

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.



TASTY CONCEPTS HOLDING LIMITED

賞之味控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8096)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2025

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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

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

*This announcement, for which the directors (the “**Director(s)**”) of Tasty Concepts Holding Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this 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.*

FINAL RESULTS

The board of Directors (the “**Board**”) of the Company hereby announces the consolidated results of the Group for the year ended 31 March 2025, together with the comparative figures for the year ended 31 March 2024.

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	4	30,916	38,288
Cost of inventories		(8,798)	(9,916)
Other income	5	253	230
Other gains/(losses), net	5	66	(1,674)
Staff costs		(8,882)	(16,096)
Rental and related expenses		(3,941)	(1,925)
Depreciation expenses		(5,811)	(5,280)
Other operating expenses		(9,399)	(11,197)
Impairment loss on other receivables		(380)	–
Finance costs	6	(180)	(565)
Loss before taxation	7	(6,156)	(8,135)
Income tax credit	8	–	9
Loss for the year		(6,156)	(8,126)
Other comprehensive (expense)/income for the year			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on the translation of foreign operation		(2)	56
Total comprehensive expense for the year		(6,158)	(8,070)
(Loss)/profit for the year attributable to:			
– owners of the Company		(6,073)	(8,133)
– non-controlling interests		(83)	7
		(6,156)	(8,126)
Total comprehensive (expense)/income for the year attributable to:			
– owners of the Company		(6,075)	(8,077)
– non-controlling interests		(83)	7
		(6,158)	(8,070)
Loss per share			
Basic and diluted (HK cents)	10	(3.15)	(7.53)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	NOTES	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Property and equipment		12,758	9,677
Right-of-use assets		1,604	2,142
Intangible assets		–	–
Deposits and prepayments	11	2,043	4,432
		<u>16,405</u>	<u>16,251</u>
Current assets			
Inventories		–	199
Trade and other receivables, deposits and prepayments	11	5,813	7,403
Bank balances and cash		6,804	13,257
		<u>12,617</u>	<u>20,859</u>
Current liabilities			
Trade and other payables	12	5,697	6,448
Amount due to a shareholder		7,270	7,270
Lease liabilities		1,466	2,643
Tax payable		75	75
Provisions		235	321
		<u>14,743</u>	<u>16,757</u>
Net current (liabilities)/assets		<u>(2,126)</u>	<u>4,102</u>
Total assets less current liabilities		<u>14,279</u>	<u>20,353</u>
Non-current liabilities			
Lease liabilities		246	167
Provisions		30	25
		<u>276</u>	<u>192</u>
Net assets		<u><u>14,003</u></u>	<u><u>20,161</u></u>
Capital and reserves			
Share capital		19,250	19,250
Reserves		(3,113)	2,962
Equity attributable to owners of the Company		<u>16,137</u>	<u>22,212</u>
Non-controlling interests		(2,134)	(2,051)
Total equity		<u><u>14,003</u></u>	<u><u>20,161</u></u>

NOTES

For the year ended 31 March 2025

1. GENERAL

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

The Company is an investment holding company and its subsidiaries are principally engaged in operation of restaurants in Hong Kong.

The consolidated financial statements of the Group are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company.

2. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). HKFRS Accounting Standards comprise all individual Hong Kong Financial Reporting Standards (“HKFRSs”); Hong Kong Accounting Standards (“HKASs”); and interpretations. The consolidated financial statements of the Group also comply with the disclosure provisions of the GEM Listing Rules and with the disclosure requirements of the Hong Kong Companies Ordinance.

Going Concern Consideration

For the year ended 31 March 2025, the Group incurred a loss for the year of approximately HK\$6,156,000 and, as at 31 March 2025, the Group had net current liabilities of approximately HK\$2,126,000. These events or conditions indicate the existence of a material uncertainty which might cast significant doubt on the Group’s ability to continue as a going concern.

