efforts and sales stimulating measures;
- 5) Cooperating with food delivery companies to deliver our food to the customers;
- 6) Participating in food fairs to promote our take-away product lines;
- 7) Supplying food materials to a chain of restaurants in Hong Kong;
- 8) Opening new restaurants at lower costs; and
- 9) Refining business strategies to cope with the continuing challenges.

## MANAGEMENT DISCUSSION AND ANALYSIS

To cope with the impact of tough conditions in 2022, the Group has expanded new business in Hong Kong in early 2023. In order to enhance and diversify the Group's business prospect, the Group has completed the acquisition of business of engineering company that the Group is able to provide aircraft engine stand repair and maintenance services in Hong Kong in early 2023. Its major customers include airlines, aircraft engine manufacturers and aircraft engineering companies. For the new business, the Group expect the jobs of aircraft engine stand repair will be stable and continue to be increased due to (i) the industry of construction is getting better, (ii) the multiple rounds of relaxation of quarantine arrangement for inbound travellers during 2022 implemented by Hong Kong's government that expecting air passenger trips increased visibly and (iii) the estimated number of aircraft landings and take-offs will be increased in Hong Kong in near future.

In the long run, the Group aims at extending its food and beverage business in Hong Kong as well as the business of engineering — aircraft engine stand repair and maintenance services in Hong Kong to enhance values to our shareholders. The Board considers that these strategic initiatives will enable the Group to broaden its income streams and asset base, thus contributing to future development and growth of the Group.

## BUSINESS OVERVIEW

We are a casual dining full service restaurant operator and up to the date of this report, we are operating 6 restaurants under 3 brands, namely "Marsino", "Baba Nyonya" and "Grand Avenue", and they are all situated across Hong Kong, Kowloon and the New Territories. Among these 6 restaurants, 5 of them are operated by our own whereas 1 of them is operated by a franchisee.

"Marsino" is a Chinese noodle specialist, "Grand Avenue" offers Thai cuisine, and "Baba Nyonya" offers Malaysian cuisine. Each of "Marsino", "Grand Avenue" and "Baba Nyonya" are founded and operated by our Group except for one of "Baba Nyonya" is operated by a franchisee.

"Marsino" had recorded revenue of approximately HK\$10.7 million during the six months ended 30 September 2023, which is equivalent to 21.2% of our total revenue. As compared to the last corresponding period, "Marsino" has remained stable for its revenue.

## MANAGEMENT DISCUSSION AND ANALYSIS

“Grand Avenue” had recorded revenue of approximately HK\$7.0 million during the six months ended 30 September 2023, which is equivalent to 13.8% of our total revenue. As compared to the last corresponding period, “Grand Avenue” has experienced a slightly decrease in revenue by 9.1%.

“Baba Nyonya” had recorded revenue of approximately HK\$11.8 million during the six months ended 30 September 2023, which is equivalent to 23.3% of our total revenue. As compared to the last corresponding period, “Baba Nyonya” has experienced a slightly increase in revenue by 5.4%.

The segment of “Sale of food ingredients” had recorded revenue of approximately HK\$0.8 million during the six months ended 30 September 2023, which is equivalent to 1.6% of our total revenue. As compared to the last corresponding period, the segment of “Sale of food ingredients” has experienced a decrease in revenue by 72.4% due to the sales volume has been steadily decreasing over the past year.

The segment of income of aircraft engine stand repair and maintenance services had recorded revenue of approximately HK\$20.3 million during the six months ended 30 September 2023, which is equivalent 40.1% of our total revenue.

## MATERIAL PRINCIPAL RISKS AND UNCERTAINTIES

- 1) As we lease all of the properties for our restaurant operations, any attractive location will likely be subject to high demand from, among others, other food and beverage operators that compete directly with our Group for the same location. As such, there is no assurance that our Group would be able to find suitable premises that are commercially attractive for its restaurants with reasonable commercial terms in the event there is a need for relocation or our Group intends to open new restaurants. In addition, it is uncertain that all our leases can be renewed at all when they expire or on terms acceptable to us. Even if our Group is able to renew or extend its leases, the rental expenses may increase significantly, which could adversely affect our profitability.

