MS CONCEPT LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8447)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2025

The board of directors (the "**Directors**" and the "**Board**", respectively) of MS Concept Limited (the "**Company**") announces the audited annual results of the Company and its subsidiaries for the year ended 31 March 2025.

This announcement, containing the full text of the 2024/2025 annual report of the Company (the "**Annual Report**"), complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**") in relation to the information to accompany the preliminary announcement of annual results. Printed version of the Annual 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 as required by the GEM Listing Rules.

By order of the Board
MS Concept Limited
Kwong Tai Wah
Chairman and Executive Director

Hong Kong, 24 June 2025

As at the date of this announcement, the executive Directors are Mr. Kwong Tai Wah (Chairman and Chief Executive Officer), Ms. Kwong Man Yui (Vice Chairlady) and Mr. Lam On Fai; and the independent non-executive Directors are Mr. Lai Ming Fai Desmond, Dr. Cheng Lee Lung and Mr. Kwok Yiu Chung.

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 website of the Stock Exchange (www.hkexnews.hk) for at least seven days from the date of its publication. This announcement will also be published on the website of the Company (www.mrsteak.com.hk).

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

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 of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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

*This annual report, for which the directors (collectively the "**Directors**" and individually a "**Director**") of MS Concept Limited (the "**Company**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM 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 annual 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 annual report misleading.*

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Kwong Tai Wah
(Chairman and Chief Executive Officer)
Ms. Kwong Man Yui *(Vice Chairlady)*
Mr. Lam On Fai

Independent Non-executive Directors

Mr. Lai Ming Fai Desmond
Dr. Cheng Lee Lung
Mr. Kwok Yiu Chung

BOARD COMMITTEES

Audit Committee

Mr. Lai Ming Fai Desmond *(Chairman)*
Dr. Cheng Lee Lung
Mr. Kwok Yiu Chung

Remuneration Committee

Mr. Kwok Yiu Chung *(Chairman)*
Mr. Lai Ming Fai Desmond
Dr. Cheng Lee Lung

Nomination Committee

Mr. Kwong Tai Wah *(Chairman)*
Dr. Cheng Lee Lung
Mr. Kwok Yiu Chung

Executive Committee

Mr. Kwong Tai Wah *(Chairman)*
Ms. Kwong Man Yui
Mr. Lam On Fai

COMPANY SECRETARY

Mr. Lam Ming Fai

COMPLIANCE OFFICER

Ms. Kwong Man Yui

AUTHORISED REPRESENTATIVES

Mr. Kwong Tai Wah
Mr. Lam Ming Fai

INDEPENDENT AUDITORS

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

LEGAL ADVISER

as to Hong Kong laws
D. S. Cheung & Co.

PRINCIPAL BANKER

DBS Bank (Hong Kong) Limited

HEADQUARTERS, HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1409-10, 14/F., Hong Kong Plaza
186-191 Connaught Road West
Hong Kong

REGISTERED OFFICE

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

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

COMPANY WEBSITE

www.mrsteak.com.hk

GEM STOCK CODE

8447

Chairman's Statement

Dear Valued Shareholders,

On behalf of the board of directors (the "**Directors**" and the "**Board**", respectively) of MS Concept Limited (the "**Company**"), I present herewith the annual results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 March 2025 (the "**Year**").

CHALLENGING ECONOMIC AND BUSINESS ENVIRONMENT

During the Year, economic weakness and low consumer sentiment in Hong Kong had created significant challenges for the food and beverage industry. Together with the trend of cross-border spending and changing consumption patterns, people in Hong Kong opted to look for a dining with good value for money which led to a noticeable decline in the spendings by customer. The change, coupled with weakened consumer sentiment and economic uncertainties, posed challenges for the food and beverage sector in Hong Kong.

In response to the market dynamics, the Group implemented several strategic initiatives, including but not limited to the menu innovation and operational streamlining. In recent months, the market rent has been adjusted at a moderate pace and it is expected that our restaurants can be benefited by securing a rent comparable to market level upon their renewal which is favourable to the Group. Our operating costs can be optimised and ensured our sustained competitiveness in the market since the focus on cost control would help to stabilise our cash flow and profitability. Combing the continued revival of inbound tourists from China and Asia Pacific, we expected the food and beverage sector and the performance of our restaurants can be improved.

OUTLOOK

Although the food and beverage industry in Hong Kong is poised with challenges under the current situation, the Group will continue to enhance our portfolio and carefully select suitable locations to expand our network in Hong Kong and also enhance our brand mix, ensuring the Group remain competitive in the dynamic landscape of Hong Kong's food and beverage industry. The Group will continue to deliver "Affordable Luxury" dining experience to our customers while maintaining our focus on the provision of high quality of food.

APPRECIATION

I would like to thank our Board, our valued shareholders, business partners and customers for their continuing support to the Company. Also, I must express my sincere gratitude to all of our management and staff for their loyalty and outstanding effort during the Year.

Kwong Tai Wah
Chairman

24 June 2025

Management Discussion and Analysis

BUSINESS REVIEW

During the year ended 31 March 2025 (the "**Year**"), the food and beverage industry in Hong Kong has been affected by the slow local economy and also hampered by the change in people's dining habits. The increase in frequency and trend of cross-border consumption as a casual leisure activity for people in Hong Kong caused a decreased flow of people in Hong Kong arcades and markets during weekends and therefore affected the number of customer visits to our restaurants. Therefore, we launched various promotion and discounts in our restaurants during the Year with an intention to retain the customers for spending in Hong Kong.

Our management team always closely monitors the changes and demand in the food and beverage market in Hong Kong and adjusts our restaurant portfolio to fulfil the market demand. In February 2024, we opened a new restaurant operating under the brand "The Palate" located at Royal Park Hotel, Shatin ("**The Palate**") which provided an additional stream of income to the Group during the Year. In August 2024, we renovated our existing restaurant located at Maritime Square, Tsing Yi and opened a new restaurant under the brand "Hana" to provide a new dining experience to customers by the serving of seasonal Japanese set menu. In September 2024, the premise of a restaurant operated under the brand "Hana" located at Tang Lung Street, Causeway Bay ("**Hana(CWB)**") was returned to the landlord upon the expiry of the lease after the consideration of the business prospect of this restaurant.

During the Year, after the evaluation of the rental value, customer's loyalty and the business performance, we also renewed the leases of restaurants operating under the brands "Bistro Bloom", "Sky Bar" and "Hana", located at Langham Place, Mongkok and Citygate Outlets, Tung Chung in January 2025 and March 2025, respectively.

Management Discussion and Analysis

As at 31 March 2025, the Group operated twelve restaurants serving various cuisines in Hong Kong. The following table sets forth the number of restaurants we operated as at the dates indicated.

	As at 31 March	
	2025	2024
Brands		
Mr. Steak – Buffet à la minute ("**MS(Buffet)**")	**1**	1
The Palate	**1**	1
Mr. Steak	**2**	2
Sky Bar	**1**	1
Bistro Bloom/Marbling	**1**	1
Hana	**2**	2
犇殿	**4**	4
	12	12

FINANCIAL REVIEW

Revenue

Our revenue is mainly derived from restaurant operations. For the year ended 31 March 2025, our revenue achieved approximately HK$253.5 million, representing an increase of approximately HK$27.8 million, or 12.3%, from approximately HK$225.7 million for the year ended 31 March 2024. The increase in revenue was mainly due to the combined effect of (a) the increase in number of customer visits to MS(Buffet); and (b) the opening of The Palate since February 2024, and partially offset by the closure of Hana(CWB) since September 2024.

Cost of inventories sold

Cost of inventories sold is a major component of our operating expenses and comprises mainly cost of food ingredients and beverages. For the year ended 31 March 2025, our cost of inventories sold amounted to approximately HK$103.6 million, representing an increase of approximately HK$23.4 million, or 29.2%, from approximately HK$80.2 million for the year ended 31 March 2024. The increase in cost of inventories sold was mainly due to the combined effect of (a) the increase in consumption of food ingredients and beverages under the increase in number of customer visits to MS(Buffet); and (b) the opening of The Palate since February 2024, and partially offset by the closure of Hana(CWB) since September 2024.

Management Discussion and Analysis

Gross profit and gross profit margin

Our gross profit for the year ended 31 March 2025 amounted to approximately HK$149.9 million, representing an increase of approximately HK$4.4 million, or 3.0%, from approximately HK$145.5 million for the year ended 31 March 2024. The increase in gross profit was mainly due to the combined effect of the factors as discussed above.

The overall gross profit margin decreased from approximately 64.5% for the year ended 31 March 2024 to approximately 59.1% for the year ended 31 March 2025 mainly due to the combined effect of (a) the launch of promotions during the Year which decreased the average spending per customer; and (b) the opening of the Palate since February 2024 which has broadened our brand mix but the gross profit is generally lower for buffet restaurant.

Other revenue and other income

Other revenue and other income primarily consist of government subsidy received, rent concession, tips income, sponsorship income, bank interest income and sundry income. Other revenue and other income maintained at approximately HK$0.4 million for the years ended 31 March 2024 and 2025.

Staff costs

Staff costs comprise salaries and benefits, including wages, salaries, bonuses, staff benefits and retirement benefit scheme contributions for all employees and Directors' remunerations.

Staff costs increased by approximately HK$6.0 million, or 8.3%, from approximately HK$72.7 million for the year ended 31 March 2024 to approximately HK$78.7 million for the year ended 31 March 2025. The increase in staff costs was mainly due to the combined effect of the opening of The Palate since February 2024; and partially offset by the closure of Hana(CWB) since September 2024.

Depreciation

Depreciation represents depreciation charges for our property, plant and equipment which comprise leasehold improvement, furniture and fixtures, catering, other equipment and lease properties and right-of-use assets.

The depreciation decreased by approximately HK$2.0 million from approximately HK$37.1 million for the year ended 31 March 2024 to approximately HK$35.1 million for the year ended 31 March 2025 mainly due to the opening of The Palate since February 2024 and partially offset by the closure of Hana(CWB) since September 2024 and lower depreciation on right-of-use assets upon lease renewal during the year.

Management Discussion and Analysis

Rentals and related expenses

Rentals and related expenses primarily represent the turnover rent, low value and short term lease payments, government rates and property management fee paid for our restaurants and office premises.

The rental and related expenses increased by approximately HK$0.6 million, or 4.2%, from approximately HK$14.2 million for the year ended 31 March 2024 to approximately HK$14.8 million for the year ended 31 March 2025. The increase in rental and related expenses was mainly due to the opening of The Palate since February 2024 and partially offset by the closure of Hana(CWB) since September 2024.

Fuel and utility expenses

Fuel and utility expenses primarily consist of expenses incurred for electricity, gas and water utilities. Our fuel and utility expenses increased by approximately HK$0.6 million, or 9.4%, from approximately HK$6.4 million for the year ended 31 March 2024 to approximately HK$7.0 million for the year ended 31 March 2025 mainly due to the combined effect of the operation of The Palate since February 2024; and partially offset by the closure of Hana(CWB) since September 2024.

Impairment losses on property, plant and equipment and right-of-use assets

After the review of the recoverable amount of the property, plant and equipment and right-of-use assets by taking into account the discount cash flow projections for each respective restaurants, aggregate impairment loss of approximately HK$2.9 million was recognised for the year ended 31 March 2025, representing a decrease of HK$7.6 million as compared to approximately HK$10.5 million for the year ended 31 March 2024.

Administrative expenses

Administrative expenses mainly include credit card handling charges, advertising and marketing expenses for our brands, cleaning expenses for both our restaurants and office, consumables for our restaurant operations, legal and professional fees and insurance premiums. The administrative expenses increased by approximately HK$1.7 million, or 8.2%, from approximately HK$20.8 million for the year ended 31 March 2024 to approximately HK$22.5 million for the year ended 31 March 2025. The increase in administrative expenses was mainly due to (a) the increase in credit card handling charges under the increase in turnover; and (b) the increase in cleaning expenses by the opening of The Palate since February 2024.

Finance costs

Finance costs mainly represent interest on our bank borrowings and interest on lease liabilities. The finance costs increased by approximately HK$2.3 million, or 79.3%, from approximately HK$2.9 million for the year ended 31 March 2024 to approximately HK$5.2 million for the year ended 31 March 2025 mainly due to the net increase in interest on lease liabilities of existing and renewed tenancy agreements, and the new lease for the Palate since February 2024.

Management Discussion and Analysis

Income tax (expense)/credit

An income tax credit of approximately HK$0.1 million was recognised for the year ended 31 March 2024 while an income tax expense of approximately HK$1.3 million was recognised for the year ended 31 March 2025 mainly due to the recognition of deferred tax expense of approximately HK$1.1 million for the year.

For the years ended 31 March 2024 and 2025, our restaurant operations in Hong Kong were subject to Hong Kong Profits Tax at an applicable tax rate of 8.25% on estimated assessable profits up to HK$2 million and 16.5% on any part of the estimated assessable profits over HK$2 million arising in Hong Kong.

Loss for the year

For the year ended 31 March 2025, the Group recorded a loss of approximately HK$17.2 million as compared to a loss of approximately HK$18.6 million for the year ended 31 March 2024. The loss for the year was mainly due to the combined effects as discussed above.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

		As at 31 March	
	Notes	**2025**	2024
Current ratio	1	**0.6**	0.8
Quick ratio	2	**0.6**	0.8

Notes:

1. Current ratio is calculated based on the total current assets at the end of the year divided by the total current liabilities at the end of the respective year.

2. Quick ratio is calculated based on the total current assets (excluding inventories) at the end of the year divided by the total current liabilities at the end of the respective year.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE (CONTINUED)

As at 31 March 2025, the total equity of the Group was approximately HK$10.9 million (2024: HK$28.1 million) which was attributable to owners of the Company. The Group had cash and cash equivalents of approximately HK$17.5 million as at 31 March 2025 (2024: HK$29.1 million).

The Group continues to enjoy a cash inflow from operations. During the year ended 31 March 2025, the cash generated from operations amounted to approximately HK$32.5 million (2024: HK$30.3 million).

The Group did not have any bank borrowings as at 31 March 2024 and 2025.

The Group manages its capital to safeguard the Group's ability to continue as a going concern while maximising the return to shareholders through maintaining the equity and debts in a balanced position.

The issued shares of the Company were initially listed on GEM of The Stock Exchange of Hong Kong Limited on the 16 April 2018 (the "**Listing Date**") by way of share offer as set out in the prospectus of the Company dated 29 March 2018 (the "**Prospectus**", the "**Share Offer**" and the "**Listing**", respectively). There has been no change in the capital structure of the Group since the Listing Date and up to the date of this annual report.

CHARGES ON ASSETS

As at 31 March 2025, the pledged bank deposits of the Group were approximately HK$3.6 million (2024: HK$2.1 million).

MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not have any significant investment, material acquisitions and disposals of subsidiaries, associated companies or joint ventures during the year ended 31 March 2025.

SHARE OPTIONS

Details of the Company's share option schemes are set out on pages 45 to 48 of this annual report.

PRINCIPAL RISKS

The business operations and results of the Group may be affected by various external and internal risks. Details of the risks are shown on page 49 in the Directors' Report in this annual report.

FOREIGN CURRENCY

During the year ended 31 March 2025, most of the transactions of the Group were denominated and settled in Hong Kong dollars, the functional and reporting currency of the Group.

The Group does not have a significant foreign exchange exposure and has currently not implemented any foreign currency hedging policy. The management will consider hedging against significant foreign exchange exposure should the need arise.

Management Discussion and Analysis

USE OF NET PROCEEDS FROM THE LISTING

The net proceeds from the issue of a total of 250,000,000 new shares of the Company at the offering price of HK$0.27 per share under the Share Offer (the "**Net Proceeds**") as set out in the Prospectus, after deducting underwriting commission and other expenses relating to the Listing, amounted to approximately HK$39.6 million.

On 12 November 2020, the Board resolved to change the use of the unutilised Net Proceeds (please refer to the announcement dated 12 November 2020 for details) and an analysis of the utilisation of the Net Proceeds from the Listing Date to 31 March 2025 is set out below:

Business objective and strategy	Planned amount according to the Prospectus HK$ million	Revised planned amount of use of proceeds HK$ million	Actual amount utilised as at 31 March 2025 HK$ million	Unutilised amount as at 31 March 2025 HK$ million	Notes
Expanding our restaurant network in strategic locations in Hong Kong	25.1	20.6	20.6	–	1
Maintaining steady food quality by setting up a central kitchen	5.8	–	–	–	
Enhancing and upgrading our restaurant facilities	5.3	3.3	3.3	–	2
Strengthening customer relationship and our brand awareness	2.3	2.3	2.3	–	3
General working capital	1.1	13.4	13.4	–	4
	39.6	39.6	39.6	–	5

Notes:

1. Up to 31 March 2025, approximately HK$20.6 million of the Net Proceeds was utilised for the establishment of Hana(TC), 犇殿(TF), 犇殿(OC), 犇殿(TY) and The Palate. The Group will continue to identify suitable locations fulfilling our expected scale of operations and execute the implementation plan as disclosed in the circular dated 3 February 2023.

2. Up to 31 March 2025, approximately HK$3.3 million of the Net Proceeds was utilised for the renovation of the existing restaurants. The Group is assessing and further renovation and refurbishment will be carried out and the amount will be incurred when necessary.

3. Up to 31 March 2025, we incurred marketing expenses on the social platforms for the promotion of our brand and restaurants. The Group will continue to solicit appropriate social platforms and marketing agents and the amount will be incurred as and when necessary.

4. During the year ended 31 March 2025, approximately HK$0.2 million of the Net Proceeds was applied on the Group's general administrative and operating expenses (including but not limited to auditors' remuneration, financial printing costs, office rent, share registrar fee and staff salaries). Up to 31 March 2025, approximately HK$13.4 million of the Net Proceeds was applied under this business objective and strategy.

5. The Net Proceeds have been fully utilised as at 31 March 2025.

Management Discussion and Analysis

CAPITAL COMMITMENT

As at 31 March 2025, the Group did not have any material capital commitment (2024: HK$ Nil).

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 31 March 2024 and 2025.

DIVIDEND

No dividend has been paid or proposed by the Company in respect of the year ended 31 March 2025 (2024: Nil).