Nevertheless, the consolidated financial statements of the Group have been prepared on the going concern basis as the Directors are of the view that the Group will have sufficient working capital to finance its operations and to fulfill its financial obligations as and when they fall due in the coming twelve months from the date of issuance of the consolidated financial statements, after taking into consideration the followings:

- (a) the Group has obtained a letter of financial support from Mr. Tang Chun Ho Chandler, the shareholder of the Company, who agreed not to demand for repayment of the amount due to a shareholder of approximately HK\$7,270,000 as at 31 March 2025 until the Group has financial ability to do so;
- (b) subsequent to the end of the reporting period, the Group obtained loan facilities with aggregate amount of HK\$3,000,000 from financial institutions with the facility period up to 31 December 2026. Among the loan facilities of HK\$3,000,000, HK\$1,800,000 has been drawdown by the Group up to the date of issuance of the consolidated financial statements;
- (c) the Group will continue to improve the operating efficiency by implementing measures to tighten the cost controls over cost of inventories and other operating expenses in order to enhance its profitability and to improve the cash flows from its operation in the future; and
- (d) the Group may seek other financing resources (including but not limited to issue of shares or obtain other credit facilities) to meet its liabilities and obligations as and when they fall due.

The Directors have reviewed the Group's cash flow forecast prepared by management of the Group, which covers a period of at least twelve months from the date of issuance of the consolidated financial statements. The Directors consider that, after taking into account the aforementioned plans and measures, the Group will have sufficient working capital to satisfy its present requirements for at least the next twelve months from the date of issuance of the consolidated financial statements. Accordingly, the consolidated financial statements of the Group have been prepared on a going concern basis.

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

The HKICPA has issued certain amendments to HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these amendments to HKFRS Accounting Standards to the extent that they are relevant to the Group for the current and prior accounting periods reflected in the consolidated financial statements of the Group.

3. ADOPTION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Application of Amendments to HKFRS Accounting Standards

The Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 April 2024, for the preparation of the consolidated financial statements:

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

The application of the above amendments to HKFRS Accounting Standards in the current reporting period had no material impact on the Group's consolidated financial positions and performance for the current and prior reporting periods and/or on the disclosures set out in the consolidated financial statements of the Group.

NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS IN ISSUE BUT NOT YET EFFECTIVE

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

	Effective for accounting periods beginning on or after
Amendments to HKAS 21 – Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7 – Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
Amendments to HKFRS 9 and HKFRS 7 – Contracts Referencing Nature-dependent Electricity	1 January 2026
HKFRS 18 – Presentation and Disclosure in the Financial Statements	1 January 2027
Amendments to HK Int 5 – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the HKICPA

The Directors anticipate that, except as described below, the application of other amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial position and performance of the Group.

HKFRS 18 “Presentation and Disclosure in Financial Statements”

HKFRS 18 will replace HKAS 1 “Presentation of Financial Statements”, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, HKFRS 18 introduces significant changes to the presentation of consolidated financial statements, with a focus on information about financial performance present in the consolidated statement of profit or loss, which will affect how the Group present and disclose financial performance in the consolidated financial statements. The key changes introduced in HKFRS 18 relate to (i) the structure of the consolidated statement of profit or loss; (ii) required disclosures for management-defined performance measures; and (iii) enhanced requirements for aggregation and disaggregation of information.

The Directors are currently assessing the impact of applying HKFRS 18 on the presentation and the disclosures of the consolidated financial statements.

4. REVENUE AND SEGMENT INFORMATION

Revenue

Revenue represents the fair value of amounts received and receivable for services provided and goods sold, net of discount, during the years ended 31 March 2025 and 2024.

	2025 HK\$'000	2024 HK\$'000
Revenue from contracts with customers within the scope of HKFRS 15		
Recognised at a point in time:		
Operation of restaurants in Hong Kong Special Administrative Region (“ HKSAR ”) of the People’s Republic of China (the “ PRC ”)	29,363	34,941
Sales of food and related products	785	2,246
	30,148	37,187
Recognised over time:		
Royalty fee income from franchisee (<i>note (i)</i>)	768	1,091
License fee income from a licensee (<i>note (ii)</i>)	–	10
	768	1,101
	30,916	38,288

Notes:

- (i) Royalty fee income is calculated with reference to the revenue of the restaurant run by the franchisee.
- (ii) License fee income was calculated with reference to the production volume of the licensed products produced by the licensee.

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

Segment information

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

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

Geographical information

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

	Revenue		Non-current assets	
	For the year ended		As at 31 March	
	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
The HKSAR	29,363	34,984	14,362	14,685
Macau Special Administrative Region ("Macau") of the PRC	1,553	3,210	–	–
The PRC, excluding the HKSAR and Macau	–	94	–	–
	<u>30,916</u>	<u>38,288</u>	<u>14,362</u>	<u>14,685</u>

Information about major customers

No individual customer accounted for over 10% of the Group's total revenue for the years ended 31 March 2025 and 2024.