## MANAGEMENT DISCUSSION AND ANALYSIS

- 2) If our suppliers fail to deliver food with an acceptable quality or in a timely manner, we may experience supply shortages and increased food costs.
- 3) We require various approvals and licences to operate our business, and the loss of, or failure to, obtain or renew any or all of these approvals and licences, could materially and adversely affect our business.
- 4) Labour shortages or increases in labour costs will increase our Group's operating costs and reduce our profitability.
- 5) Risks related to the spread of coronavirus and other possible infectious disease which may adversely affect the business of the food and beverage sector.

## FINANCIAL REVIEW

### Revenue

For the six months ended 30 September 2023, the Group recorded revenue of approximately HK\$50.6 million (six months ended 30 September 2022: approximately HK\$32.8 million), representing an increase of 54.3% compared with the same period of the previous year. The increase in revenue was primarily attributed to the new business of aircraft's engine stand repairing and maintenance.

### Raw materials and consumables used

#### ***For the business of catering***

Part of the raw materials and consumables used is the costs of food ingredients and beverages for the operation of the Group's restaurants. The major food ingredients purchased by the Group include, but are not limited to, meat, seafood, frozen food, vegetables and beverages. Raw materials and consumables used is one of the major components of the Group's operating expenses which amounted to approximately HK\$10.7 million and HK\$12.8 million for each of the six months ended 30 September 2023 and 2022, respectively, representing approximately 35.4% and 39.0% of the Group's total revenue of restaurants for the corresponding periods. Such decrease in percentage was mainly contributed by the decrease in additional marketing efforts for sales stimulating measures.

## MANAGEMENT DISCUSSION AND ANALYSIS

### ***For the business of engineering***

The remaining part of the raw materials and consumables used is the costs of business of aircraft's engine stand repairing and maintenance. The costs which amounted to approximately HK\$8.4 million for the six months ended 30 September 2023, representing approximately 41.2% of the Group's aircraft's engine stand repairing and maintenance revenue for the corresponding period.

### **Staff costs**

Staff costs was approximately HK\$18.1 million for the six months ended 30 September 2023, representing an increase of approximately 24.0% as compared to approximately HK\$14.6 million for the six months ended 30 September 2022. Such increase was mainly due to the new business of aircraft's engine stand repairing and maintenance.

### **Depreciation**

Depreciation expenses were approximately HK\$7.3 million and HK\$6.7 million for the six months ended 30 September 2023 and 2022 respectively. Such increase was mainly due to the new business of aircraft's engine stand repairing and maintenance.

### **Rental and related expenses**

The Group's rental and related expenses was increased from approximately HK\$1.5 million for the six months ended 30 September 2022 to approximately HK\$2.2 million for the six months ended 30 September 2023. Such increase was mainly due to the new business of aircraft's engine stand repairing and maintenance.

### **Utility expenses**

Utility expenses primarily consist of electricity, gas and water supplies of the Group. For the six months ended 30 September 2023 and 2022, the total utility expenses amounted to approximately HK\$1.8 million and HK\$1.6 million, respectively. Such increase was mainly due to the new business of aircraft's engine stand repairing and maintenance.

### **Other expenses**

The Group's other expenses decreased by approximately 28.1% from approximately HK\$12.8 million for the six months ended 30 September 2022 to approximately HK\$9.2 million for the six months ended 30 September 2023. Such decrease was mainly due to the decrease in share options expense in 2023.



## MANAGEMENT DISCUSSION AND ANALYSIS

### Loss attributable to owners of the Company

For the six months ended 30 September 2023, the Group recorded a loss attributable to owners of the Company of approximately HK\$9.0 million, as compared to the loss of approximately HK\$17.2 million for the six months ended 30 September 2022. The Board considered that the loss was mainly attributable to loss on restaurants business for the six month period ended 30 September 2023.

### Dividend

The Board does not recommend any payment of dividend for the six months ended 30 September 2023 (2022: Nil).

## CAPITAL STRUCTURE

There were no change in the capital structure of the Group for the six months ended 30 September 2023.