EMPLOYEE AND REMUNERATION POLICY

As at 31 March 2025, the Group employed approximately 206 (2024: 213) employees. The Group offers attractive remuneration packages, including competitive wages, benefits, discretionary bonuses and internal promotion opportunities to our employees.

The emoluments of the Directors are reviewed and approved by the remuneration committee of the Board, having regard to factors, including the remuneration paid by comparable companies, time commitment, job duties and responsibilities in respect of the relevant positions.

The Company has conditionally adopted by the resolutions in writing of all the Shareholders passed on 23 March 2018 a share option scheme (the "**Share Option Scheme**"). The Share Option Scheme became effective on the Listing Date. The Share Option Scheme enables the Company to grant share options to any director, employee or officer, consultant, professional, customer, supplier, agent, partner or adviser of or contractor to the Company or any of its subsidiaries, as incentives or rewards for their contributions to our Group.

As at 31 March 2025 and the date of this annual report, there was no outstanding share option granted under the Share Option Scheme and no options were exercised or cancelled or lapsed during the year ended 31 March 2025.

Biographical Details of Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. Kwong Tai Wah (鄺大華先生) ("Mr. Kwong"), aged 70, was appointed to the Board on 8 November 2017 and is our co-founder, the chairman of the Board (the "**Chairman**"), the chief executive officer, an executive director of the Company and the chairman of the nomination committee. He is also a director of all the subsidiaries of the Company. He is responsible for the overall management and strategic planning of our Group. Mr. Kwong obtained his Bachelor's degree of Arts from the University of Windsor, Canada in May 1978. Mr. Kwong has over 30 years of experience in the food and beverage industry.

Mr. Kwong is the father of Ms. Kwong Man Yui, an executive director, the vice chairlady and the compliance officer of the Company.

Ms. Kwong Man Yui (鄺文蕊女士) ("Ms. Kwong"), aged 40, was appointed to the Board on 15 December 2017 and is the vice chairlady of the Board, an executive director and the compliance officer of the Company. Ms. Kwong is responsible for the strategic planning, leasing, marketing, public relations and overall management of our Group. Ms. Kwong obtained her Bachelor's degree of Commerce with distinction from the University of Toronto, Canada in June 2006 and her Master's degree of Science in Real Estate with credit from the University of Hong Kong in November 2011. Ms. Kwong has over 10 years of experience in business management and shop leasing and has provided management and consultancy services to our Group since February 2014.

Ms. Kwong is the daughter of Mr. Kwong, the Chairman, the chief executive officer and an executive director of the Company.

Mr. Lam On Fai (林安輝先生) ("Mr. Lam"), aged 63, was appointed to the Board on 15 December 2017 and is an executive director of our Company. He is responsible for the overall management of the restaurants of our Group. Before joining our Group as a group operation manager in September 2006, Mr. Lam worked in various senior positions with several food and beverage groups and has over 40 years of experience in the operation and management of restaurants.

Biographical Details of Directors and Senior Management

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lai Ming Fai Desmond (黎明輝先生) ("Mr. Lai"), aged 52, was appointed as an independent non-executive director of the Company (the "**INED**") on 23 March 2018 and is the chairman of the audit committee and a member of the remuneration committee of the Company. Mr. Lai is currently the head of business development and marketing of WWC, P.C., an international firm specialised in initial public offerings and capital market transactions in the United States. Mr. Lai was the chief financial officer of Asia Television Digital Media Limited, a wholly-owned subsidiary of Asia Television Holdings Limited, a company listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (stock code: 707) and the chief operating officer of a major real estate development of Lai Fung Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1125), under the Lai Sun Group. Prior to the above, Mr. Lai held senior positions at international accounting firms, leading audit and management consulting practices in various business sectors and markets. Mr. Lai obtained his Bachelor's degree of Commerce in Accounting and Finance from the University of New South Wales in Australia. He is a fellow member of CPA Australia and a member of the Hong Kong Institute of Certified Public Accountants.

Dr. Cheng Lee Lung (鄭利龍博士) ("Dr. Cheng"), aged 72, was appointed as an INED on 23 March 2018 and is a member of each of the audit committee, the remuneration committee and the nomination committee of the Company. Dr. Cheng holds a number of professional, government advisory and public positions in Hong Kong. Dr. Cheng obtained his Bachelor's degree in Science and Master's degree in Science from Chelsea College (currently known as King's College London), University of London in England in August 1976 and July 1981 respectively. He obtained his Doctor's degree in Information and Communication Engineering from the Tsinghua University in China in July 2004.

Mr. Kwok Yiu Chung (郭耀松先生) ("Mr. Kwok"), aged 62, was appointed as an INED on 23 March 2018 and is the chairman of the remuneration committee and a member of each of the audit committee and the nomination committee of the Company. Mr. Kwok was the chief executive officer of CBK Holdings Limited, a company listed on GEM of the Stock Exchange (stock code: 8428) during October 2016 to November 2020. Mr. Kwok has been appointed to various positions of the Hong Kong Federation of Restaurants & Related Trades (香港餐飲聯業協會) (the "**Federation**") since 2007 and was a director of the Federation.

SENIOR MANAGEMENT

Mr. Lee Sai Keung (李世強先生) ("Mr. Lee"), aged 63, is the executive chef of our Group. Mr. Lee is responsible for the overall management and planning of cuisine and the general management of the culinary team of our Group. Mr. Lee obtained a Certificate in Professional Cookery (Western Style) from the Vocational Training Council in Hong Kong in July 1983. Before joining our Group in February 2009, Mr. Lee worked as section chef, head chef and executive chef in various restaurants operated by hotels, casinos and private employers in Hong Kong and overseas. He has about 40 years of experience in the operation and management of culinary operation.

Ms. Li Wai Ping (李惠萍女士) ("Ms. Li"), aged 45, is the senior accounting manager of our Group. Ms. Li is responsible for the overall accounting and administrative matters of our Group. Ms. Li obtained her Bachelor's degree of Arts in Accountancy from The Hong Kong Polytechnic University in October 2009. She is currently a member in good standing of the Association of Chartered Certified Accountants in the United Kingdom. Ms. Li has over 10 years of experience in accounting and taxation and joined our Group in September 2017.

Corporate Governance Report

The Company is committed to fulfilling its responsibilities to its shareholders (the "**Shareholders**") and protecting and enhancing Shareholders' value by devoting considerable effort to identifying and formalising good corporate governance practices.

The directors of the Company (the "**Directors**") recognise the importance of incorporating elements of good corporate governance in the management structures, internal control and risk management procedures of the Company and its subsidiaries (collectively referred as to the "**Group**") so as to achieve effective accountability.

The Board is pleased to present this Corporate Governance Report of the Group for the year ended 31 March 2025 (the "**Year**").

CORPORATE CULTURE AND STRATEGY

Corporate strategy defines the goals, while corporate culture is the driving force that enables the achievement of those goals. A strong, values-driven culture empowers teams to act with purpose, adapt with agility, and collaborate effectively. The Group's core belief is with the aim to deliver "Affordable Luxury" dining experience with high quality food, desirable ambience and thoughtful services at affordable prices. To realise this mission, the Board, actively instils and promotes the following core cultural values in its workforce:

- Passion for excellence: fueling a relentless pursuit of quality across every aspect of the dining experience, from culinary precision to interior design to guest interaction, and encouraging staff at all levels to not just meet expectations, but consistently exceed them;

- Economy: thoughtful sourcing of high-quality and cost-effective ingredients and streamlining operations that reduce waste without compromising the guest experience, so as to provide customers with the most affordable yet high quality food as possible; and

- Reliability: ensuring consistency in food quality, portion sizes, and presentation, and transparent communication when addressing feedback or resolving issues.

These core cultural values guide the Group's strategy, ensuring continuous growth and service excellence. The Board believes that these core cultural values are aligned with the Group's belief, mission and long-term business objectives, fostering a commitment to lifelong learning, cost-effective solutions, and unwavering dedication to quality, and are the cornerstones of the Group's success.

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

The Corporate Governance Code (the "**CG Code**") as contained in Appendix C1 to the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**") was applicable to the Company for the year ended 31 March 2025. In the opinion of the board of Directors (the "**Board**"), the Company has adopted and complied with all applicable code provisions as set out in the CG Code except for code provisions C.2.1 and C.6.1 thereof for the year ended 31 March 2025 and up to the date of this annual report.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings in the securities as contained in Rules 5.48 to 5.67 of the GEM Listing Rules (the "**Required Standard of Dealings**") as its own code of conduct governing the securities transactions by the Directors. Following a specific enquiry made by the Company on each of the Directors, all Directors have confirmed that they had complied with the Required Standard of Dealings during the Year and up to the date of this annual report.

Other employees of the Group who are likely to be in possession of unpublished inside information of the Company are also subject to compliance with guidelines on no less than exacting terms than the Required Standard of Dealings set out in 5.48 to 5.67 of the GEM Listing Rules (the "**Written Guidelines**"). No incident of non-compliance of the Written Guidelines by the relevant employees was noted by the Company.

DELEGATION BY THE BOARD

The daily operation and management of the business of the Group, amongst others, the implementation of strategies are delegated to the executive Directors along with other senior executives. Execution of operational matters and the powers thereof are delegated to the management by the Board with clear directions. They report periodically their work and business decisions to the Board.

Corporate Governance Report

BOARD OF DIRECTORS

Responsibilities

The Board is primarily responsible for overseeing and supervising the management of the business affairs and the overall performance of the Group. The Board sets the Group's values and standards and ensures that the requisite financial and human resources support is in place for the Group to achieve its objectives. The functions performed by the Board include but are not limited to formulating the Group's business plans and strategies, deciding all significant financial (including major capital expenditure) and operational issues, developing, monitoring and reviewing the Group's corporate governance practices and all other functions reserved to the Board under the Company's articles of association (the "**Articles of Association**"). The Board has established Board committees and has delegated to these Board committees various responsibilities as set out in their respective terms of reference. The responsibilities of these Board committees include monitoring the Group's operational and financial performance, and ensuring that appropriate internal control and risk management are in place. The Board may from time to time delegate certain functions to management of the Group if and when considered appropriate. The management is mainly responsible for the execution of the business plans, strategies and policies adopted by the Board and other duties assigned to it from time to time.

All Directors are committed to devote sufficient time and attention to the affairs of the Company.

Board Composition

The Company is committed to holding and implementing the view that the Board should include a balanced composition of executive Directors and independent non-executive Directors (the "**INEDs**") so that there is a strong independent element on the Board which can effectively exercise independent judgment.

As at the date of this annual report, the Board comprises the following six Directors, of which the INEDs in aggregate represent 50% of the Board members, exceeding the requirement of the GEM Listing Rules:

Executive Directors

Mr. Kwong Tai Wah ("**Mr. Kwong**") *(Chairman and Chief Executive Officer)*
Ms. Kwong Man Yui ("**Ms. Kwong**") *(Vice Chairlady)*
Mr. Lam On Fai ("**Mr. Lam**")

INEDs

Mr. Lai Ming Fai Desmond ("**Mr. Lai**")
Dr. Cheng Lee Lung ("**Dr. Cheng**")
Mr. Kwok Yiu Chung ("**Mr. Kwok**")

The biographical details of each of the Directors are set out in the section headed "Biographical Details of Directors and Senior Management" of this annual report.

Mr. Kwong is the father of Ms. Kwong. Save as disclosed, there was no financial, business, family or other material relationship among the Directors during the Year.

BOARD OF DIRECTORS (CONTINUED)

Board Composition (continued)

The INEDs have brought in a wide range of business and financial expertise, experience and independent judgment to the Board. Through active participation in the Board meetings and serving on various Board committees, all INEDs will continue to make various contributions to the Company.

Throughout the Year, the Company had three INEDs, which was in compliance with the requirements of the GEM Listing Rules that the number of INEDs must represent at least one-third of the Board members, and that at least one of the INEDs has appropriate professional qualifications or accounting or related financial management expertise.

The Company has received a confirmation of independence in writing from each of the INEDs pursuant to Rule 5.09 of the GEM Listing Rules. Based on such confirmation, the Company considers that all the INEDs are independent and have met the independence guidelines as set out in Rule 5.09 of the GEM Listing Rules (the "**Independence Guidelines**") for the Year.

The chairman of the Board (the "**Chairman**"), being an executive Director has at least annually held one meeting with the INEDs without the presence of the other executive Directors, in which the INEDs could share their views and raise any issues in the absence of other Directors and the management.

Proper insurance coverage in respect of legal actions against the Directors' liability has been arranged by the Company.

Directors' Induction and Continuing Professional Development

Each of the Directors has received a formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure that he/she has a proper understanding of the Company's operations and business and is fully aware of the Director's responsibilities under statutes and common law, the GEM Listing Rules, legal and regulatory requirements and the Company's business and governance policies.

The Company will from time to time find and arrange suitable training to all Directors to develop and refresh their knowledge and skills in relation to their duties and responsibilities, such that their contribution to the Board remains informed and relevant. All Directors are also encouraged to attend relevant training courses at the Company's expense and they have been requested to provide the Company with their training records. According to the training records maintained by the Company, the continuing professional development programmes received by each of the Directors during the Year is summarised as follows:

Name of Directors	Type of trainings
Mr. Kwong	A and B
Ms. Kwong	A and B
Mr. Lam	A and B
Mr. Lai	A and B
Dr. Cheng	A and B
Mr. Kwok	A and B

A: attending seminars/briefings/conferences/forums and workshops

B: reading newspapers, journals and updates relating to the economy, general business, corporate governance and directors' duties and responsibilities

BOARD OF DIRECTORS (CONTINUED)

Meetings of the Board and Directors' Attendance Records

The regular meeting of the Board is scheduled four times a year at approximately quarterly intervals with notice given to the Directors at least 14 days in advance. For all other Board meetings, notice will be given in a reasonable time in advance. The Directors are allowed to include any matter in the agenda that is required for discussion and resolution at the meeting. To enable the Directors to be properly briefed on issues arising at each of the Board meetings and to make informed decisions, an agenda and the accompanying Board papers will be sent to all Directors at least three days before the intended date of the Board meeting, or such other period as agreed. The company secretary of the Company (the "**Company Secretary**") is responsible for keeping all Board meetings' minutes. Draft and final versions of the minutes will be circulated to the Directors for comments and record respectively within a reasonable time after each meeting and the final version is open for the Directors' inspection.

The attendance record of each Director in respect of the meetings of the Board, audit committee (the "**Audit Committee**"), remuneration committee (the "**Remuneration Committee**"), nomination committee (the "**Nomination Committee**") of the Company as well as the annual general meeting on 2 August 2024 (the "**AGM**") is set out below:

	Attendance/Number of Meetings				
Name of directors	Board	Audit Committee	Remuneration Committee	Nomination Committee	AGM
Executive Directors:					
Mr. Kwong	4/4	N/A	N/A	1/1	1/1
Ms. Kwong	4/4	N/A	N/A	N/A	1/1
Mr. Lam	4/4	N/A	N/A	N/A	1/1
Independent Non-executive Directors:					
Mr. Lai	4/4	3/3	1/1	N/A	1/1
Dr. Cheng	4/4	3/3	1/1	1/1	1/1
Mr. Kwok	4/4	3/3	1/1	1/1	1/1

The Board held a meeting on 24 June 2025 and, amongst other matters, considered and approved the audited consolidated financial statements of the Group for the Year.

Apart from the Board meetings above, consents and/or approvals of the Board were also obtained by way of written resolutions on a number of matters.

BOARD OF DIRECTORS (CONTINUED)

Board Diversity Policy

The Board adopted a policy of the Board diversity, including the measurable objectives set for implementing the same on 23 March 2018. The Nomination Committee will review these objectives regularly.

The Company recognises and embraces the benefits of a diversity of Board members. It endeavours to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. All Board nominations, appointments and re-appointments will continue to be made on a merit basis with due regard for the benefits of diversity of the Board members and the nomination policy of the Company. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge.

As at 31 March 2025, the workforce (including senior management) comprise of 35.4% female and 64.6% male. The Board targets to maintain at least the current level of female representation and this target, along with other matters related to diversity, will be reviewed on an annual basis by the Board. The Group is determined to and will continue to maintain gender diversity and equality in terms of the Board and the general workforce.

BOARD INDEPENDENCE

The Company has mechanisms in place to ensure independent views are available to the Board. The Board endeavours for having a balanced composition of executive Directors and INEDs to maintain a strong independent element on the Board and to bring independent view and inputs from the Directors. Except for the Nomination Committee where Mr. Kwong is the chairman with the members being the INEDs, all of the members and chairmen of the Audit and Remuneration Committees are INEDs.

The Nomination Committee shall assess the independence of the candidates who are to be appointed as INEDs as well as the INEDs who are to be re-elected with reference to the Independence Guidelines to ensure that they can exercise independent judgment and fulfil their roles as INEDs.

The INEDs shall not have any financial or family relationships with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company. Fees to INEDs are in the form of cash payment with additional fees payable to reflect membership or chairmanship of the Board committees. None of the INEDs receives equity-based remuneration with performance-related elements.

All Directors have full and timely access to all the information of the Group and the management has an obligation to supply the Directors with adequate information in a timely manner to enable the Directors to perform their responsibilities. All Directors are entitled to, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

Corporate Governance Report

BOARD INDEPENDENCE (CONTINUED)

The Company's mechanisms in ensuring the availability of independent views to the Board are kept under regular review (at least on an annual basis) to ensure their effectiveness. At the Board meeting, the Board conducted a review and considered that such mechanisms were properly implemented and were effective.

CHAIRMAN AND CHIEF EXECUTIVE

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. During the Year, Mr. Kwong was the Chairman and the chief executive officer (the "**CEO**") of our Group. In view of the fact that Mr. Kwong has been operating and managing the Group since 2000, the Board believes that it is in the best interest of the Group to have Mr. Kwong taking up both roles for effective management and business development. Therefore, the Board considers that the deviation from code provision C.2.1 of the CG Code is appropriate in such circumstance.

BOARD COMMITTEES

The Board has established four Board committees, namely the Audit Committee, the Nomination Committee, the Remuneration Committee and the executive committee (the "**Executive Committee**") of the Company to oversee particular aspects of the Company's affairs. The Board committees are provided with sufficient resources to discharge their duties.