5. OTHER INCOME/OTHER GAINS/(LOSSES), NET

	2025	2024
	HK\$'000	HK\$'000
Other income:		
Bank interest income	54	91
Others	199	139
	<u>253</u>	<u>230</u>
Other gains/(losses), net:		
Gain on termination of lease contracts	33	1,413
Loss on write-off of property and equipment	(25)	(3,249)
Gain on disposal of a subsidiary	57	–
Reversal of write-off of trade receivables	–	163
Net exchange gains/(losses)	1	(1)
	<u>66</u>	<u>(1,674)</u>

6. FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
Interest on lease liabilities	180	564
Interest on bank borrowing	–	1
	<u>180</u>	<u>565</u>

7. LOSS BEFORE TAXATION

	2025 HK\$'000	2024 HK\$'000
Loss before taxation has been arrived at after charging/(crediting):		
Auditor's remuneration	550	550
Directors' emoluments	485	515
Other staff costs:		
– salaries and allowances	8,041	14,887
– retirement benefit scheme contributions	356	694
Total staff costs	8,882	16,096
Depreciation of property and equipment	2,840	434
Depreciation of right-of-use assets	2,971	4,846
Expenses relating to short-term leases	1,197	607
Expenses relating to variable lease payments not included on the measurement of lease liability	1,943	–
Recognition/(reversal) of provision	44	(9)
Loss on write-off of inventories included in cost of inventories	–	102

8. INCOME TAX CREDIT

	2025 HK\$'000	2024 HK\$'000
Current tax – Hong Kong Profits Tax:		
Over-provision in prior years	–	(9)
Deferred tax	–	–
	<u>–</u>	<u>–</u>
Income tax credit	<u>–</u>	<u>(9)</u>

9. DIVIDEND

No dividend was paid or proposed during the year ended 31 March 2025 nor has any dividend been proposed since the end of the reporting period (2024: nil).

10. LOSS PER SHARE

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

	2025 HK\$'000	2024 HK\$'000
Loss		
Loss for the year attributable to owners of the Company for the purpose of basic and diluted loss per share	<u>(6,073)</u>	<u>(8,133)</u>
	2025	2024
Number of shares		
Weighted average number of ordinary shares for the purpose of basis and diluted loss per share	<u>192,500,000</u>	<u>107,983,620</u>

The diluted loss per share is equal to the basic loss per share as there were no dilutive potential ordinary shares outstanding during the years ended 31 March 2025 and 2024.

11. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2025 HK\$'000	2024 HK\$'000
Trade receivables from restaurant operations	879	237
Trade receivables from a franchisee	–	358
Trade receivables from a licensee	–	18
Trade receivables from sales of goods and related products	117	29
Rental deposits	1,488	3,404
Utilities and other deposits	767	1,566
Other receivables	4,533	1,407
Prepayments for purchase of property and equipment	–	2,866
Other prepayments	452	1,950
	<hr/>	<hr/>
Total trade and other receivables, deposits and prepayment, gross	8,236	11,835
Less: Allowance for expected credit loss on other receivables	(380)	–
	<hr/>	<hr/>
Total trade and other receivables, deposits and prepayments, net	<u>7,856</u>	<u>11,835</u>
Analysed for reporting purposes as:		
Non-current assets	2,043	4,432
Current assets	5,813	7,403
	<hr/>	<hr/>
	<u>7,856</u>	<u>11,835</u>

There was no credit period granted to individual customers for the restaurant operations.

The Group's trading terms with its customers are mainly by cash, electronic or mobile payments. Electronic or mobile payments will normally be settled within 2 to 21 days (2024: 2 – 21 days) after trade date. Trade receivables also include royalty fee from a franchisee, license fee from a licensee and sales of goods and related products with credit periods up to 30 – 90 days (2024: 30 – 90 days).