## FINANCIAL RESOURCES AND LIQUIDITY

As at 30 September 2023, current assets amounted to approximately HK\$27.6 million (as at 31 March 2023: approximately HK\$32.2 million), of which approximately HK\$9.8 million (as at 31 March 2023: approximately HK\$15.5 million) was bank balances and cash, approximately HK\$12.4 million (as at 31 March 2023: approximately HK\$10.2 million) was trade and other receivables, deposits and prepayments. The Group's current liabilities amounted to approximately HK\$57.5 million (as at 31 March 2023: approximately HK\$54.2 million) which primarily consisted of trade and other payables, accrued charges, lease liabilities, bank and other borrowings and financial liabilities at FVTPL. Current ratio (calculated based on the total current assets divided by total current liabilities) and quick ratio (calculated based on the total current assets less inventories divided by total current liabilities) were 0.5 and 0.4 respectively (as at 31 March 2023: 1.5 and 1.5 respectively). Gearing ratio is calculated based on the borrowings representing the sum of interest-bearing bank borrowings, divided by total equity at the end of the year and multiplied by 100%. Gearing ratio was 90.0% (as at 31 March 2023: 29.7%).

The Group's non-current liabilities amounted to approximately HK\$15.3 million (as at 31 March 2023: approximately HK\$15.6 million) which primarily consisted of provisions for reinstatement, lease liabilities, bank and other borrowings and deferred tax liabilities.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **FOREIGN CURRENCY EXPOSURE**

The Group operates in Hong Kong with significant transactions are denominated in Hong Kong dollars and the Group is not exposed to significant foreign exchange exposure.

### **CAPITAL COMMITMENTS**

As at 30 September 2023, the Group did not have any outstanding capital commitment.

### **CONTINGENT LIABILITIES**

As at 30 September 2023, the Group did not have any material contingent liabilities.

### **BORROWING**

As at 30 September 2023, there was bank borrowings outstanding of approximately HK\$5.8 million (31 March 2023: approximately HK\$4.6 million).

### **GOING CONCERN**

The Directors are aware that the net current liabilities and net loss for the six month period ended 30 September 2023. More information is set out in note 2 to the Interim Financial Statements.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **CHARGE ON GROUP ASSETS**

At 30 September 2023, the Group did not have any charge of assets.

### **SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES, AND PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

There was no significant investment held, material acquisition and disposal of subsidiaries and affiliated companies by the Company during the six months ended 30 September 2023. There is no other plan for material investments or capital assets as at 30 September 2023.

### **EMPLOYEES AND REMUNERATION POLICIES**

As at 30 September 2023, the Group had 106 full-time and 58 part-time employees (as at 31 March 2023: 98 full-time and 51 part-time employees). Remuneration is determined with reference to market terms and in accordance with the performance, qualification and experience of each individual employee. Discretionary bonuses, based on each individual's performance, are paid to employees as recognition and in reward for their contributions. The remuneration of the Directors is determined based on, among others, the prevailing market conditions and his/her roles and responsibilities.

The Directors are of view that employees are one of the keys to the sustainable development of the Group. Our Directors believe that our Group maintains good working relationships with its employees.

### **OTHER INFORMATION**

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 30 September 2023.

## OTHER INFORMATION

### UPDATE ON DIRECTORS' INFORMATION PURSUANT TO RULE 17.50A(1) OF THE GEM LISTING RULES

Pursuant to Rule 17.50A(1) of the GEM Listing Rules, the change in information of the Directors subsequent to the date of the 2023 Annual Report of the Company are set out below:

- Mr. Yanagihara Kazuya (appointed as an executive director on 16 August 2023 and resigned on 10 October 2023)
- Mr. Leung Chun Yu Edmund (appointed as a non-executive director on 16 August 2023 and resigned on 10 October 2023)
- Mr. Yeung Man Sun (resigned as an independent non-executive director on 24 October 2023)
- Mr. Wang Rongqian (appointed as an independent non-executive director and Chairman of Nomination Committee on 24 October 2023)
- Mr. Lo Cheuk Fei Jeffrey (appointed as Chairman of Audit Committee on 24 October 2023)
- Mr. Cheung Hiu Fung (appointed as Chairman of Remuneration Committee on 24 October 2023)

Save as disclosed above, there has been no change in the Directors' biographical details which are required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules.