Audit Committee

The Audit Committee was established on the Listing Date with written terms of reference in compliance with the CG Code. The written terms of reference of the Audit Committee are published on the respective websites of the Stock Exchange and the Company. The Audit Committee comprises all the INEDs, namely Mr. Lai, Dr. Cheng and Mr. Kwok. Mr. Lai is the chairman of the Audit Committee.

The principal roles and functions of the Audit Committee include but are not limited to:

- making recommendations to the Board on the appointment, re-appointment and removal of the external auditors, and approving their remuneration and terms of engagement, and handling any questions regarding their resignation or dismissal;

- reviewing and monitoring the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards and discussing with the external auditors the nature and scope of the audit and reporting obligations before the audit commences;

- developing and implementing a policy on engaging external auditors to supply non-audit services and reporting to the Board, identifying and making recommendations on any matters where action or improvement is needed;

BOARD COMMITTEES (CONTINUED)

Audit Committee (continued)

- monitoring the integrity of the Company's financial statements and annual reports and accounts, half-year reports and quarterly reports, and reviewing significant financial reporting judgments contained in them;
- reviewing the Company's financial controls, and risk management and internal control systems;
- reviewing the Group's financial and accounting policies and practices;
- reviewing the arrangements that the employees of the Group can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters; and
- considering other topics as defined by the Board.

During the Year, the Audit Committee held three meetings and, amongst other matters, considered and approved (i) audit-related matters, and (ii) the draft audited consolidated financial statements of the Group for the Year, and the draft unaudited consolidated financial statements for the six months ended 30 September 2024, for presentation to the Board for its consideration and approval.

Each of the INEDs attended the above meetings in the capacity of a member/the chairman of the Audit Committee.

The Company has complied with Rule 5.28 of the GEM Listing Rules in that at least one of the members of the Audit Committee (which must comprise a minimum of three members and must be chaired by an INED) is an INED who possesses appropriate professional qualifications or accounting or related financial management expertise.

The Group's consolidated financial statements for the Year have been reviewed by the Audit Committee at its meeting held on 24 June 2025. The Audit Committee is of the opinion that such consolidated financial statements comply with applicable accounting standards and the GEM Listing Rules and that adequate disclosures have been made.

BOARD COMMITTEES (CONTINUED)

Nomination Committee

The Nomination Committee was established on the Listing Date with written terms of reference in compliance with the CG Code. The written terms of reference of the Nomination Committee are published on the respective websites of the Stock Exchange and the Company. The Nomination Committee comprises two INEDs, namely Dr. Cheng and Mr. Kwok, and Mr. Kwong, the Chairman, an executive Director and the CEO. Mr. Kwong is the chairman of the Nomination Committee.

The principal roles and functions of the Nomination Committee include but are not limited to:

- reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

- identifying individuals suitably qualified to become members of the Board and selecting or making recommendations to the Board on the selection of individuals nominated for directorships;

- assessing the independence of the INEDs;

- making recommendations to the Board on the appointment or re-appointment of the Directors and the succession planning for the Directors, in particular, the Chairman and the chief executive; and

- reviewing and monitoring the implementation of the Board diversity policy as adopted by the Board.

During the Year, the Nomination Committee held one meeting and, amongst other matters, reviewed the structure, size and composition of the Board, assessed the independence of the INEDs and recommended to the Board for consideration the re-appointment of the retiring Directors at the 2024 AGM.

Mr. Kwong, the Chairman, an executive Director and the CEO and Dr. Cheng and Mr. Kwok, both INEDs, attended the above Nomination Committee meeting in the capacity of a member/the chairman of the Nomination Committee.

On 24 June 2025, the Nomination Committee held a meeting and amongst others, reviewed the structure, size and composition of the Board, assessed the independence of the INEDs and recommended to the Board for consideration the re-appointment of the retiring Directors at the forthcoming AGM.

BOARD COMMITTEES (CONTINUED)

Procedure and Process for Nomination of Directors

The Nomination Committee will recommend to the Board for the appointment of a Director including an INED in accordance with the following procedures and process:

i. The Nomination Committee will, giving due consideration to the current composition and size of the Board, develop a list of desirable skills, perspectives and experience at the outset to focus the search effort;

ii. The Nomination Committee may consult any source it considers appropriate in identifying or selecting suitable candidates, such as referrals from existing Directors, advertising, recommendations from a third party agency firm and proposals from the Shareholders with due consideration given to the criteria which include but are not limited to:

    (a) diversity in the aspects, amongst others, of gender, age, cultural and educational background, professional experience, skills, knowledge and length of service;

    (b) commitment for responsibilities of the Board in respect of available time and relevant interest;

    (c) qualifications, including accomplishment and experience in the relevant industries in which the Group's business is involved;

    (d) independence of INEDs;

    (e) reputation for integrity;

    (f) potential contributions that the individual can bring to the Board; and

    (g) plan(s) in place for the orderly succession of the Board.

iii. The Nomination Committee may adopt any process it considers appropriate in evaluating the suitability of the candidates, such as interviews, background checks, presentations and third party reference checks;

iv. The Nomination Committee will consider a broad range of candidates who are in and outside of the Board's circle of contacts;

v. Upon considering a candidate suitable for the directorship, the Nomination Committee will hold a meeting and/or by way of written resolutions to, if thought fit, approve the recommendation to the Board for appointment;

vi. The Nomination Committee will provide the relevant information of the selected candidate to the Remuneration Committee for consideration of the remuneration package of such selected candidate;

BOARD COMMITTEES (CONTINUED)

Procedure and Process for Nomination of Directors (continued)

vii. The Nomination Committee will thereafter make the recommendation to the Board in relation to the proposed appointment, and where a non-executive Director is considered, the Remuneration Committee will make the recommendation to the Board on the policy and structure for the remuneration;

viii. The Board may arrange for the selected candidate to be interviewed by the members of the Board who are not members of the Nomination Committee and the Board will thereafter deliberate and decide the appointment as the case may be; and

ix. All appointment of Directors will be confirmed by the filing of the consent to act as Director of the relevant Director (or any other similar filings requiring the relevant Director to acknowledge or accept the appointment as Director, as the case may be) with the relevant regulatory authorities, if required.

Remuneration Committee

The Remuneration Committee was established with effect from the Listing Date with written terms of reference in compliance with the CG Code. The written terms of reference of the Remuneration Committee are published on the respective websites of the Stock Exchange and the Company. The Remuneration Committee comprises all the INEDs, namely Mr. Lai, Dr. Cheng and Mr. Kwok. Mr. Kwok is the chairman of the Remuneration Committee.

The principal roles and functions of the Remuneration Committee include but are not limited to:

- making recommendations to the Board on the Company's policy and structure for the remuneration of all Directors and senior management and on the establishment of a formal and transparent procedure for developing the remuneration policy;

- reviewing and approving management's remuneration proposals by reference to the Board's corporate goals and objectives;

- making recommendations to the Board on determining the remuneration packages of individual executive Directors and senior management including basic salaries, benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;

- making recommendations to the Board on the remuneration of the INEDs; and

- reviewing and/or approving matters relating to share option schemes under Chapter 23 of the GEM Listing Rules.

BOARD COMMITTEES (CONTINUED)

Remuneration Committee (continued)

During the Year, the Remuneration Committee held one meeting, and reviewed and recommended to the Board for consideration certain remuneration-related matters of the Directors and senior management.

Each of the INEDs attended the above meetings in the capacity of a member/the chairman of the Remuneration Committee.

On 24 June 2025, the Remuneration Committee held a meeting and reviewed and recommended to the Board for consideration certain remuneration-related matters of the Directors and senior management. No Director or any of their associates is involved in deciding that Director's own remuneration.

Corporate Governance Functions

The Board is responsible for performing the corporate governance functions which include:

- developing and reviewing the Company's policies and practices on corporate governance and making recommendations to the Board;
- reviewing and monitoring the training and continuous professional development of the Directors and senior management;
- reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;
- developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and the Directors; and
- reviewing the Company's compliance with the CG Code and disclosure in this annual report.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each of the executive Directors has entered into a service agreement with the Company for an initial term of three years commencing on 23 March 2024. The term of service shall be renewed and extended automatically by three years on the expiry of such initial term and on the expiry of every successive period of three years thereafter, unless terminated by either party thereto giving at least three months' written notice before the expiry of the then existing term.

Each of the INEDs has entered into a letter of appointment with the Company for an initial term of three years commencing on 23 March 2024. Thereafter, the appointment is automatically renewed for by one year on the expiry of such initial term and on the expiry of every successive period of one year thereafter, unless terminated by either party thereto giving at least one months' written notice before the expiry of the then existing term.

Save as disclosed aforesaid, none of the Directors has a service agreement or letter of appointment with the Company or any of its subsidiaries other than the agreements/letters of appointment expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation).

APPOINTMENT AND RE-ELECTION OF DIRECTORS (CONTINUED)

All the Directors, including INEDs, are subject to retirement by rotation and eligible for re-election in accordance with the Articles of Association. At each AGM, at least one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation, provided that each Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election. The Directors to retire by rotation shall include (so far as necessary to obtain the number required) any Director who wishes to retire and does not offer himself for re-election. Any Director who has not been subject to retirement by rotation in the three years preceding the AGM shall retire by rotation at such AGM. Any further Directors so to retire shall be those who have been the longest in office since their last re-election or appointment and so that as between the persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. A Director is not required to retire upon reaching any particular age.

The Company may from time to time in general meeting by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an additional Director. Any Director so appointed shall be subject to retirement by rotation.

The Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an additional Director, but so that the number of Directors so appointed shall not exceed the maximum number (if any) determined from time to time by the Shareholders in a general meeting. Any Director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting of the Company after his appointment and be subject to re-election at such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following AGM and shall then be eligible for re-election. Any such Director appointed shall not be taken into account in determining the number of Directors who are to retire by rotation at an AGM.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Particulars of the Directors' remuneration for the Year are set out in note 11 to the consolidated financial statements included in this annual report.

Pursuant to code provision E.1.5 of the CG Code, the remuneration of the members of the senior management (other than the Directors) whose particulars are contained in the section headed "Biographical Details of the Directors and Senior Management" in this annual report for the Year by band is set out below:

Remuneration band (in HK$)	Number of individuals
Nil to 1,000,000	2

INDEPENDENT AUDITORS' REMUNERATION

HLB Hodgson Impey Cheng Limited ("**HLB**") was engaged as the Group's independent auditors for the Year. Apart from the provision of annual audit services, HLB (including its affiliates) provided the audit and non-audit services in connection with the Listing.

The remuneration paid/payable to HLB in respect of the Year is set out below:

Services	Fee paid/ payable (in HK$'000)
Audit services – Annual audit	485
Non-audit services	38
Total	523

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for the preparation and true and fair presentation of the consolidated financial statements of the Company. In preparing the consolidated financial statements, the financial reporting standards in Hong Kong have been adopted, appropriate accounting policies have been used and applied consistently, and reasonable judgments and estimates have been made. The Board is not aware of any material uncertainties relating to the events or conditions which may cast significant doubt over the Group's ability to continue as a going concern. Accordingly, the Board has continued to adopt the ongoing concern basis in preparing the consolidated financial statements. The independent auditors' report, which contains the statement of the independent auditor about its reporting responsibilities on the Group's consolidated financial statements, is set out in the "Independent Auditors' Report" of this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Company has in place policies and procedures in relation to risk management and internal control. The Board, with the support of the Audit Committee, is primarily responsible for overseeing the risk management and internal control systems of the Company and for reviewing their effectiveness. A review on the effectiveness of the Company's risk management and internal control systems is conducted at least annually. The Company's internal control system and procedures are designed to meet its specific business needs and to minimise its risk exposure. The Company has adopted different internal guidelines, along with written policies and procedures to monitor and lessen the impact of risks which are relevant to its business and control its daily business operations. Management will identify the risks associated with the Group's day-to-day operations for review by the Board. The Board is responsible for evaluating and determining the nature and extent of the risks that the Company is willing to take in achieving the Company's strategic objectives, and ensuring that the Company establishes and maintains appropriate and effective risk management and internal control systems. The Board oversees management in the design, implementation and monitoring of the risk management and internal control systems on an ongoing basis. The Board acknowledges that such risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

The ultimate goal of the Company's risk management process is to identify and focus on the issues in its business operations that create impediments to the Company's success. The risk management process starts with identifying the major risks associated with the corporate strategy, goals and objectives. The key process points in the risk management include:

- Identify: The Company identifies current and emerging risks in its business operations and categorises those risks into a reasonable profile based on timeframe, likelihood, intensity and impact severity. The Company establishes four risk categories, including strategic risks, financial risks, operational risks and compliance risks.

- Assess: The Company assesses and prioritises risks so that the most important risks can be identified and dealt with. Based on both qualitative and quantitative analyses, the Company prioritises risks in terms of likelihood and impact severity.

- Mitigate: Based on the assessment of (i) the probability and impact severity of the risks and (ii) cost and benefit of the mitigation plans, the Company chooses the appropriate option for dealing with risks, including risk elimination by suspending the associated business activities, risk reduction by adopting appropriate control measures, risk transfer by outsourcing or purchasing insurance policies, and risk acceptance by choosing to accept risks of low priority.

- Measure: The Company measures its risk management by determining if changes have been implemented and if changes are effective. In the event of any weakness in control, the Company follows up by adjusting its risk management measures and reporting material issues to the Directors.

All divisions conducted internal control assessments regularly to identify risks that can potentially impact the business of the Group and various aspects including key operational and financial processes, regulatory compliance and information security.

The management, in coordination with division/department heads, assessed the likelihood of risk occurrence, provided treatment plans, and monitored the risk management progress, and reported to the Audit Committee and the Board all the findings and the effectiveness of the systems.

The management has reported to the Board and the Audit Committee, and confirmed the effectiveness and adequacy of the risk management and internal control systems for the Year.

In preparation for the Listing, the Company has engaged an independent internal control consultant to perform a detailed evaluation of the Group's internal control system including the areas of financial, operation, compliance and risk management with the aims of, among other matters, improving the Group's corporate governance and ensuring compliance with the applicable laws and regulations. Based on its internal control review, the independent internal control consultant concluded that it did not note any material deficiency over the Group's internal control mechanism.

RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

Pursuant to D.2.1 of the CG Code, the Board engaged an independent internal control consultant to review the effectiveness of the Group's risk management and internal control systems to assess their effectiveness and adequacy for the Year, whereby such systems have been considered to be effective and adequate, and no significant deficiency was noted. With a view to further enhancing the Group's internal control systems on an ongoing basis, the Group will continue to engage external professional advisers to conduct the relevant review and consider establishing a formal in-house internal audit department where necessary from time to time, taking into account the development of the business and the scale and complexity of our operation in the future.

DISCLOSURE OF INSIDE INFORMATION

The Group acknowledges its responsibilities under the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong and the GEM Listing Rules and the overriding principle that inside information should be announced promptly when it is the subject of a decision. The procedures and internal controls for the handling and dissemination of inside information are as follows:

- the Group conducts its affairs with close regard to the disclosure requirement under the GEM Listing Rules as well as the "Guidelines on Disclosure of Inside Information" published by the Securities and Futures Commission of Hong Kong in June 2012;

- the Group has implemented and disclosed its policy on fair disclosure by pursuing broad, non-exclusive distribution of information to the public through channels such as financial reporting, public announcements, circulars and the Company's website;

- the Group has strictly prohibited unauthorised use of confidential or inside information; and

- the Group has established and implemented procedures for responding to external enquiries about the Group's affairs, so that only the executive Directors are authorised to communicate with parties outside the Group.

COMPANY SECRETARY

The Company has appointed Mr. Lam Ming Fai ("**Mr. Lam M. F.**") to succeed Mr. Poon Tsz Hang as the Company Secretary since 6 May 2025. For further details, please refer to the announcement of the Company dated 6 May 2025.

Mr. Lam M. F. has many years of experience in the legal industry in Hong Kong. He is currently a partner of Messrs. D. S. Cheung & Co. specialising in corporate finance, corporate/commercial and compliance and regulatory matters. He is a practising solicitor under the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong) and a member of the Law Society of Hong Kong.

Mr. Lam M. F. is an external service provider for the purpose of code provision C.6.1 of the CG Code as he provides certain corporate secretarial services to the Company and the primary person at the Company with whom Mr. Lam M. F. has been contacting in respect of company secretarial matters is Ms. Kwong, the vice chairlady and an executive Director. Information in relation to the performance, financial position and other major developments and affairs of the Group are promptly delivered to Mr. Lam M. F. through the contact person assigned. Having in place a mechanism that Mr. Lam M. F. will get hold of the Group's development promptly without material delay and with his expertise and experience, the Board is confident that having Mr. Lam M. F. as the company secretary is beneficial to the Group's compliance with the relevant board procedures, applicable laws, rules and regulations.

Mr. Lam M. F. will attend the required minimum of 15 hours' relevant continuous professional development training during the year ending 31 March 2026 pursuant to Rule 5.15 of the GEM Listing Rules.

All members of the Board have access to the advice and services of the Company Secretary. The appointment and removal of the Company Secretary are subject to the Board's approval.

SHAREHOLDERS' RIGHTS

Procedures for Putting Forward Proposals at Shareholders' Meetings

There is no provision allowing Shareholders to make proposals or move resolutions at the AGMs under the Articles of Association or the laws of the Cayman Islands. Shareholders who wish to make proposals or move a resolution may, however, convene an extraordinary general meeting (the "**EGM**") in accordance with the "Procedures for Shareholders to convene an EGM" set out below.

Procedures for Shareholders to Convene an EGM

Any one or more Shareholders holding at the date of deposit of the requisition not less than 10% of the paid-up capital of the Company having the right of voting at general meetings of the Company (the "**Eligible Shareholder(s)**") shall at all times have the right, by written requisition to the Board or the Company Secretary, to require an EGM to be called by the Board for the transaction of any business specified in such requisition, including making proposals or moving a resolution at the EGM.

Eligible Shareholders who wish to convene an EGM for the purpose of making proposals or moving a resolution at the EGM must deposit a written requisition (the "**Requisition**") signed by the Eligible Shareholder(s) concerned (the "**Requisitionist(s)**") at the principal place of business of the Company in Hong Kong for the attention of the Company Secretary.