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

	2025 HK\$'000	2024 HK\$'000
0 – 30 days	<u>879</u>	<u>237</u>

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

	2025 HK\$'000	2024 HK\$'000
0 – 30 days	–	312
Over 90 days	–	46
	<hr/>	<hr/>
	–	358
	<hr/>	<hr/>

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

	2025 HK\$'000	2024 HK\$'000
Over 90 days	<u>–</u>	<u>18</u>

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

	2025 HK\$'000	2024 HK\$'000
0 – 30 days	45	–
Over 90 days	<u>72</u>	<u>29</u>
	<u>117</u>	<u>29</u>

12. TRADE AND OTHER PAYABLES

	2025 HK\$'000	2024 HK\$'000
Trade payables	1,487	1,979
Salary payables	753	849
Other payables	<u>3,457</u>	<u>3,620</u>
	<u>5,697</u>	<u>6,448</u>

The credit period on purchases is ranging from 0 to 30 days (2024: from 0 to 30 days). An ageing analysis of the trade payables, based on the invoice date, is as follows:

	2025 HK\$'000	2024 HK\$'000
0 – 30 days	330	1,456
31 – 60 days	663	–
61 – 90 days	–	295
Over 90 days	<u>494</u>	<u>228</u>
	<u>1,487</u>	<u>1,979</u>

13. LITIGATION

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

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

In the opinion of the Directors, with the advice from external legal counsel, sufficient and adequate provision has been made in respect of the such claims, together with the interest accrued for the years ended 31 March 2025 and 2024. As at 31 March 2025, the total claims comprised (i) unpaid rent and other payables of approximately HK\$1,867,000 (2024: HK\$1,867,000) included in other payables as set out in note 12; and (ii) provision for surcharge and penalty of approximately HK\$235,000 (2024: HK\$191,000) included in provisions.

14. CAPITAL COMMITMENT

Capital commitment contracted for at the end of the reporting period but not yet incurred are as follow:

	2025 HK\$'000	2024 HK\$'000
Renovation in progress included in property and equipment	—	4,348

15. EVENT AFTER THE REPORTING PERIOD

With effect from 1 April 2025, the operating right of the Japanese ramen restaurant (the “**Butao TKO Restaurant**”) owned by Butao (TKO) Limited, an indirect wholly-owned subsidiary of the Company, is granted to an independent third party (the “**Independent Third Party**”) not connected with the Group, in which the Independent Third Party is responsible of daily management and operation of the Butao TKO Restaurant in return of 70% of net profit generated by Butao TKO Restaurant (the “**Management Fee**”). Such arrangement is commenced from 1 April 2025 and will be ended on 31 May 2026 or the date which the tenancy agreement of the Butao TKO Restaurant is being terminated. The management of the Group considered that the operating effectiveness of the Butao TKO Restaurant could be benefited from such arrangement.

Up to the date of issuance of the consolidated financial statements, the management of the Group is still in the process of finalising the Management Fee paid to the Independent Third Party.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the year ended 31 March 2025 and up to the date of this announcement, the Group has been principally engaged in operating restaurants in Hong Kong, generating revenue from provision of catering services.

Besides, the Group also generated revenue from (i) franchising its own brand to franchisees to operate ramen restaurants in Macau and received royalty fee and income from sales of food and related products to franchisees; and (ii) granting an exclusive licence to a licensee to use the Group's trademarks on licensed products, license fee income is charged based on the production volume.

During the year ended 31 March 2025, the Group operated ramen restaurants and Chinese cuisine restaurants in Hong Kong.

FINANCIAL REVIEW

Revenue

The revenue of the Group decreased by approximately 19.3% from approximately HK\$38.3 million for year ended 31 March 2024 to approximately HK\$30.9 million for the year ended 31 March 2025. The decline in revenue primarily stemmed from the overall economic downturn and diminished consumer purchasing power, which prompted diners to favor more economical meal choices and curtail their discretionary spending on dining out. Additionally, a significant number of local consumers traveling to the PRC or overseas further reduced the domestic customer base, leading to a substantial decrease in restaurant transactions.

Cost of inventories

Cost of inventories for the years ended 31 March 2025 and 2024 were HK\$8.8 million and HK\$9.9 million respectively. The cost of inventories sold amounted to approximately 28.5% and approximately 25.9% of the Group's total revenue for the years ended 31 March 2025 and 2024 respectively.

Other income

Other income mainly comprised of imputed interest income, bank interest income and other miscellaneous income. Other income of the Group slightly increased by approximately HK\$23,000, or approximately 10.0%, from approximately HK\$0.2 million for the year ended 31 March 2024 to approximately HK\$0.3 million for the year ended 31 March 2025.

Other gains and losses

Other gains and losses mainly represented the gain on termination of lease contracts, gain on disposal of a subsidiary, loss on write-off of property and equipment, gain on reversal of write-off of trade receivables, and net exchange gains/losses. During the year ended 31 March 2024, two lease contracts of the Group were early terminated and the remaining lease liabilities were recognised as gain on termination of a lease contract, which amounted to approximately HK\$1.4 million; whereas approximately HK\$3.2 million of the loss on write-off of property and equipment was recognised due to the closure of restaurants during the year ended 31 March 2024.