## OTHER 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 2023, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO); or which were required pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein; or which were required pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

As at 30 September 2023, none of the Directors and chief executive of the Company had any interest or short position in the shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO); or which were required pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein; or which were required pursuant to the Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

## OTHER INFORMATION

### SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as known to the Directors or chief executive of the Company, as at 30 September 2023, the following persons/entities (other than the Directors and chief executive of the Company) had or were deemed to have an interest or a short position in the shares or the underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under section 336 of the SFO, or who were directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group:

<b>Name</b>	<b>Capacity/nature</b>	<b>No. of shares held</b>	<b>Approximate % of shareholding</b>
Smarty Task Limited ( <i>note</i> )	Beneficial Interest	95,419,848	8.29%
Smarty Gain Limited ( <i>note</i> )	Beneficial Interest	95,419,847	8.29%

*Note:*

Smarty Task Limited and Smarty Gain Limited are 100% owned by Wong Sai Cheung.

Save as disclosed above, as at 30 September 2023, none of the substantial or significant shareholders or other persons, other than the Directors and chief executive of the Company whose interests are set out in the section headed "Directors' and chief executive's interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations" above, had or were deemed to have an interest or a short position in the shares or the underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under section 336 of the SFO, or who were directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group.

## **OTHER INFORMATION**

### **DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS**

No director or a connected entity of a director had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the period.

### **DIRECTORS' INTEREST IN COMPETING BUSINESS**

During the six months ended 30 September 2023, none of the Directors or their respective associates had engaged in or had any interest in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

### **DIRECTORS' SECURITIES TRANSACTIONS**

The Company adopted Rules 5.48 to 5.67 of the GEM Listing Rules as its own code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard of dealings. Having made specific enquiries to all the Directors and all the Directors had confirmed they have complied with the required standard of dealings and the code of conduct for directors' securities transactions during the six months ended 30 September 2023.

### **SHARE OPTION SCHEME**

The purpose of the Share Option Scheme is for our Group to attract, retain and motivate talented participants to strive for future developments and expansion of our Group. The Share Option Scheme shall be an incentive to encourage the participants to perform their best in achieving the goals of our Group and allow the participants to enjoy the results of our Company attained through their efforts and contributions.

Further details of the Share Option Scheme are set out in the section headed "Statutory and General Information – D. Other Information – 1. Share Option Scheme" in Appendix V of the Prospectus.

As at 30 September 2023, there were 80,000,000 options outstanding in relation to the grant of share options during the year ended 31 March 2023 under the Share Option Scheme. Details are set out in the Company's annual report for the year ended 31 March 2023.

## OTHER INFORMATION

### CORPORATE GOVERNANCE

The Group is committed to achieving high standards of corporate governance by emphasising transparency, accountability, fairness and responsibility. The Company has adopted the Corporate Governance Code (the “**Code**”) as set out in Appendix 15 of the GEM Listing Rules as its own code of corporate governance. The Company has complied with all applicable code provisions under the Code during the six months ended 30 September 2023 and up to the date of this report.

### EVENTS AFTER THE REPORTING PERIOD

The Board is not aware of any significant event requiring disclosure that has been taken place subsequent to 30 September 2023 and up to the date of this report.

### AUDIT COMMITTEE

The Company has established an Audit Committee on 29 January 2018 with written terms of reference setting out the authorities and duties of the Audit Committee. The primary duties of the Audit Committee are mainly to:

- Make recommendation to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of resignation or dismissal of that auditor
- Review the adequacy of the Group’s policies and systems regarding risk management and internal controls
- Review the financial reporting principles and practices applied by the Group in preparing its financial statements
- Before audit commencement, review external auditor’s independence, objectivity, effectiveness of the audit process and the scope of the external audit, including the engagement letter
- Monitor integrity of the Group’s financial statements and the annual, quarterly and interim financial reports, and review significant financial reporting judgements contained in them prior to approval by the Board



## OTHER INFORMATION

Currently, the Audit Committee comprises three independent non-executive Directors as follows:

Mr. Lo Cheuk Fei Jeffrey (*Chairman*)

Mr. Cheung Hiu Fung

Mr. Wang Rongqian

The Group's Interim Financial Statements have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the Interim Financial Statements comply with applicable accounting standards, GEM Listing Rules and that adequate disclosures have been made.

By Order of the Board

**SIMPLICITY HOLDING LIMITED**

**Choi Pun Lap**

*Executive Director and Company Secretary*

Hong Kong, 14 November 2023

*As at the date of this report, the Board comprises Mr. Choi Pun Lap and Mr. Leung Wai Tai as executive Directors; and Mr. Lo Cheuk Fei Jeffrey, Mr. Cheung Hiu Fung and Mr. Wang Rongqian as independent non-executive Directors.*