The Requisition must state clearly the name(s) of the Eligible Shareholder(s) concerned, his/her/their shareholding in the Company, the reason(s) to convene an EGM and the proposed agenda.

The Company will check the Requisition and the identity and shareholding of the Requisitionist(s) will be verified with the Company's branch share registrar in Hong Kong. If the Requisition is found to be proper and in order, the Company Secretary will ask the Board to convene an EGM and/or include the proposal(s) made or the resolution(s) proposed by the Requisitionist(s) at the EGM within two months after the deposit of the Requisition. On the contrary, if the Requisition has been verified as not in order, the Requisitionist(s) will be advised of the outcome and accordingly, the Board or the Company Secretary will not call for an EGM nor include the proposal(s) made or the resolution(s) proposed by the Requisitionist(s) at the EGM.

If within 21 days of the deposit of the Requisition the Board or the Company Secretary fails to proceed to convene an EGM, the Requisitionist(s) himself/herself/themselves may do so in the same manner, and all reasonable expenses incurred by the Requisitionist(s) as a result of the failure of the Board or the Company Secretary to convene the EGM shall be reimbursed to the Requisitionist(s) by the Company.

SHAREHOLDERS' RIGHTS (CONTINUED)

Procedures for Shareholders to Send Enquires to the Board

Shareholders may direct their enquiries about their shareholdings or their notification of change of correspondence address or their dividend/distribution instructions to the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong.

Shareholders may send their enquiries and concerns to the Board by post to the headquarters and principal place of business of the Company in Hong Kong at Room 1409-10, 14/F., Hong Kong Plaza, 186–191 Connaught Road West, Hong Kong (Telephone: (852) 2972-4111 Facsimile: (852) 3016-8662) for the attention of the Company Secretary or the Board.

Upon receipt of the enquiries, the Company Secretary or the Board will forward the communications relating to:

1. the matters within the Board's purview to the executive Directors;

2. the matters within a Board committee's area of responsibility to the chairman of the appropriate committee; and

3. ordinary business matters such as suggestions, enquiries and client complaints to the appropriate management of the Company.

COMMUNICATION WITH THE SHAREHOLDERS AND INVESTORS RELATIONS

The Company has adopted a Shareholders' communication policy with the objective of ensuring that the Shareholders' views and concerns are appropriately addressed, and that they will have equal and timely access to the information about the Company in order to enable the Shareholders to exercise their rights in an informed manner and allow them to engage actively with the Company. The policy is regularly reviewed to ensure its effectiveness. Upon review of the Shareholders' communication policy by the Company and having considered the different channels of communication with the Shareholders and that the policy has been able to facilitate an open and ongoing communication with the Shareholders on a fair disclosure basis, the Company is satisfied that the policy has been properly implemented during the Year and is appropriate and effective.

Information will be communicated to the Shareholders through the Company's financial reports, announcements, circulars, AGMs and EGMs that may be convened as well as all the published disclosures submitted to the Stock Exchange.

The Company keeps on promoting investor relations and enhancing communication with the existing Shareholders and potential investors. It welcomes suggestions from investors, stakeholders and the public. Enquiries to the Board or the Company may be sent by post to the Company's principal place of business in Hong Kong.

DIVIDEND POLICY

On 1 January 2019, the Board approved and adopted a dividend policy (the "**Dividend Policy**") as follows:

The declaration of payment of dividends is subject to the criteria set out in the Dividend Policy and shall remain to be determined at the sole discretion of the Board and subject to all applicable requirements under the Articles of Association and/or the Companies Law, Cap. 22 of the Cayman Islands.

The Board shall also take into account, inter alia, the Group's actual and expected business performance; stable and sustainable returns to the Shareholders; the expected working capital requirements and future expansion plans of the Group; retained earnings and distributable reserves of the Company as required by laws; business cycle on the operation of the Group and other internal or external factors that may have an impact on the business or financial performance and position of the Group; and other factors that the Board deems appropriate.

The Company will continually review the Dividend Policy and reserves the right in its sole and absolute discretion to update, amend and/or modify the Dividend Policy at any time. The Dividend Policy shall in no way constitute a legally binding commitment by the Company that dividends will be paid in any particular amount and/or in no way obligate the Company to declare a dividend at any time or from time to time.

WHISTLEBLOWING, ANTI-FRAUD AND ANTI-CORRUPTION POLICY

The Company is committed to maintaining the highest standards of conduct and integrity. The Company encourages its employees and those who deal with it (e.g., customers, contractors and suppliers) to report concerns about any malpractice and impropriety that come to their attention. Whistleblowing, anti-fraud and anti-corruption policy is in place to set out reporting channels and guidance on reporting possible malpractice, impropriety, bribery and fraud to the direct supervisor, team leader or senior management. Senior management will report any fraudulent activity upon investigation to the Audit Committee.

CONSTITUTIONAL DOCUMENTS

The Company adopted by a special resolution an amended and restated memorandum and articles of association on 2 August 2022 for the purpose of conforming to the amended Appendix 3 (renumbered as Appendix A1 since 31 December 2023) to the GEM Listing Rules which came into effect on 1 January 2022 and incorporating certain housekeeping changes. For further details, please refer to the announcements of the Company dated 29 June 2022 and 2 August 2022 and the circular of the Company dated 30 June 2022. The Company's amended and restated memorandum and articles of association are available on the websites of the Company and the Stock Exchange. Save as disclosed above, there was no change to the Company's memorandum and articles of association during the year ended 31 March 2025.

Directors' Report

The board of directors (the "**Directors**" and the "**Board**", respectively) of MS Concept Limited (the "**Company**"), together with its subsidiaries (the "**Group**") presents herewith their report for the year ended 31 March 2025 and the audited consolidated financial statements of the Group to the shareholders of the Company (the "**Shareholders**").

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activity of the Group is the provision of catering services in Hong Kong. Details of the principal activities of its major subsidiaries are set out in note 29 to the consolidated financial statements.

BUSINESS REVIEW

A fair review of the business together with a discussion and analysis of the Group for the year ended 31 March 2025 is set out in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" on pages 3 to 11 of this annual report.

FINANCIAL SUMMARY

A summary of the published results and of the assets and liabilities of the Group for the past five financial years is set out on page 116 of the annual report. The summary does not form part of the audited consolidated financial statements.

MAJOR SUPPLIERS AND CUSTOMERS

The Group's customers were mainly retail customers and the Group was not dependent on any single customer. As such, the Directors consider that it is not practicable to identify our five largest customers of our Group for the year ended 31 March 2025.

The Group's five largest suppliers together accounted for approximately 62.1% (2024: 62.4%) of the Group's total purchase for the year ended 31 March 2025. The largest supplier accounted for approximately 43.6% (2024: 44.4%) of the total purchase of the Group for the year ended 31 March 2025.

The Directors are of the view that customers and business partners are one of the keys to the sustainable development of the Group. Our Directors believe that our Group maintains good working relations with its business partners and it endeavours to improve the quality of services to the customers.

The Group stays connected with its customers and suppliers and has ongoing communication with them through various channels such as telephone, electronic mails and physical meetings to obtain their feedback and suggestions.

Save as disclosed under the section headed "Non-exempt continuing connected transactions" of this annual report, none of the Directors, any of their associates, or any Shareholder of the Company (which, to the best knowledge of the Directors, own more than 5% of the Company's share capital) had any significant beneficial interest in the major customers or suppliers.

Directors' Report

RESULTS AND DIVIDEND

The results of the Group for the year ended 31 March 2025 are set out in the consolidated statement of profit or loss and other comprehensive income on page 57 of this annual report.

The Board do not recommend the payment of a final dividend for the year ended 31 March 2025 (2024: Nil).

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in the prospectus of the Company dated 29 March 2018 (the "**Prospectus**") and in this annual report, the Group did not have other plans for material investments or capital assets as at 31 March 2025.

USE OF PROCEEDS FROM LISTING

On 16 April 2018 (the "**Listing Date**"), the Company completed its initial public offer (the "**IPO**"). For the use of net proceeds from the IPO, please refer to section headed "Use of Net Proceeds from the Listing" in the Management and Discussion Analysis of this annual report.

CHARITABLE DONATIONS

The Group made charitable donations totalling HK$36,000 during the year ended 31 March 2025 (2024: HK$36,000).

SHARE CAPITAL

Details of the Company's share capital and movements during the year ended 31 March 2025 are set out in note 26 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association of the Company (the "**Articles of Association**") or the laws of the Cayman Islands, which oblige the Company to offer new shares of the Company (the "**Shares**") on a pro-rata basis to existing Shareholders.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

The Company did not redeem any of its Shares listed and traded on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") during the year ended 31 March 2025; nor did the Company or any of its subsidiaries purchase or sell any of the Company's Shares (including sale of treasury shares (as defined under the GEM Listing Rules)) during the year ended 31 March 2025.

RESERVES

Details of the movements in the reserves of the Group and the Company during the year ended 31 March 2025 are set out in the consolidated statement of changes in equity on page 59 of this annual report and note 27(b) to the consolidated financial statements, respectively.

Directors' Report

DISTRIBUTABLE RESERVES

As at 31 March 2025, the Company's aggregate reserves available for distribution to equity shareholders of the Company, as calculated in accordance with the Companies Law, Cap 22 of the Cayman Islands, amounted to approximately HK$Nil (2024: HK$Nil) and retained profits and may be distributable provided that immediately following the date on which the dividend is proposed to be distributed, if any, the Company will be able to pay off its debts as and when they fall due in the ordinary course of business.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the Year are set out in note 16(a) to the consolidated financial statements.

DIRECTORS

The Directors who held office during the year ended 31 March 2025 and up to the date of this annual report were:

Executive Directors

Mr. Kwong Tai Wah ("**Mr. Kwong**") *(Chairman and Chief Executive Officer)*
Ms. Kwong Man Yui ("**Ms. Kwong**") *(Vice Chairlady)*
Mr. Lam On Fai ("**Mr. Lam**")

Independent Non-executive Directors (the "INEDs")

Mr. Lai Ming Fai Desmond ("**Mr. Lai**")
Dr. Cheng Lee Lung ("**Dr. Cheng**")
Mr. Kwok Yiu Chung ("**Mr. Kwok**")

Pursuant to article 84(1) of the Articles of Association, at each annual general meeting of the Company (the "**AGM**"), one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an AGM at least once every three years. According to article 84(2) of the Articles of Association, the Directors to retire by rotation shall include (so far as necessary to ascertain the number of Directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been the longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. At the forthcoming AGM (the "**2025 AGM**"), Ms. Kwong and Dr. Cheng will retire from office as Directors by rotation and, being eligible, will offer themselves for re-election at the 2025 AGM.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision for the benefit of the Directors is currently in force. Pursuant to the Articles of Association, every Director, independent auditors, secretary or other officers of the Company shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices. The Company has taken out and maintained appropriate directors' liability insurance cover in respect of potential legal actions brought against its Directors.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

The biographical details of the Directors and the senior management of the Company are set out on pages 12 and 13 of this annual report.

DIRECTORS' SERVICE CONTRACTS

Each of our executive Directors has entered into a service agreement with the Company and each of our INEDs has entered into a letter of appointment with the Company for an initial term of three years commencing on 23 March 2024, which may be terminated by not less than three months' and one month's notice served by either party on the other respectively, and is subject to the termination provisions therein and the provisions on retirement by rotation of Directors as set out in the Articles of Association.

Save as disclosed above, none of the Directors proposed for re-election at the 2025 AGM has a service agreement or letter of appointment with the Company, which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

EMOLUMENTS OF THE DIRECTORS AND THE FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors and the five highest paid individuals of the Group are set out in notes 11 and 12 to the consolidated financial statements, respectively. The remuneration committee of the Company will review and determine the remuneration and compensation packages of the Directors by reference to their responsibilities, workload and time devoted to the Group and the performance of the Group.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

A master supply agreement was entered into between Elite Fresh Food Company Limited ("**Elite**"), a company owned by the parties connected with the controlling shareholders (as defined in the GEM Listing Rules of the Company and MS Restaurant Group Limited ("**MS Restaurant**"), a wholly-owned subsidiary of the Company on 21 December 2022 (the "**MS Agreement**"), pursuant to which the Group will purchase chilled and frozen meat and seafood and other food ingredients from Elite for the three financial years ending 31 March 2026 in accordance with the terms of the MS Agreement. For further details, please refer to the announcement and circular of the Company dated 21 December 2022 and 3 February 2023, respectively.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS (CONTINUED)

Save as disclosed, none of the Directors had a material interest, whether directly or indirectly, in any contract, agreement or arrangement of significance to the business of the Group to which the Company or any of its subsidiaries was a party at any time during or at the end of the year ended 31 March 2025.

As at 31 March 2025, no contract, agreement or arrangement of significance had been entered into between the Company, or any of its subsidiaries and the controlling shareholders of the Company or any of its subsidiaries.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR SIGNIFICANT CONTRACTS

Apart from the transactions disclosed in note 28 to the consolidated financial statements, no other transactions, arrangements and contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted at any time during or at the end of the year ended 31 March 2025.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

1. Master Supply Agreement

Pursuant to the MS Agreement made between Elite and MS Restaurant, a wholly-owned subsidiary of the Company, our Group will purchase chilled and frozen meat and seafood and other food ingredients from Elite for the three financial years ending 31 March 2026 in accordance with the terms of the MS agreement. Since Elite is owned as to 50%, 25% and 25% by Ms. Ip Yin King Ingrid ("**Ms. Ingrid Ip**"), Mr. Kwong Tai Wing Joseph ("**Mr. Joseph Kwong**") and Ms. Kwong Ching Yee Melanie ("**Ms. Melanie Kwong**"), respectively, who are our controlling shareholders (which has the meaning ascribed to this term under the GEM Listing Rules), Elite is a connected person of our Company and the transactions contemplated under the MS Agreement, therefore, constitute the continuing connected transactions for our Group under Chapter 20 of the GEM Listing Rules.

The annual caps for the three years ending 31 March 2026 are HK$44 million, HK$53 million and HK$59 million, respectively (the "**Annual Caps**").

During the year ended 31 March 2025, the total purchases of food from Elite by the Group were within the Annual Caps and amounted to HK$44,989,000 (2024: HK$35,767,000). The Company confirms that the Company has complied with the reporting and annual review requirements under Chapter 20 of the GEM Listing Rules in respect of the continuing connected transactions set out above. The Company confirms that it has followed the policies and guidelines as set out in the Stock Exchange's Guidance Letter GL73-14 during the year ended 31 March 2025. The Directors, including the INEDs, consider that the continuing connected transactions above and the Annual Caps are fair and reasonable, and that such transactions have been entered into and will be carried out in the ordinary and usual course of the business of the Group, on normal commercial terms, are fair and reasonable, and in the interests of the Shareholders as a whole.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

2. Review by INEDs and Independent Auditors

The INEDs have reviewed the above continuing connected transactions and confirmed that in respect of the MS Agreement, the transactions were carried out during the year (1) in the ordinary and usual course of business of the Group; (2) on normal commercial or better terms; and (3) according to the relevant agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

The independent auditors of the Company have performed procedures on the above continuing connected transactions of the Company and issued a letter to the Board confirming that:

(1) nothing has come to their attention that causes them to believe the above continuing connected transactions have not been approved by the Board;

(2) for transactions involving the provision of goods or services by the Group, nothing has come to their attention that causes them to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group;

(3) nothing has come to their attention that causes them to believe the transactions were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and

(4) nothing has come to their attention that causes them to believe that the above continuing connected transactions have exceeded the annual cap.

The material related party transactions entered into by our Group are set out in note 28 to the consolidated financial statements to this annual report.

Save as disclosed above, none of the related party transactions constituted a connected transaction or continuing connected transaction (as defined in the GEM Listing Rules) that was required to be disclosed. All the connected transactions or continuing connected transactions had complied with the disclosure requirements of the GEM Listing Rules.

ANNUAL GENERAL MEETING

2025 AGM will be held at 11:00 a.m. on Friday, 1 August 2025 at Training Room 1, Level 3, Core F, Cyberport 3, 100 Cyberport Road, Hong Kong and the notice of the 2025 AGM will be published and despatched in accordance with the requirements under the Company's articles of association and GEM Listing Rules in due course.

Directors' Report

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement of the Shareholders to attend and vote at the 2025 AGM, the register of members of the Company will be closed from Monday, 28 July 2025 to Friday, 1 August 2025 (both days inclusive), during which period no transfer of Shares will be registered. In order to qualify for attending and voting at the 2025 AGM, the non-registered Shareholders must lodge all duly completed share transfer forms accompanied by the relevant share certificates with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Friday, 25 July 2025.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is devoted to promoting and maintaining the environmental and social sustainable development and has implemented a wide variety of green measures. The Group's operations has complied in all material respects with currently applicable local environmental protection laws and regulations in Hong Kong during the year under review. A separate environmental, social and governance report will be published on the respective websites of the Stock Exchange and the Company together with this annual report.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

As far as the Board is aware, the Group has complied with the relevant laws and regulations that may cause a significant impact on the business and operations of the Group during the year under review.

RELATIONSHIP WITH SUPPLIERS, CUSTOMERS AND OTHER STAKEHOLDERS

The Group understands the importance of maintaining a good relationship with its suppliers, customers and other stakeholders in order to meet its immediate and long-term goals. During the year under review, there was no material or significant dispute between the Group and its suppliers, customers and other stakeholders.

COMPETITION AND CONFLICT OF INTERESTS

The Directors are not aware of any business and interest of the Directors nor the controlling shareholders of the Company nor any of their respective close associates (as defined in the GEM Listing Rules) that competed or might compete, directly or indirectly, with the business of the Group and any other conflict of interests which any such person had or might have with the Group during the year ended 31 March 2025.

Pursuant to a non-competition deed dated 23 March 2018 and executed by Mr. Kwong, Ms. Ingrid Ip, Ms. Kwong, Mr. Joseph Kwong, Ms. Melanie Kwong and Future More Company Limited ("**Future More**") (the "**Deed of Non-competition**"), each of them has undertaken to the Company that it/he/she will not engage in, and shall procure its/his/her close associates (other than members of the Group) not to engage in, any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group. Details of the Deed of Non-competition have been disclosed in the section headed "Relationship with our Controlling Shareholders – Non-competition Undertaking" of the Prospectus.

The Company has received from each of Mr. Kwong, Ms. Ingrid Ip, Ms. Kwong, Mr. Joseph Kwong, Ms. Melanie Kwong and Future More a written confirmation that it/he/she has fully complied with its/his/her obligations under the Deed of Non-competition. The INEDs have reviewed and were satisfied that each of Mr. Kwong, Ms. Ingrid Ip, Ms. Kwong, Mr. Joseph Kwong, Ms. Melanie Kwong and Future More had complied with and enforced the provisions of the Deed of Non-competition during the period from the Listing Date and up to the date of this report.

INDEPENDENCE CONFIRMATION

The Company has received a written confirmation from each of the INEDs regarding his independence in accordance with Rule 5.09 of the GEM Listing Rules and therefore considers each of them to be independent.

Directors' Report

INTERESTS AND SHORT POSITIONS OF DIRECTORS AND THE CHIEF EXECUTIVES IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 March 2025, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**")), which were required to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required to be entered into the register of the Company to be kept under Section 352 of the SFO, or which were otherwise required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Long positions in the shares of the Company (the "Shares")

Name of Directors	Capacity/Nature of interest	Number of Shares	Percentage of shareholding (Note 3)
Mr. Kwong (Notes 1 and 2)	Interest of controlled corporation; interests held jointly with another person	750,000,000	75%
Ms. Kwong (Notes 1 and 2)	Interest of controlled corporation; interests held jointly with another person	750,000,000	75%
Mr. Kwok Yiu Chung	Beneficial owner	1,170,000	0.12%

Notes:

1. On 23 November 2017, Mr. Kwong, Ms. Ingrid Ip, Ms. Kwong, Mr. Joseph Kwong and Ms. Melanie Kwong entered into a concert party deed (the "**Concert Party Deed**") to acknowledge and confirm, among other things, that each of them has acted and shall continue to act in concert in respect of each of Meric Investment Limited ("**Meric Investment**"), Lord Master Limited ("**Lord Master**") and the Company. Details of the Concert Party Deed are set out in the section headed "History, Development and Reorganisation – Parties acting in concert" of the Prospectus. As such, pursuant to the parties acting in concert arrangement, each of Mr. Kwong, Ms. Ingrid Ip, Ms. Kwong, Mr. Joseph Kwong and Ms. Melanie Kwong is deemed to be interested in the Shares registered in the name of Future More (i.e. 75% of the issued share capital of the Company) by virtue of the SFO.

2. As at 31 March 2025, Future More held 750,000,000 Shares and Future More was owned as to 14% by Mr. Kwong, 18% by Ms. Ingrid Ip, 18% by Ms. Kwong, 25% by Mr. Joseph Kwong and 25% by Ms. Melanie Kwong respectively. Mr. Kwong was the sole director of Future More.

3. These percentages are calculated on the basis of 1,000,000,000 Shares in issue as at 31 March 2025.

INTERESTS AND SHORT POSITIONS OF DIRECTORS AND THE CHIEF EXECUTIVES IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS (CONTINUED)

Long positions in the shares of associated corporation

Name of Directors	Name of associated corporation	Capacity	Number of ordinary shares held	Percentage of shareholding
Mr. Kwong	Future More	Interests held jointly with another person; beneficial owner	14	14%
Ms. Kwong	Future More	Interests held jointly with another person; beneficial owner	18	18%

Save as disclosed above and so far as is known to the Directors, as at 31 March 2025, none of the Directors and chief executive of the Company had any interests or short positions in the Shares, underlying shares or debentures of the Company or any of 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 under Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be entered into the register of the Company to be kept under Section 352 of the SFO, or which were otherwise required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

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

As at 31 March 2025 and so far as is known to the Directors, the following entities or persons (other than the Directors or chief executive of the Company) had interests and short positions in the Shares or underlying Shares, which were required to be notified to the Company under Divisions 2 and 3 of Part XV of the SFO or as recorded in the register of the Company required to be kept under Section 336 of the SFO were as follows:

Long positions in the Shares

Name of substantial shareholders	Capacity/Nature of interests	Number of Shares held	Percentage of shareholding (Note 3)
Future More (Notes 1 and 2)	Beneficial owner	750,000,000	75%
Ms. Ingrid Ip (Notes 1 and 2)	Interest of controlled corporation; interests held jointly with another person	750,000,000	75%
Mr. Joseph Kwong (Notes 1 and 2)	Interest of controlled corporation; interests held jointly with another person	750,000,000	75%
Ms. Melanie Kwong (Notes 1 and 2)	Interest of controlled corporation; interests held jointly with another person	750,000,000	75%

Notes:

1. Pursuant to the Concert Party Deed, Mr. Kwong, Ms. Ingrid Ip, Ms. Kwong, Mr. Joseph Kwong and Ms. Melanie Kwong have agreed to acknowledge and confirm, among other things, that each of them has acted and will continue to act in concert in respect of each of Meric Investment, Lord Master and the Company. Details of the Concert Party Deed are set out in the section headed "History, Development and Reorganisation – Parties acting in concert" of the Prospectus. As such, pursuant to the parties acting in concert arrangement, each of Mr. Kwong, Ms. Ingrid Ip, Ms. Kwong, Mr. Joseph Kwong and Ms. Melanie Kwong is deemed to be interested in the Shares registered in the name of Future More (i.e. 75% of the issued share capital of the Company) by virtue of the SFO.

2. Future More is a company incorporated in the British Virgin Islands. As at 31 March 2025, Future More was owned as to 14% by Mr. Kwong, 18% by Ms. Ingrid Ip, 18% by Ms. Kwong, 25% by Mr. Joseph Kwong and 25% by Ms. Melanie Kwong, respectively.

3. These percentages are calculated on the basis of 1,000,000,000 Shares in issue as at 31 March 2025.

Save as disclosed above, as at 31 March 2025, the Directors were not aware of any interests or short positions owned by any entities or persons (other than the Directors or chief executive of the Company) in the Shares or underlying shares of the Company, which were required to be disclosed under Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of the Company under Section 336 of the SFO.

SHARE OPTION SCHEME

The following is a summary of the principal terms of the rules of the share option scheme (the "**Share Option Scheme**") conditionally adopted by the resolutions in writing of all the Shareholders passed on 23 March 2018 (the "**Adoption Date**"). The Share Option Scheme became effective on the Listing Date. The terms of the Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

(a) Purpose

The Share Option Scheme enables the Company to grant options to subscribe for the Shares (the "**Options**") to any Director, employee or officer, consultant, professional, customer, supplier, agent, partner or adviser of or contractor to the Company or any of the subsidiaries (the "**Eligible Person(s)**"), as incentives or rewards for their contributions to our Group.

(b) Participants

The basis of eligibility of any person to the grant of any Option shall be determined by our Board from time to time on the basis of his or her contribution or potential contribution to the development and growth of our Group.

(c) Grant of Options

Our Board shall not offer the grant of Options to any Eligible Persons after an inside information has come to our Company's knowledge until we have announced the information in accordance with the requirements of the GEM Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of (a) the date of our Board meeting (as such date is first notified to the Stock Exchange in accordance with the GEM Listing Rules) for the approval of our Company's results for any year, half-year, quarter-year period or any other interim period (whether or not required under the GEM Listing Rules), and (b) the deadline for our Company to publish an announcement of our results for any year, half-year or quarter-year period under the GEM Listing Rules or any other interim period (whether or not required under the GEM Listing Rules), and ending on the date of the results announcement. The period during which no Option may be granted will cover any period of delay in the publication of a results announcement.

Subject to paragraph (k) below, the total number of Shares issued and to be issued upon exercise of the Options granted and to be granted to a participant under the Share Option Scheme and other schemes (including both exercised and outstanding Options) in any 12-month period must not exceed 1% of the Shares from time to time in issue, and provided that if approved by Shareholders in general meeting with such participant and his or her close associates (or his or her associates if the participant is a connected person) abstaining from voting, our Company may make a further grant of Options to such participant (the "**Further Grant**") notwithstanding that the Further Grant would result in the total number of Shares issued and to be issued upon exercise of the Options granted and to be granted under the Share Option Scheme and other schemes to such participant (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of the Further Grant representing in aggregate over 1% of the Shares from time to time in issue. In relation to the Further Grant, our Company must send a circular to our Shareholders, which discloses, amongst other, information from time to time as required by the GEM Listing Rules, the number and the terms of the Options to be granted. The number and terms (including the exercise price) of the Option which is the subject of the Further Grant shall be fixed before the relevant Shareholders' meeting and the date of meeting of our Board for proposing the Further Grant should be taken as the date of grant for the purpose of calculating the exercise price.

SHARE OPTION SCHEME (CONTINUED)

(d) Exercise Price

The exercise price for any Shares under the Share Option Scheme will be a price determined by our Board and notified to each participant and shall be at least the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the Options, which must be a trading day; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of grant of the relevant Options; and (iii) the nominal value of a Share on the date of the grant.

(e) Maximum number of Shares

(i) The total number of Shares which may be issued upon the exercise of all Options to be granted under the Share Option Scheme and other schemes must not in aggregate exceed 10% of the Shares in issue as at the Listing Date (the "**Scheme Mandate Limit**") unless approved by the Shareholders pursuant to the terms of the Share Option Scheme. Options lapsed in accordance with the terms of the Share Option Scheme or other schemes will not be counted for the purpose of calculating the Scheme Mandate Limit. On the basis of 1,000,000,000 Shares in issue on the Listing Date, the Scheme Mandate Limit will be equivalent to 100,000,000 Shares, representing 10% of the Shares in issue as at the Listing Date.

(ii) The Scheme Mandate Limit may be renewed by our Shareholders in general meeting provided always that to the extent that the total number of Shares which may be issued upon exercise of all Options to be granted under the Share Option Scheme and other schemes under the Scheme Mandate Limit so renewed must not exceed 10% of the Shares in issue as at the date of such Shareholders' approval provided that Options previously granted under the Share Option Scheme and other schemes (including those exercised, outstanding, cancelled or lapsed in accordance with the terms thereof) shall not be counted for the purpose of calculating the Scheme Mandate Limit as renewed. In relation to the Shareholders' approval referred to in this paragraph (ii), our Company shall send a circular to our Shareholders containing the information from time to time as required by the GEM Listing Rules.

(iii) Subject to the terms of the Share Option Scheme and the approval of Shareholders in general meeting, our Company may also grant Options beyond the Scheme Mandate Limit provided that Options in excess of the Scheme Mandate Limit are granted only to Eligible Persons specifically identified by our Company before such Shareholders' approval is sought. In relation to the Shareholders' approval referred to in this paragraph (iii), our Company shall send a circular to our Shareholders containing such relevant information from time to time as required by the GEM Listing Rules.

(iv) Notwithstanding the foregoing, no Options may be granted by our Company if the maximum number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme and other schemes in aggregate exceeds 30% of the Shares in issue from time to time.

SHARE OPTION SCHEME (CONTINUED)

(e) Maximum number of Shares (Continued)

No Option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since the Listing Date and up to 31 March 2025 and thereafter up to the date of this annual report. Accordingly, the total number of Shares available for issue under the Share Option Scheme is 100,000,000 Shares, representing 10% of the issued Shares as at the date of this annual report.

(f) Time of exercise of Option

An Option may be exercised in accordance with the terms of the Share Option Scheme at any time during the applicable option period, provided that, amongst others, the period within which the Option must be exercised shall not be more than 10 years from the date on which that Option is deemed to have been granted. The exercise of an Option may be subject to the achievement of performance target and/or any other conditions to be notified by our Board to each participant, which our Board may in its absolute discretion determine.

(g) Rights are personal to grantee

An Option shall be personal to the participant and shall not be assignable or transferable and no participant shall in any way sell, transfer, charge, mortgage, encumber or create any interest whether legal or beneficial in favour of any third party over or in relation to any Option. Any breach of the foregoing by the participant shall entitle our Company to cancel any Option or any part thereof granted to such Participant (to the extent not already exercised) without incurring any liability on our Company.

(h) Vesting period

There is no minimum period for which an option granted must be held before it can be exercised except otherwise imposed by the Board.

(i) Amount payable on application or acceptance of the Option and the period within which payments or calls must or may be made, or loans for such purposes must be repaid

The Eligible Person shall remit HK$1.00 to our Company as consideration for the grant upon acceptance of the Option. The Option shall be offered for acceptance for a period of not less than 5 business days from the date on which the Option is granted. For the purpose of this paragraph (i), a business day shall mean any day other than a Saturday, Sunday or public holiday in Hong Kong.

SHARE OPTION SCHEME (CONTINUED)

(j) Period of Share Option Scheme

The Share Option Scheme shall be valid and effective for a period of 10 years commencing on the Listing Date, after which no further Options will be issued but the provisions of the Share Option Scheme shall remain in full force and effect in all other respects and the Options granted during the life of the Share Option Scheme may continue to be exercisable in accordance with their terms of issue.

The Board may impose such terms and conditions on the offer of Option(s) either on a case-by-case basis or generally as are not inconsistent with the Share Option Scheme, including but not limited to the minimum period for which such an Option must be held, if applicable.

(k) Granting of Options to a director, chief executive or substantial shareholder of our Company or any of their respective associates

Any grant of Options to any Director, chief executive or substantial shareholder of our Company, or any of their respective associates, must be approved by the INEDs (excluding any INED who is a proposed participant). If a grant of Options to a substantial shareholder of our Company or an INED, or any of their respective associates will result in the total number of the Shares issued and to be issued upon exercise of the Options granted and to be granted (including the Options exercised, cancelled and outstanding) to such person in any 12-month period up to and including the date of the grant (i) representing in aggregate over 0.1% (or such other percentage as may from time to time specified by the Stock Exchange) of the Shares in issue, and (ii) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK$5 million, such further grant of Options must be approved by our Shareholders on a poll in a general meeting. The participant, his or her associates and all core connected persons of our Company must abstain from voting in favour at such general meeting. Our Company will send a circular to our Shareholders containing the information as required under the GEM Listing Rules. In addition, Shareholders' approval as described above will also be required for any change in terms of the Options granted to a participant who is a substantial shareholder of our Company, an INED or any of their respective associates. The circular must contain the following:

(i) details of the number and terms of the Options (including the exercise price relating thereto) to be granted to each Eligible Person, which must be fixed before the relevant Shareholders' meeting, and the date of Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the Exercise Price;

(ii) a recommendation from our INEDs (excluding any INED who is a proposed participant) to the independent Shareholders as to voting; and

(iii) all the information as required under the GEM Listing Rules from time to time.

For the avoidance of doubt, the requirements for the granting of Options to a Director or chief executive of our Company set out in this paragraph do not apply where the Eligible Person is only a proposed Director or proposed chief executive of our Company.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

As far as the Directors are aware, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the year ended 31 March 2025, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

MANAGEMENT CONTRACTS

No contracts (except for the service contracts of the executive Directors) concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Year.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A separate environmental, social and governance report will be published on the respective websites of the Stock Exchange and the Company together with this annual report.

PRINCIPAL RISKS AND UNCERTAINTIES

The followings are the principal risks and uncertainties faced by the Group, which may materially adversely affect our business, financial condition or results of operations:

– If we are unable to find suitable premises with commercially reasonable lease terms when we relocate or open new restaurants, or if we negotiate the terms of renewal with the landlords before the expiry of the lease agreements, we cannot assure that we would be able to renew such lease agreements on terms acceptable to us, in which cases our operation, relocation plans or expansion plans may be delayed or disrupted and our results of operation and financial conditions could be adversely affected.

– Substantial cost such as rental deposits, renovation cost and cost on utensils would be incurred for the opening of new restaurants. Our ability to successfully open new restaurants is subject to risks and uncertainties, such as securing lease agreements for suitable locations and on reasonable terms, obtaining all the necessary licences and permits in a timely manner, recruiting qualified employees and ensuring timely delivery of renovation works. In addition, a new restaurant generally generates lower profit due to lower sales and higher start-up operating costs in the initial stage and requires a period of time from its opening to achieve the breakeven, which may place substantial strain on the managerial, operational and financial resources of our Group.

– Statutory minimum wage rate in Hong Kong was raised to HK$42.1 per hour with effect from 1 May 2025. If there is any further increase in the statutory minimum wage rate in Hong Kong, our staff costs would likely increase correspondingly. As wages increase, competition for qualified employees also increases, which may indirectly result in a further increase in our staff costs. Given the competitive market environment in Hong Kong, we may not be able to increase our prices high enough to pass these increased staff costs onto our customers, in which case our business and results of operations would be affected.

Directors' Report

CORPORATE GOVERNANCE CODE

In the opinion of the Directors, except for deviations from code provisions C.2.1 and C.6.1 as set out in the Corporate Governance Code contained in Appendix C1 of the GEM Listing Rules (the "**CG Code**") which is explained in the section headed "Corporate Governance Report", the Group has complied with all code provisions as set out in the CG Code throughout the accounting period covered by this annual report. A report on the principal corporate governance practices adopted by the Company is set out in the section headed "Corporate Governance Report" of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, it is confirmed that the Company has maintained a sufficient public float (i.e. at least 25% of the issued Shares in public hands) as required under the GEM Listing Rules throughout the period from the Listing Date to the date of this annual report.

AUDIT COMMITTEE

The Audit Committee has reviewed together with the management and external auditor the accounting principles and policies adopted by the Group, discussed internal controls and financial reporting matters and the audited consolidated financial statements for the year ended 31 March 2025.

RELIEF OF TAXATION

The Company is not aware of any relief from taxation available to the Shareholders by reason of their holding of the Shares.

EVENTS AFTER THE REPORTING PERIOD

On 16 May 2025, Lord Restaurant HP Limited (a wholly-owned subsidiary of the Company) as tenant, signed and returned an offer letter to Best Profit Limited as landlord to renew the lease of the premises of the restaurant operating under the brand "犇殿" located at Olympian City 3, West Kowloon for a term of three years from 26 May 2025 to 25 May 2028 (both days inclusive). For further details, please refer to the announcement of the Company dated 16 May 2025.

On 16 June 2025, Lord Restaurant Limited (a wholly-owned subsidiary of the Company) as tenant, signed and returned a new tenancy agreement to Market Century Global Limited as landlord to renew the lease of the premises of the restaurant operating under the brand "Mr. Steak – Buffet à la minute" located at the World Trade Centre, Causeway Bay for a term of three years from 1 December 2025 to 30 November 2028 (both days inclusive). For further details, please refer to the announcement of the Company dated 16 June 2025.

Save as disclosed above, the Directors are not aware of any significant event requiring disclosure that has taken place subsequent to 31 March 2025 and up to the date of this annual report.

INDEPENDENT AUDITORS

The consolidated financial statements of the Company for the year ended 31 March 2025 have been audited by HLB Hodgson Impey Cheng Limited, the independent auditors, which will retire and, being eligible, offer themselves for re-appointment.

A resolution will be proposed at the 2025 AGM to re-appoint HLB Hodgson Impey Cheng Limited as the independent auditors of the Company until the conclusion of the next AGM and to authorise the Board to fix their remuneration.

On behalf of the Board
Kwong Tai Wah
Chairman

Hong Kong, 24 June 2025

Independent Auditors' Report

國衛會計師事務所有限公司
HODGSON IMPEY CHENG LIMITED

31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

TO THE SHAREHOLDERS OF
MS CONCEPT LIMITED
(Incorporated in Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of MS Concept Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 57 to 115, which comprise the consolidated statement of financial position as at 31 March 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the HKICPA. Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the consolidated financial statements*" section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "**Code**"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statement of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Impairment on property, plant and equipment and right-of-use assets	
Refer to note 16(a) and note 16(b) to the consolidated financial statements. As at 31 March 2025, the carrying amounts of property, plant and equipment and right-of-use assets are HK$7,166,000 and HK$43,428,000 respectively, after taking into account the impairment loss that have been recognised respectively. Impairment loss of approximately HK$588,000 and HK$2,323,000 were recognised for certain of property, plant and equipment and certain of right-of-use assets respectively. We identified the impairment of property, plant and equipment and right-of-use assets as a key audit matter due to the significant judgement and estimates involved in assessment of the recoverable amounts of property, plant and equipment and right-of-use assets based on value-in-use calculations.	Our procedures in relation to management's impairment assessment including but not limited to: • Assessing the appropriateness of the methodology, key assumptions and estimates used in management's discount cash flow projections, based on our knowledge of the relevant industry and using our valuation experts; • Evaluating management's identification of impairment indicators and considering whether the discounted cash flow forecasts on a restaurant-by-restaurant basis supported the carrying value of the relevant assets, and assessing the methodology adopted by management in the preparation of the discounted cashflow forecasts with reference to the requirements of the prevailing accounting standards; and • Considering the reasonableness of the Group's disclosures in the consolidated financial statements to the requirements of the prevailing accounting standards. We found that the key assumptions used by management in the impairment assessment of property, plant and equipment and right-of-use assets were supportable by available evidence.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises all the information included in the annual report, but does not include in the consolidated financial statements and our auditors' report thereon (the "**Other Information**").

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the Other Information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement director on the audit resulting in this independent auditors' report is Lee Pak Kin.

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Lee Pak Kin
Practising Certificate Number: P08262

Hong Kong, 24 June 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
Revenue	7	**253,468**	225,719
Cost of inventories sold		**(103,556)**	(80,229)
Gross profit		**149,912**	145,490
Other revenue and other income	8	**449**	439
Staff costs		**(78,685)**	(72,715)
Depreciation		**(35,066)**	(37,132)
Rentals and related expenses		**(14,820)**	(14,214)
Fuel and utility expenses		**(7,026)**	(6,371)
Impairment losses on property, plant and equipment and right-of-use assets		**(2,911)**	(10,514)
Administrative expenses		**(22,513)**	(20,816)
Finance costs	9	**(5,236)**	(2,897)
Loss before tax	10	**(15,896)**	(18,730)
Income tax (expense)/credit	13	**(1,304)**	121
Loss and total comprehensive expense for the year		**(17,200)**	(18,609)
Loss and total comprehensive expense for the year attributable to owners of the Company		**(17,200)**	(18,609)
Loss per share			
Basic and diluted loss per share (HK cents)	15	**(1.72)**	(1.86)

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

At 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
Non-current assets			
Property, plant and equipment	16(a)	**7,166**	9,976
Right-of-use assets	16(b)	**43,428**	67,511
Deferred tax assets	17	**2,800**	3,906
Non-current rental deposits	20	**6,127**	8,938
		59,521	90,331
Current assets			
Inventories	18	**501**	849
Trade receivables	19	**596**	2,755
Deposits, prepayments and other receivables	20	**9,838**	8,930
Pledged deposits	21	**3,574**	2,087
Cash and cash equivalents	22	**17,526**	29,099
		32,035	43,720
Current liabilities			
Trade payables	23	**17,956**	17,631
Accruals and other payables	24	**6,435**	5,773
Provision for reinstatement costs	24	**1,004**	840
Contract liabilities	25	**326**	181
Lease liabilities	16(b)	**28,229**	32,550
Tax payable		**198**	71
		54,148	57,046
Net current liabilities		**(22,113)**	(13,326)
Total assets less current liabilities		**37,408**	77,005
Non-current liabilities			
Provision for reinstatement costs	24	**2,060**	2,434
Lease liabilities	16(b)	**24,447**	46,470
		26,507	48,904
Net assets		**10,901**	28,101
Capital and reserve			
Share capital	26	**10,000**	10,000
Reserve		**901**	18,101
Total equity		**10,901**	28,101

The consolidated financial statements were approved and authorised for issue by the board of directors on 24 June 2025 and signed on its behalf by:

Kwong Tai Wah
Director

Kwong Man Yui
Director

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2025

	Share capital HK$'000	Share premium HK$'000	Retained profits/ (accumulated losses) HK$'000	Total equity HK$'000
At 1 April 2023	10,000	31,939	4,771	46,710
Loss and total comprehensive expense for the year	–	–	(18,609)	(18,609)
At 31 March 2024 and 1 April 2024	10,000	31,939	(13,838)	28,101
Loss and total comprehensive expense for the year	–	–	(17,200)	(17,200)
At 31 March 2025	**10,000**	**31,939**	**(31,038)**	**10,901**

Consolidated Statement of Cash Flows

For the year ended 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
Cash flows from operating activities			
Loss before tax		**(15,896)**	(18,730)
Adjustments for:			
Finance costs	9	**5,236**	2,897
Interest income	8	**(116)**	(60)
Loss on disposals and written-off of property, plant and equipment		**1**	13
Impairment loss on property, plant and equipment	16(a)	**588**	1,345
Impairment loss on right-of-use assets	16(b)	**2,323**	9,169
Depreciation of property, plant and equipment	16(a)	**4,008**	3,949
Depreciation of right-of-use assets	16(b)	**31,058**	33,183
Operating cash flows before movements in working capital		**27,202**	31,766
Decrease/(Increase) in inventories		**348**	(172)
Decrease/(Increase) in trade receivables		**2,159**	(2,005)
Decrease/(Increase) in deposits, prepayments and other receivables		**1,903**	(8)
Increase in trade payables		**325**	689
Increase in accruals and other payables		**662**	729
Increase in contract liabilities		**145**	17
Decrease in provision for reinstatement costs		**(210)**	(210)
Cash generated from operations		**32,534**	30,806
Income tax paid		**(71)**	(457)
Net cash generated from operating activities		**32,463**	30,349
Cash flows from investing activities			
Interest received		**116**	60
Purchase of property, plant and equipment	16(a)	**(1,827)**	(6,094)
Proceeds from disposals of property, plant and equipment		**40**	–
Placement of pledged deposits		**(1,487)**	(29)
Net cash used in investing activities		**(3,158)**	(6,063)
Cash flows from financing activities			
Interest paid		**(5,236)**	(2,930)
Repayments of principal portion of lease liabilities		**(35,642)**	(33,838)
Repayment of bank borrowings		**–**	(3,293)
Net cash used in financing activities		**(40,878)**	(40,061)
Net decrease in cash and cash equivalents		**(11,573)**	(15,775)
Cash and cash equivalents at the beginning of the year		**29,099**	44,874
Cash and cash equivalents at the end of the year		**17,526**	29,099

The accompanying notes form an integral part of these consolidated financial statements.

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands on 8 November 2017 as an exempted company with limited liability under the Companies Law, Cap. 22 of the Cayman Islands. The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company in Hong Kong is located at Room 1409-1410,14/F, Hong Kong Plaza, 186–191 Connaught Road West, Hong Kong. In the opinion of the directors, the immediate and ultimate holding company of the Company is Future More Company Limited ("**Future More**"), a company incorporated in the British Virgin Islands (the "**BVI**") with limited liability.

The Company's shares are listed on Growth Enterprises Market ("**GEM**") of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The Company is an investment holding company and the Group is principally engaged in provision of catering services in Hong Kong.

The consolidated financial statements are presented in Hong Kong dollar ("**HK$**"), which is also the functional currency of the Company and all values are rounded to the nearest thousand ("**HK$'000**"), unless otherwise stated.

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for the first time, which are mandatorily effective for the Group's annual period beginning on or after 1 April 2024 for the preparation of the consolidated financial statements:

HKAS 1 (Amendments)	Classification of Liabilities as Current or Noncurrent and related amendments to Hong Kong Interpretation 5 (2020)
HKAS 1 (Amendments)	Non-current Liabilities with Covenants
HKFRS 16 (Amendments)	Lease Liability in a Sale and Leaseback
HKAS 7 and HKFRS 7 (Amendments)	Supplier Finance Arrangements

The application of the amendments to HKFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONTINUED)

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKAS 21 (Amendments)	Lack of Exchangeability[1]
HKFRS 9 and HKFRS 7 (Amendments)	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[3]
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures[4]

1 Effective for the accounting period beginning on or after 1 January 2025
2 Effective for the accounting period beginning on or after 1 January 2026
3 Effective for the accounting period beginning on or after 1 January 2027
4 Effective for the accounting period is to be determined

The directors anticipate that the application of all amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENT AND MATERIAL ACCOUNTING POLICY INFORMATION

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

Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs, which is a collective term that includes all applicable individual Hong Kong Financial Reporting Standards ("**HKFRSs**"), Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**").

Going concern assessment

As at 31 March 2025, the Group incurred a net loss of approximately HK$17,200,000, and as of that date, the Group had net current liabilities of approximately HK$22,113,000 which included current portion of lease liabilities of HK$28,229,000. As at 31 March 2025, the Group had cash and cash equivalents and pledged bank deposits with aggregate amounts of approximately HK$21,100,000.

The directors of the Company have reviewed the Group's cash flow projections prepared by the management. The cash flow projections cover a period of not less than twelve months from 31 March 2025. The management has made key assumptions on the projections with regard to the anticipated cash flows from the Group's operations and capital expenditures. Based on the cash flow projections, the Group will have sufficient financial resources to meet its financial obligations as and when they fall due in the coming twelve months from 31 March 2025.

In view of the above, the directors of the Company believes that the Group will have sufficient financial resources based upon cash on hand and the expected cash flows to be generated from operations to meet its financial obligations as they fall due for the following twelve months from 31 March 2025. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENT AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENT AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Business combinations or asset acquisitions

Optional concentration test

The Group can elect to apply an optional concentration test, on a transaction– by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

Asset acquisitions

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to financial assets or financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

Business combinations

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENT AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Business combinations or asset acquisitions (continued)

Business combinations (continued)

The identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the Conceptual Framework for Financial Reporting (the "**Conceptual Framework**") except for transactions and events within the scope of HKAS 37 Provisions, Contingent Liabilities and Contingent Assets or HK(IFRIC)-Int 21 Levies, in which the Group applies HKAS 37 or HK(IFRIC)–Int 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognised.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 Income Taxes and HKAS 19 Employee Benefits respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 at the acquisition date (see the accounting policy below);

- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard; and

- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in HKFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENT AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Business combinations or asset acquisitions (continued)

Business combinations (continued)

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by transaction basis.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments being made against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent reporting dates, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquire is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income and measured under HKFRS 9 would be accounted for on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENT AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The principal annual rates are a follows:

Leasehold improvements	Over the lease terms
Furniture and fixtures	20%
Catering and other equipment	20% to 30%

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENT AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Impairment of property, plant and equipment and right-of-use assets

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment and right-of-use assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment and right-of-use assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash– generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENT AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis. Net realisable value represents the estimated selling prices for inventories less all costs necessary to make the sale costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENT AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

Impairment of financial assets subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit loss ("**ECL**") model on financial assets (including trade receivables, deposits, other receivables, pledged deposits and cash and cash equivalents), which are subject to impairment under HKFRS 9. The amount of ECL is updated at the end of each reporting period to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("**12m ECL**") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the end of the reporting period. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting period as well as the forecast of future conditions.

Impairment of financial assets

The Group always recognise lifetime ECL for trade receivables without significant financing component. The ECL on these assets are assessed individually for credit card trade receivables and collectively for corporate customers using a provision matrix with past due status grouping.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENT AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the end of the reporting period with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; or
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENT AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

Definition of default

The Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Irrespective of the above, the Group considers that a financial asset is credit-impaired when it is more than 90 days past due.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over 2 years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENT AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience, adjusted for forward looking information that is available without undue cost or effort.

Generally, the ECL is estimated the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for certain trade receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENT AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities at amortised cost

Financial liabilities (including trade payables, accruals and other payables and lease liabilities) are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENT AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or

- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENT AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Revenue from contracts with customers (continued)

Revenue from restaurants operations

The Group recognises revenue from restaurants operations which provides catering services. Revenue from restaurants operations is recognised at a point in time when the services are rendered. A receivable is recognised by the Group when the services are rendered to the customers at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Sponsorship income

Under the terms of contracts, sponsorship income is recognised as a performance obligation satisfied over sponsorship period.

Interest income

Interest income is accrued on a time basis on the principal outstanding at the applicable interest rate.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Leases

The Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed. As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the consolidated financial statements would not differ materially from individual leases within the portfolio.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENT AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Leases (continued)

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of properties and plant and equipment that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Right-of-use assets

The cost of right-of-use assets includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENT AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Leases (continued)

The Group as a lessee (continued)

Right-of-use assets (continued)

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities other than adjustments to lease liabilities resulting from Covid-19-related rent concessions in which the Group applied the practical expedient.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term is depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;

- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

- amounts expected to be payable by the Group under residual value guarantees;

- the exercise price of a purchase option reasonably certain to be exercised by the Group; and

- payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate the lease.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENT AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Leases (continued)

The Group as a lessee (continued)

Lease liabilities (continued)

Variable lease payments that reflect changes in market rental rates are initially measured using the market rental rates as at the commencement date. Variable lease payments that do not depend on an index or a rate are not included in the measurement of lease liabilities and right-of-use assets, and are recognised as expense in the period on which the event or condition that triggers the payment occurs.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

- the lease payments change due to changes in market rental rates following a market rent review/expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

- a lease contract is modified and the lease modification is not accounted for as a separate lease (see below for the accounting policy for "lease modifications").

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENT AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Leases (continued)

The Group as a lessee (continued)

Lease modifications (continued)

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

Employee benefits

Retirement benefit costs

Payment to Mandatory Provident Fund Scheme (the "**MPF Scheme**") is recognised as an expense when employees have rendered service entitling them to the contributions. The Group operates a MPF Scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance for those employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution scheme, the assets of which are held in separate trustee-administered funds.

Under the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at 5% of the employees' relevant income, with the employers' contributions subject to a cap of monthly relevant income of HK$30,000. The Group's contributions to the scheme are expensed as incurred and vested in accordance with the scheme's vesting scales. Where employees leave the scheme prior to the full vesting of the employer's contributions, the amount of forfeited contributions is used to reduce the contributions payable by the Group.

The retirement benefits scheme contributions arising from the MPF Scheme charged to profit or loss represent contributions paid or payable to the funds by the Group at rates specified in the rules of the schemes.

For the long service payment obligation, the Group accounts for the employer MPF contributions expected to be offset as a deemed employee contribution towards the LSP obligation in terms of HKAS 19.93(a) and it is measure on a net basis. The estimated amount of future benefit is determined after deducting the negative service cost arising from the accrued benefits derived from the Group's MPF contributions that have been vested with employees, which are deemed to be contributions from the relevant employees.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENT AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Employee benefits (continued)

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received

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

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from loss before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and as the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENT AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Taxation (continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to the lease liabilities, and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENT AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Provisions for the costs to restore leased assets to their original condition, as required by the terms and conditions of the lease, are recognised at the date of inception of the lease at the directors' best estimate of the expenditure that would be required to restore the assets. Estimates are regularly reviewed and adjusted as appropriate for new circumstances.

Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

Dividend distribution

Dividend distribution to the shareholders is recognised as a liability in the Group's consolidated financial statements in the period in which the dividend is approved by shareholders of the Company.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENT AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Related parties

A party is considered to be related to the Group if:

(a) A person, or a close member of that person's family, is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

- (i) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) both entities are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

A related party transaction is a transfer of resources, services or obligation between the Group and a related party, regardless of whether a price is charged.

Close family members of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3 to the consolidated financial statements, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The followings are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment assessment of property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgment and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the cash-generating unit to which the assets belongs. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the net present value used in the impairment test.

As at 31 March 2025, the carrying amounts of property, plant and equipment and right-of-use assets are HK$7,166,000 and HK$43,428,000 (2024: HK$9,976,000 and HK$67,511,000) respectively, after taking into account the impairment loss that have been recognised respectively. Details of the impairment of property, plant and equipment and right-of-use assets are disclosed in notes 16(a) and 16(b), respectively.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

5. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2025 HK$'000	2024 HK$'000
Financial assets		
Amortised cost		
– Trade receivables	**596**	2,755
– Deposits and other receivables	**14,600**	16,134
– Pledged deposits	**3,574**	2,087
– Cash and cash equivalents	**17,526**	29,099
Financial liabilities		
Amortised cost		
– Trade payables	**17,956**	17,631
– Accruals and other payables	**6,435**	5,773
– Lease liabilities	**52,676**	79,020

(b) Financial risk management objectives and policies

The Group major financial instruments include trade receivables, deposits and other receivables, pledged deposits, cash and cash equivalents, trade payables, accruals and other payables and lease liabilities. Details of the financial instruments for the Group are disclosed in respective notes to the consolidated financial statements.

The risks associated with these financial instruments include market risk (interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The directors manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

There has been no change to the types of the Group's exposure in respect of financial instruments or the manner in which it manages and measures the risks.

5. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (continued)

Market risk

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to pledged bank deposits (note 21) and lease liabilities (note 16(b)). The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances (note 22). The Group cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on bank balances and HIBOR arising from the Group's Hong Kong dollar denominated borrowings. The Group aims at keeping borrowings at variable rates. The Group manages its interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook. The management will review the proportion of borrowings in fixed and floating rates and ensure they are within reasonable range.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the end of each reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the year were outstanding for the whole year. A 25 basis points (2024: 25 basis points) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents the directors' assessment of the reasonably possible change in interest rates.

If interest rates had been 25 basis points (2024: 25 basis points) higher/lower and all other variables were held constant, the Group's post-tax loss for the year ended 31 March 2025 would decrease/increase by approximately HK$110,000 (2024: post-tax loss would increase/decrease by approximately HK$165,000).

Credit risk and impairment assessment

The Group's credit risk is primarily attributable to trade receivables, deposits, other receivables, pledged deposits and cash and cash equivalents.

At 31 March 2025 and 2024, the maximum exposure to credit risk of the Group which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

5. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting period with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

The Group performs impairment assessment under ECL model on credit card trade receivables individually and the remaining trade receivables are grouped using a provision matrix with past due status grouping. The Group seeks to maintain strict control over its outstanding receivables to minimise the credit risk. Before accepting any new customer, the Group will assess the potential customer's credit quality and defines credit limits. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In this regard, the directors consider that the Group's credit risk is significantly reduced. The Group does not hold any collateral or other credit enhancement over its trade receivables balances. Trade receivables are interest-free.

The management makes periodic collective assessment as well as individual assessment on the recoverability of deposits and other receivables based on historical settlement records, past experience, and also available reasonable and supportive forward-looking information under ECL model. The management believes that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL.

At 31 March 2025, trade receivables with the amount of approximately HK$441,000 (2024: HK$2,653,000) was due from the Group's top debtor.

The Group deposited its pledged deposits and cash and cash equivalents with reputable banks with high credit ratings assigned by international credit-rating agencies. Bankruptcy or insolvency of the banks may cause the Group's right with respect to pledged deposits and cash and cash equivalents held to be delayed or limited. The directors monitor the credit rating of these banks on an ongoing basis, and considers that the Group's exposure to credit risk at 31 March 2025 and 2024 were minimal. The Group assessed 12m ECL for pledged deposits and bank balances by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies.

At 31 March 2025 and 2024, no impairment allowance was recognised for the Group's financial assets as the amounts are insignificant.

5. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (continued)

Liquidity risk

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank borrowings with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights.

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of each reporting period.

	Weighted average effective interest rate	Within 1 year or on demand HK\$'000	More than 1 year but less than 2 years HK\$'000	More than 2 years but less than 5 years HK\$'000	Total undiscounted cash flows HK\$'000	Carrying amounts HK\$'000
At 31 March 2025						
Non-derivative financial liabilities						
Trade payables	–	17,956	–	–	17,956	17,956
Accruals and other payables	–	6,435	–	–	6,435	6,435
Lease liabilities	7.81%	31,281	13,382	13,571	58,234	52,676
		55,672	13,382	13,571	82,625	77,067

	Weighted average effective interest rate	Within 1 year or on demand HK\$'000	More than 1 year but less than 2 years HK\$'000	More than 2 years but less than 5 years HK\$'000	Total undiscounted cash flows HK\$'000	Carrying amounts HK\$'000
At 31 March 2024						
Non-derivative financial liabilities						
Trade payables	–	17,631	–	–	17,631	17,631
Accruals and other payables	–	5,773	–	–	5,773	5,773
Lease liabilities	7.38%	37,355	26,516	25,131	89,002	79,020
		60,759	26,516	25,131	112,406	102,424

5. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair value of financial assets and financial liabilities that are not measured at fair value

The carrying amounts of financial assets and financial liabilities carried at cost or amortised cost were not materially different from their fair values as at 31 March 2025 and 2024.

(d) Capital risk management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise the shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the amounts of dividend paid to the shareholders or issue of new shares or redemption of existing shares as well as issue of new debts or redemption of existing debts.

The Group is not subject to any externally imposed capital requirements. The Group's overall strategy remains unchanged from prior years.

The gearing ratio at the end of the reporting period were as follows:

	2025 **HK$'000**	2024 HK$'000
Debts (note(i))	**77,067**	102,424
Less: Cash and cash equivalents and pledged deposits (note (ii))	**(21,100)**	(31,186)
Net debts	**55,967**	71,238
Total equity	**10,901**	28,101
Total debts to equity ratio	**513.41%**	253.51%

Notes:

(i) Debts include trade payables (note 23), accruals and other payables (note 24) and lease liabilities (note 16(b)).

(ii) Cash and cash equivalents and pledged deposits include pledged deposits and cash and cash equivalents in notes 21 and 22 respectively.

6. SEGMENT INFORMATION

The Group is principally engaged in the provision of catering services through a chain of restaurants in Hong Kong. Information reported to the Group's management for the purpose of resources allocation and performance assessment, focuses on the operating results of the Group as a whole as the Group's resources are integrated. Accordingly, no other discrete financial information is provided other than the Group's results and financial as a whole.

Revenue from external customers of the Group were all derived in Hong Kong for the year ended 31 March 2025 and 2024.

Non-current assets are located in Hong Kong as at 31 March 2025 and 2024.

No individual customer contributes over 10% of the revenue of the Group for the years ended 31 March 2025 and 2024.

7. REVENUE

Disaggregation of revenue from contracts with customers

	2025 **HK$'000**	2024 HK$'000
Restaurants operations	**253,468**	225,719
Timing of revenue recognition		
A point in time	**253,468**	225,719

Transaction allocated to the remaining performance obligation for contract with customer

All restaurant operations are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied performance obligations is not disclosed.

8. OTHER REVENUE AND OTHER INCOME

	2025 HK$'000	2024 HK$'000
Interest income	**116**	60
Sundry income	**333**	379
	449	439

9. FINANCE COSTS

	2025 HK$'000	2024 HK$'000
Interest on bank borrowings	**–**	76
Interest on lease liabilities	**5,236**	2,821
	5,236	2,897

10. LOSS BEFORE TAX

Loss before tax is arrived at after charging:

	2025 HK$'000	2024 HK$'000
Auditors' remuneration		
– auditor services	**485**	485
– other services	**13**	13
Cost of inventories sold	**103,556**	80,229
Depreciation of property, plant and equipment (Note 16(a))	**4,008**	3,949
Depreciation of right-of-use assets (Note 16(b))	**31,058**	33,183
Impairment loss on property, plant and equipment (Note 16(a))	**588**	1,345
Impairment loss on right-of-use assets (Note 16(b))	**2,323**	9,169
Loss on disposals and written-off of property, plant and equipment	**1**	13
Expenses related to low-value assets	**546**	660
Variable lease payments	**1,038**	1,333
Employee benefit expenses (including directors' remuneration):		
– Salaries and other allowances	**75,162**	69,395
– Staff benefits	**344**	407
– Retirement benefit scheme contributions	**3,179**	2,913
	78,685	72,715

11. DIRECTORS' REMUNERATION

The remuneration of directors were set out below:

	Year ended 31 March 2025			
	Directors' fees HK$'000	**Salaries, allowance, and benefits in kind HK$'000**	**Retirement benefit scheme contributions HK$'000**	**Total HK$'000**
Executive directors:				
Mr. Kwong Tai Wah ("Mr. Kwong")	**–**	**3,300**	**–**	**3,300**
Ms. Kwong Man Yui ("Ms. Kwong")	**–**	**2,200**	**18**	**2,218**
Mr. Lam On Fai	**–**	**935**	**18**	**953**
Independent non-executive directors:				
Mr. Lai Ming Fai Desmond	**198**	**–**	**–**	**198**
Dr. Cheng Lee Lung	**198**	**–**	**–**	**198**
Mr. Kwok Yiu Chung	**198**	**–**	**–**	**198**
	594	**6,435**	**36**	**7,065**

	Year ended 31 March 2024			
	Directors' fees HK$'000	Salaries, allowance, and benefits in kind HK$'000	Retirement benefit scheme contributions HK$'000	Total HK$'000
Executive directors:				
Mr. Kwong Tai Wah ("Mr. Kwong")	–	3,600	–	3,600
Ms. Kwong Man Yui ("Ms. Kwong")	–	2,400	18	2,418
Mr. Lam On Fai	–	1,020	18	1,038
Independent non-executive directors:				
Mr. Lai Ming Fai Desmond	198	–	–	198
Dr. Cheng Lee Lung	198	–	–	198
Mr. Kwok Yiu Chung	198	–	–	198
	594	7,020	36	7,650

Mr. Kwong is also the Chief Executive Officer of the Group and his emoluments disclosed above include those for services rendered by him as the Chief Executive Officer.

11. DIRECTORS' REMUNERATION (CONTINUED)

During the years ended 31 March 2025 and 2024, no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office.

No share options were granted to the directors during the years ended 31 March 2025 and 2024.

Except as disclosed in note 28, no other transactions, arrangements or contracts of significance to which the Company, its ultimate holding company, or any subsidiaries of its ultimate holding company was a party and in which a director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

12. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year include three (2024: three) directors, whose emoluments are disclosed in note 11, for the year ended 31 March 2025. Details of the emoluments for the year of the remaining two (2024: two) highest paid employees who are not director or chief executive of the Company are as follows:

	2025 **HK$'000**	2024 HK$'000
Salaries, allowance and benefits in kind	**1,734**	1,927
Retirement benefit scheme contributions	**36**	36
	1,770	1,963

The number of the highest paid employees who are not the directors of the Company whose remuneration fell within the following bands is as follows:

	2025	2024
Nil to HK$1,000,000	**1**	1
HK$1,000,001 to HK$1,500,000	**1**	1
	2	2

During the years ended 31 March 2025 and 2024, no emoluments were paid by the Group to the five highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office.

No share options were granted to five highest paid employees for both years.

13. INCOME TAX EXPENSE/(CREDIT)

	2025 **HK$'000**	2024 HK$'000
Current tax – Hong Kong Profits Tax		
Charge for the year	**198**	267
Over-provision in respect of prior years	**–**	(16)
Deferred tax (note 17)		
Expense/(credit) for the year	**1,106**	(372)
	1,304	(121)

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%.

The income tax expense/(credit) for the year can be reconciled to the loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2025 **HK$'000**	2024 HK$'000
Loss before tax	**(15,896)**	(18,730)
Tax at Hong Kong Profits Tax rate of 16.5%	**(2,623)**	(3,090)
Tax effect of expenses not deductible for tax purpose	**1,434**	2,158
Tax effect of income not taxable for tax purpose	**(314)**	(252)
Tax effect of tax loss not recognised	**2,858**	1,208
Utilisation of tax losses previously not recognised	**(49)**	(126)
Over-provision in respect of prior years	**–**	(16)
One-off tax reduction of Hong Kong Profits Tax by Inland Revenue Department	**(2)**	(3)
Income tax expense/(credit) for the year	**1,304**	(121)

14. DIVIDENDS

The directors do not recommend the payment of any dividend for the year ended 31 March 2025 (2024: Nil).

15. LOSS PER SHARE

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

	2025	2024
	HK$'000	HK$'000
Loss per share		
Loss for the year attributable to owners of the Company	**(17,200)**	(18,609)

	2025	2024
	'000	'000
Number of share		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**1,000,000**	1,000,000

Diluted loss per share were same as the basic loss per share for both years as there were no potential dilutive ordinary shares in issue.

16(a) PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvements HK$'000	Furniture and fixtures HK$'000	Catering and other equipment HK$'000	Total HK$'000
Cost				
At 1 April 2023	32,491	3,595	8,140	44,226
Additions	4,548	478	1,068	6,094
Written-off	(2,471)	(215)	(707)	(3,393)
At 31 March 2024 and 1 April 2024	34,568	3,858	8,501	46,927
Additions	1,552	138	137	1,827
Disposals and written-off	(1,073)	(77)	(685)	(1,835)
At 31 March 2025	**35,047**	**3,919**	**7,953**	**46,919**
Accumulated depreciation and impairment				
At 1 April 2023	25,675	2,521	6,841	35,037
Charge for the year	3,000	373	576	3,949
Eliminated on written-off	(2,471)	(215)	(694)	(3,380)
Impairment loss recognised in profit or loss	1,046	121	178	1,345
At 31 March 2024 and 1 April 2024	27,250	2,800	6,901	36,951
Charge for the year	3,071	387	550	4,008
Eliminated on disposals and written-off	(1,037)	(77)	(680)	(1,794)
Impairment loss recognised in profit or loss	405	85	98	588
At 31 March 2025	**29,689**	**3,195**	**6,869**	**39,753**
Carrying amount				
At 31 March 2025	**5,358**	**724**	**1,084**	**7,166**
At 31 March 2024	7,318	1,058	1,600	9,976

Details of impairment assessment are set out in note 16(b).

16(b) LEASES

(i) Right-of-use assets

The carrying amounts of right-of-use assets and the movements during the year are as follows:

	Lease Properties HK$'000
At 1 April 2023	54,444
Addition (note)	55,419
Depreciation	(33,183)
Impairment loss recognised in profit or loss	(9,169)
At 31 March 2024 and 1 April 2024	67,511
Addition (note)	8,956
Lease modification	342
Depreciation	(31,058)
Impairment loss recognised in profit or loss	(2,323)
At 31 March 2025	**43,428**

Note: Amount mainly includes right-of-use assets resulting from new leases entered and renewal of leases.

Impairment of property, plant and equipment and right-of-use assets

As at 31 March 2025, the Group's management identified certain restaurants which have underperformed and estimated the corresponding recoverable amounts of the cash-generating unit of each individual restaurant. The estimates of the recoverable amounts of each restaurant's cash generating unit are determined based on the value-in-use calculation which uses cash flow projections based on financial budgets covering a period of the remaining lease terms and a pre-tax discount rates of 13% (2024: 10%). Based on these estimates, an impairment loss of approximately HK$588,000 and HK$2,323,000 were recognised for certain of property, plant and equipment and certain of right-of-use assets respectively, to write down the carrying amount of these items of property, plant and equipment and right-of-use assets to their recoverable amount of each individual restaurant's cash generating unit as at 31 March 2025.

16(b) LEASES (CONTINUED)

(i) Right-of-use assets (continued)

	2025 HK$'000	2024 HK$'000
Total cash outflow of leases (note)	**42,462**	38,652

Note: Amount includes payments of principal and interest portion of lease liabilities, variable lease payments and low-value assets. These amounts could be presented in operating or financing cash flows.

(ii) Lease liabilities

	2025 HK$'000	2024 HK$'000
Lease liabilities payable:		
Within one year	**28,229**	32,550
More than one year but not exceeding two years	**11,845**	23,812
More than two years but not exceeding five years	**12,602**	22,658
	52,676	79,020

The weighted average incremental borrowing rates applied to lease liabilities range from 4.25% to 8.61% (2024: 4.25% to 8.61%).

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

The Group has lease contracts for certain of its office premises and restaurants properties. Leases for leased properties are for a period of 1.2 to 5 years (2024: 2 to 5 years). Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

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

(iv) Variable lease payments

Some property leases contain variable payment terms that are linked to sales generated from restaurant outlets. In aggregate, 2.4% (2024: 3.0%) of total lease payments are on the basis of variable payment terms of each restaurant with percentages ranging from 12% to 15% (2024: 6% to 16%) of sales. The payment terms are common in restaurants in Hong Kong where the Group operates.

17. DEFERRED TAX ASSETS

The following are the deferred tax assets recognised and movements thereon during the current and prior years:

	Accelerated tax depreciation HK$'000	Tax losses HK$'000	Total HK$'000
At 1 April 2023	2,015	1,519	3,534
Charge to profit or loss (note 13)	(192)	564	372
At 31 March 2024 and 1 April 2024	1,823	2,083	3,906
Charge to profit or loss (note 13)	(1,106)	–	(1,106)
At 31 March 2025	**717**	**2,083**	**2,800**

As at 31 March 2025, the Group has unused tax losses of approximately HK$43,433,000 (2024: HK$26,405,000) available for offset against future profits. A deferred tax asset has been recognised in respect of approximately HK$12,624,000 (2024: HK$12,624,000) of such losses. No deferred tax asset has been recognised in respect of the remaining approximately HK$30,809,000 (2024: HK$13,781,000) due to the unpredictability of future profit streams. The tax losses may be carried forward indefinitely.

18. INVENTORIES

	2025 **HK$'000**	2024 HK$'000
Food and beverage	**501**	849

19. TRADE RECEIVABLES

	2025 **HK$'000**	2024 HK$'000
Credit card receivables	**475**	2,708
Other trade receivables	**121**	47
	596	2,755

19. TRADE RECEIVABLES (CONTINUED)

The Group's trading terms with its customers are mainly settled by cash and credit card. The settlement terms of credit card companies are usually 7 days after the service rendered date. Generally, there is no credit period granted to customers, except for certain well-established corporate customers in which credit period of up to 90 days is granted by the Group.

The following is an aging analysis of trade receivables, based on the invoice dates, which approximates the respective revenue recognition dates:

	2025 HK$'000	2024 HK$'000
0 – 30 days	**589**	2,734
31 – 60 days	**–**	5
61 – 90 days	**5**	15
Over 90 days	**2**	1
	596	2,755

Details of impairment assessment of trade receivables are set out in note 5.

20. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2025 HK$'000	2024 HK$'000
Rental deposits, utility and other deposits	**14,570**	16,014
Prepayments	**1,365**	1,734
Other receivables	**30**	120
	15,965	17,868
Less: non-current portion	**(6,127)**	(8,938)
Current portion	**9,838**	8,930

Details of impairment assessment of deposits and other receivables are set out in note 5.

21. PLEDGED DEPOSITS

	2025 HK$'000	2024 HK$'000
Pledged deposits held at bank	**3,574**	2,087

At 31 March 2025, pledged deposits are interest bearing at 0.1% to 3.2% (2024: 3.5%) per annum and matured within 3 months (2024: 3 months) from the placement date.

Pledged deposits are used for general banking facilities granted to the Group.

22. CASH AND CASH EQUIVALENTS

	2025 HK$'000	2024 HK$'000
Cash on hand and cash at bank	**17,526**	29,099

Bank balances carry interest at floating rates and placed with creditworthy banks with no recent history of default.

23. TRADE PAYABLES

The following is an aging analysis of trade payables, based on the invoice dates:

	2025 HK$'000	2024 HK$'000
0 – 30 days	**7,240**	7,562
31 – 60 days	**6,866**	7,442
61 – 90 days	**3,850**	2,627
	17,956	17,631

The average credit period granted by suppliers is normally within 90 days.

At 31 March 2025, amount of approximately HK$9,972,000 (2024: HK$9,032,000) included in trade payables was due to a related company, Elite Fresh Food Company Limited ("**Elite**"), which is a company controlled by Mr. Joseph Kwong and Ms. Melanie Kwong, who are the controlling shareholders of the Company and Ms. Ingrid Ip, who is the close family member of Mr. Kwong and Ms. Kwong and one of the controlling shareholders of the Company.

24. ACCRUALS, OTHER PAYABLES AND PROVISION FOR REINSTATEMENT COSTS

	2025 HK$'000	2024 HK$'000
Accruals	**5,544**	4,990
Other payables	**891**	783
Provision for reinstatement costs	**3,064**	3,274
	9,499	9,047

Accruals mainly consist of accrued auditors' remuneration for audit services, accrued staff costs, accrued rental expenses and accrued fuel and utilities expenses.

	2025 HK$'000	2024 HK$'000
Analysed into:		
Current portion	**7,439**	6,613
Non-current portion	**2,060**	2,434
	9,499	9,047

25. CONTRACT LIABILITIES

	2025 HK$'000	2024 HK$'000
Cash coupon	**66**	60
Deposits received for restaurant operations	**260**	121
	326	181

	2025 HK$'000	2024 HK$'000
At 1 April	**181**	164
Consideration received during the year	**13,341**	5,309
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	**(181)**	(164)
Revenue recognised that was included in the contract liabilities recognised during the year	**(13,015)**	(5,128)
At 31 March	**326**	181

25. CONTRACT LIABILITIES (CONTINUED)

Typical payment terms which impact on the amounts of contract liabilities recognised are as follows:

Deposits received for restaurant operations

The Group received certain amounts of deposit from customers for restaurant operations in advance while the services had not been rendered to customers. The deposits are non-refundable.

Cash coupon

The Group received the face value of cash coupon and the cash coupon are non-refundable and is expired within 3 to 6 months (2024: 3 to 6 months).

The Group classifies these contract liabilities as current because the Group expects to them to be settled in its normal operating cycle which is within 12 months after the end of the reporting period.

26. SHARE CAPITAL

	No. of shares		Amount	
	2025	2024	**2025**	2024
	'000	'000	**HK$'000**	HK$'000
Authorised:				
At the beginning and the end of the year Ordinary share of HK$0.01 each	**1,500,000**	1,500,000	**15,000**	15,000

	No. of shares		Amount	
	2025	2024	**2025**	2024
	'000	'000	**HK$'000**	HK$'000
Issued and fully paid:				
At the beginning and the end of the year	**1,000,000**	1,000,000	**10,000**	10,000

27. STATEMENT OF FINANCIAL POSITION AND MOVEMENT OF RESERVES OF THE COMPANY

(a) Statement of financial position of the Company

	2025 HK$'000	2024 HK$'000
Non-current asset		
Investment in a subsidiary	–*	–*
Current assets		
Prepayments and other receivables	198	175
Amounts due from subsidiaries	2,703	6,979
Cash and cash equivalents	512	1,023
	3,413	8,177
Current liability		
Accruals and other payables	335	310
Amounts due to a subsidiary	121	–
	456	310
Net current assets	2,957	7,867
Net assets	2,957	7,867
Capital and reserves		
Share capital	10,000	10,000
Reserves	(7,043)	(2,133)
Total equity	2,957	7,867

* The amount is less than HK$1,000.

The Company's statement of financial position was approved and authorised for issue by the board of directors on 24 June 2025 and are signed on its behalf by:

Kwong Tai Wah
Director

Kwong Man Yui
Director

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

(b) Movement of reserves of the Company

	Share Premium HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 April 2023	31,939	(31,351)	588
Loss and total comprehensive expense for the year	–	(2,721)	(2,721)
At 31 March 2024 and 1 April 2024	31,939	(34,072)	(2,133)
Loss and total comprehensive expense for the year	–	(4,910)	(4,910)
At 31 March 2025	**31,939**	**(38,982)**	**(7,043)**

28. MATERIAL RELATED PARTY TRANSACTION

(a) Save as disclosed elsewhere in these consolidated financial statements during the year, the Group carried out the following material transactions with its related parties:

	2025 HK$'000	2024 HK$'000
Purchase of food paid/payable to a related company (note i)	**44,989**	35,767

28. MATERIAL RELATED PARTY TRANSACTION (CONTINUED)

(b) Compensation of key management personnel of the Group, including the directors' remuneration as disclosed in note 11, is as follows:

	2025 HK$'000	2024 HK$'000
Salaries, allowance and benefits in kind	**8,169**	8,947
Retirement benefit schemes contributions (note ii)	**72**	72
	8,241	9,019

(c) Details of the balances with related party at the end of the reporting period are set out in note 23.

Notes:

(i) On 21 December 2022, MS Restaurant Group Limited, a directly wholly-owned subsidiary of the Group, entered into the master supply agreement (the "**Master Supply Agreement**") with Elite whereby the Group will purchase and Elite will supply chilled and frozen meat and seafood and other food ingredients to the Group for restaurants operations. The term of the Master Supply Agreement will commence from 1 April 2023 to 31 March 2026. The purchase price will be determined with reference to the prevailing comparable market price. The transaction under the Master Supply Agreement is constituted as continuing connected transaction under chapter 20 of the GEM Listing Rules.

(ii) In the opinion of the directors, the transactions were fully exempted from shareholders' approval, annual review and all the disclosure requirements of continuing connected transaction as set out in Chapter 20 of the GEM Listing Rules.

29. PARTICULARS OF SUBSIDIARIES

The following table lists the subsidiaries of the Company:

Name of subsidiary	Place/country of incorporation	Class of share	Issued and fully paid share capital	Proportion of ownership interest and voting power held by the Company 2025 %	2024 %	Principal activities
Lord Master Limited	Hong Kong	Ordinary	HK$4	**100**	100	Provision of catering services
MS Restaurant Group Limited	BVI	Ordinary	US$1	**100**	100	Investment holdings
Meric Investment Limited	Hong Kong	Ordinary	HK$4	**100**	100	Provision of catering services
Lord Restaurant Limited	Hong Kong	Ordinary	HK$1	**100**	100	Provision of catering services
Meric Restaurant Limited	Hong Kong	Ordinary	HK$1	**100**	100	Provision of catering services
Lord Restaurant HP Limited	Hong Kong	Ordinary	HK$1	**100**	100	Provision of catering services
Meric Hotpot Limited	Hong Kong	Ordinary	HK$1	**100**	100	Provision of catering services
Meric Hotel Buffet Limited (Note 1)	Hong Kong	Ordinary	HK$1	**100**	100	Provision of catering services
Lord Concept Limited (Note 2)	Hong Kong	Ordinary	HK$1	**100**	–	Provision of catering services

Note:

(1) This company was incorporated on 6 October 2023.

(2) This company was incorporated on 18 July 2024.

Except for MS Restaurant Group Limited which is directly held by the Company, all other subsidiaries are indirectly held by the Company.

None of the subsidiaries had debt securities outstanding at the end of the reporting period or at any time during the year.

30. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year ended 31 March 2025, the Group had additions and lease modification to right-of-use assets, lease liabilities and provision for reinstatement costs of HK$9,298,000, HK$9,298,000 and HK$Nil respectively, in respect of lease arrangements for leased properties (2024: HK$55,419,000, HK$54,919,000 and HK$500,000).

(b) Reconciliation of liabilities arising from financing activities

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

	Interest payable HK$'000	Bank borrowings HK$'000	Lease liabilities HK$'000	Total HK$'000
At 1 April 2023	33	3,293	57,939	61,265
Non-cash changes				
– Interest on bank borrowings (Note 9)	76	–	–	76
– Interest on lease liabilities (Note 9)	–	–	2,821	2,821
– Additions of lease liabilities (Note 30(a))	–	–	54,919	54,919
Cash flows				
– Outflow from financing activities	(109)	(3,293)	(36,659)	(40,061)
At 31 March 2024 and 1 April 2024	–	–	79,020	79,020
Non-cash changes				
– Interest on lease liabilities (Note 9)	–	–	5,236	5,236
– Additions of lease liabilities (Note 30(a))	–	–	8,956	8,956
– Lease modification (Note 30(a))	–	–	342	342
Cash flows				
– Outflow from financing activities	–	–	(40,878)	(40,878)
At 31 March 2025	**–**	**–**	**52,676**	**52,676**

31. RETIREMENT BENEFITS SCHEME

The Group operates a MPF Scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the MPF Scheme, the employees are required to contribute 5% of their monthly salaries or up to a maximum of HK$1,500 and they can choose to make additional contributions. The employer's monthly contributions are calculated at 5% of the employee's monthly salaries or up to a maximum of HK$1,500 (the "**Mandatory Contributions**"), and this is the only obligation of the Group with respect to the MPF Scheme to make the required contribution. The employees are entitled to 100% of the employer's Mandatory Contributions upon their retirement at the age of 65, death or total incapacity.

The retirement benefits scheme contributions arising from the MPF Scheme charged to profit or loss represent contribution paid or payable to the funds by the Group at rates specified in the rules of the MPF Scheme.

During the years ended 31 March 2025 and 2024, the Group had no forfeited contributions under the MPF Scheme utilised to reduce the existing levels of contributions. As at 31 March 2025 and 2024, there was no forfeited contribution under the MPF Scheme which may be used by the Group to reduce the contribution payable in the future years.

32. SHARE OPTION SCHEME

The share option scheme (the "**Share Option Scheme**") conditionally adopted by the resolutions in writing of all the shareholders passed on 23 March 2018 (the "**Adoption Date**").

The major terms of the Share Option Scheme are summarised as follows:

(a) Purpose of the Share Option Scheme

The Share Option Scheme enables the Company to grant options (the "**Options**") to any director, employee or officer, consultant, professional, customer, supplier, agent, partner or adviser of or contractor to the Company or any of the subsidiaries (the "**Eligible Persons**"), as incentives or rewards for their contributions to the Group.

(b) Participants

The basis of eligibility of any person to the grant of any Option shall be determined by the board of the directors from time to time on the basis of his or her contribution or potential contribution to the development and growth of the Group. Upon acceptance of the Option, the Eligible Person shall remit HK$1.00 to the Company as consideration for the grant. The Option shall be offered for acceptance for a period of not less than 5 business days from the date on which the Option is granted.

32. SHARE OPTION SCHEME (CONTINUED)

(c) Grant of options

The total number of shares issued and to be issued upon exercise of the Options granted and to be granted to a participant under the Share Option Scheme and other schemes (including both exercised and outstanding Options) in any 12-month period must not exceed 1% of the shares from time to time in issue, and provided that if approved by shareholders in general meeting with such participant and his or her close associates (or his or her associates if the participant is a connected person) abstaining from voting, the Company may make a further grant of Options to such participant (the "**Further Grant**") notwithstanding that the Further Grant would result in the total number of Shares issued and to be issued upon exercise of the Options granted and to be granted under the Share Option Scheme and other schemes to such participant (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of the Further Grant representing in aggregate over 1% of the shares from time to time in issue.

(d) Exercise price

The exercise price for any shares under the Share Option Scheme will be a price determined by the board of the directors and notified to each participant and shall be at least the highest of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the Options, which must be a trading day; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of grant of the relevant Options; and (iii) the nominal value of a share on the date of the grant.

(e) Maximum number of shares

(i) The total number of shares which may be issued upon the exercise of all Options to be granted under the Share Option Scheme and other schemes must not in aggregate exceed 10% of the shares in issue as at the Listing Date (the "**Scheme Mandate Limit**") unless approved by the shareholders pursuant to the terms of the Share Option Scheme. Options lapsed in accordance with the terms of the Share Option Scheme or other schemes will not be counted for the purpose of calculating the Scheme Mandate Limit. On the basis of 1,000,000,000 shares in issue on the Listing Date, the Scheme Mandate Limit will be equivalent to 100,000,000 shares, representing 10% of the shares in issue as at the Listing Date.

(ii) The Scheme Mandate Limit may be renewed by the shareholders in general meeting provided always that to the extent that the total number of shares which may be issued upon exercise of all Options to be granted under the Share Option Scheme and other schemes under the Scheme Mandate Limit so renewed must not exceed 10% of the Shares in issue as at the date of such shareholders' approval provided that Options previously granted under the Share Option Scheme and other schemes (including those exercised, outstanding, cancelled or lapsed in accordance with the terms thereof) shall not be counted for the purpose of calculating the Scheme Mandate Limit as renewed.

32. SHARE OPTION SCHEME (CONTINUED)

(e) Maximum number of shares (continued)

(iii) Subject to the terms of the Share Option Scheme and the approval of Shareholders in general meeting, the Company may also grant Options beyond the Scheme Mandate Limit provided that Options in excess of the Scheme Mandate Limit are granted only to Eligible Persons specifically identified by the Company before such shareholders' approval is sought.

(iv) Notwithstanding the foregoing, no Options may be granted by the Company if the maximum number of shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme and other schemes in aggregate exceeds 30% of the Shares in issue from time to time.

The total number of shares available for issue under the Share Option Scheme is 100,000,000 Shares, representing 10% of the issued Shares as at the date of this annual report.

(f) Time of exercise of Option

An Option may be exercised in accordance with the terms of the Share Option Scheme at any time during the applicable option period, provided that, amongst others, the period within which the Option must be exercised shall not be more than 10 years from the date on which that Option is deemed to have been granted. The exercise of an Option may be subject to the achievement of performance target and/or any other conditions to be notified by the board of directors to each Participant, which the board of the directors may in its absolute discretion determine.

(g) Vesting period

There is no minimum period for which an Option granted must be held before it can be exercised except otherwise imposed by the board of the directors.

(h) Period of Share Option Scheme

The Share Option Scheme shall be valid and effective for a period of 10 years commencing on the Listing Date, after which no further Options will be issued but the provisions of the Share Option Scheme shall remain in full force and effect in all other respects and the Options granted during the life of the Share Option Scheme may continue to be exercisable in accordance with their terms of issue.

The board of the directors may impose such terms and conditions on the offer of Option(s) either on a case-by-case basis or generally as are not inconsistent with the Share Option Scheme, including but not limited to the minimum period for such an Option must be held, if applicable.

32. SHARE OPTION SCHEME (CONTINUED)

(i) Granting of Options to a director, chief executive or substantial shareholder of the Company or any of their respective associates

Any grant of Options to any director, chief executive or substantial shareholder of the Company, or any of their respective associates, must be approved by the independent non-executive directors (excluding any independent non-executive director who is the proposed participant). If a grant of Options to a substantial shareholder of the Company or an independent non-executive director, or any of their respective associates will result in the total number of the shares issued and to be issued upon exercise of the Options granted and to be granted (including Options exercised, cancelled and outstanding) to such person in any 12-month period up to and including the date of the grant (i) representing in aggregate over 0.1% (or such other percentage as may from time to time specified by the Stock Exchange) of the Shares in issue, and (ii) having an aggregate value, based on the closing price of the shares at the date of each grant, in excess of HK$5 million, such further grant of Options must be approved by the shareholders on a poll in a general meeting.

At 31 March 2025 and 2024, no Options has been granted or agreed to be granted under the Share Option Scheme.

33. EVENTS AFTER THE REPORTING PERIOD

On 16 May 2025, Lord Restaurant HP Limited, a wholly-owned subsidiary of the Company, as lessee, entered into the lease agreements in respect of the lease of premises located in West Kowloon with lessor, who is an independent third party, as lessor for the period commencing from 26 May 2025 to 25 May 2028. The estimated value of the right-of-use assets to be recognised by the Company under the lease shall amount to in aggregate approximately HK$5,700,000.

On 16 June 2025, Lord Restaurant Limited, a wholly-owned subsidiary of the Company, as lessee, entered into the lease agreements in respect of the lease of premises located in Causeway Bay with lessor, who is an independent third party, as lessor for the period commencing from 1 December 2025 to 30 November 2028. The estimated value of the right-of-use assets to be recognised by the Company under the lease shall amount to in aggregate approximately HK$15,000,000.

34. COMPARATIVE FIGURE

Certain comparative figures have been reclassified to conform to the current year's presentation.

35. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 24 June 2025.

Financial Summary

For the year ended 31 March 2025

A summary of the published results and of the assets and liabilities of the Group, as extracted from the annual reports of the Company pursuant to Rule 18.33 of the GEM Listing Rules, is set out below:

	Years ended 31 March				
	2025	2024	2023	2022	2021
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Results					
Revenue	**253,468**	225,719	250,417	202,840	172,583
(Loss)/profit before tax	**(15,896)**	(18,730)	5,215	(5,156)	2,310
Income tax (expense)/credit	**(1,304)**	121	(1,248)	261	1,502
(Loss)/profit and total comprehensive (expense)/ income for the year attributable to owners of the Company	**(17,200)**	(18,609)	3,967	(4,895)	3,812

	As at 31 March				
	2025	2024	2023	2022	2021
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Total assets	**91,556**	134,051	133,386	116,515	129,820
Total liabilities	**(80,655)**	(105,950)	(86,676)	(73,772)	(82,182)
Net assets	**10,901**	28,101	46,710	42,743	47,638
Total equity	**10,901**	28,101	46,710	42,743	47,638