Staff costs

Staff costs decreased by approximately 44.8% from approximately HK\$16.1 million for the year ended 31 March 2024 to approximately HK\$8.9 million for the year ended 31 March 2025. Staff costs were the most significant portion of the operating costs, as a percentage of revenue, staff costs amounted to approximately 42.0% for the year ended 31 March 2024 and approximately 28.7% for the year ended 31 March 2025. The reduction in staff costs was primarily driven by stringent cost control measures, including a reduction in headcount and the scaling back of employee benefits. These actions were implemented to optimize labor expenses amid challenging market conditions and margin pressures in the restaurant industry.

Rental and related expenses

Rental and related expenses represents (i) building management fee; (ii) government rent and rates; (iii) rental for machinery; (iv) contingent rents; and (v) other leases for which the lease term ends within twelve months or leases of which the underlying assets are of low value. The rental and related expenses increased by approximately HK\$2.0 million or 104.7% from approximately HK\$1.9 million for the year ended 31 March 2024 to approximately HK\$3.9 million for the year ended 31 March 2025, which was mainly due to the new tenancy agreements entered by the Group during the year ended 31 March 2025.

Depreciation

Depreciation represents depreciation charges for (i) leasehold improvements; (ii) fixtures and equipment; and (iii) right-of-use assets of the Group. For the year ended 31 March 2025, the Group has recorded depreciation of right-of-use assets amounted to approximately HK\$3.0 million (2024: approximately HK\$4.8 million) and depreciation charges for property and equipment amounted to approximately HK\$2.8 million (2024: approximately HK\$0.4 million). The increase in depreciation expenses amounted to approximately HK\$0.5 million or 10.1% mainly owing to the additions of property and equipment during the years ended 31 March 2025.

Other operating expenses

Other expenses mainly consist of water, electricity, gas and other utilities expenses, repair and maintenance fees, audit and professional fees, consumables expenses, insurance expenses, handling charges for electronic payment and delivery platforms and motor vehicle and logistics expenses. Other expenses decreased from approximately HK\$11.2 million to approximately HK\$9.4 million from the year ended 31 March 2024 to the year ended 31 March 2025, representing a decrease of approximately 16.1%. The decrease was mainly attributed to the various cost control measures implemented by the Group.

The breakdown of the Group's other expenses are set out as below:

	Year ended 31 March	
	2025 HK\$'000	2024 HK\$'000
Utilities expenses	1,707	2,880
Audit and professional fees	4,654	2,836
Advertising and marketing expenses	213	288
Repair and maintenance fees	247	534
Business and product development	368	487
Motor vehicle and logistics expenses	55	716
Consumables	145	298
Insurance expenses	188	591
Cleaning expenses	381	395
Handling charges for electronic payment and delivery platforms	411	1,065
Provisions for surcharge and penalty for litigations (<i>Note (i)</i>)	44	44
Others (<i>Note (ii)</i>)	986	1,063
	<u>9,399</u>	<u>11,197</u>

Note:

- (i) The Group has been involved in several claims in relation to rental and other related expenses arrears. Moreover, provisions for estimated surcharge and penalty that might be borne by the Group from the litigations amounted to approximately HK\$44,000 was recognised in accordance to the latest development of the litigations during the year ended 31 March 2025 (2024: HK\$44,000). The Group had obtained legal advice from the lawyer and it is advised that sufficient provisions have been recorded in relation to the claims arose from the litigations as at 31 March 2025.
- (ii) Others include office expenses, sundry expenses and other miscellaneous expenses.

Impairment loss on other receivables

During the year ended 31 March 2025, impairment loss on other receivables of approximately HK\$380,000 (2024: nil) was recognised. The management of the Group makes periodic individual assessment on the recoverability of other receivables and deposits based on historical settlement records, past experience, and also available reasonable and supportive forward-looking information.

Finance costs

Finance costs for the year ended 31 March 2025 mainly represents interests on lease liabilities amounted to approximately HK\$0.2 million (2024: approximately HK\$0.6 million).

Loss for the year

The Group recorded a loss of approximately HK\$6.1 million for the year ended 31 March 2025 (2024: approximately HK\$8.1 million). The decrease in loss was mainly due to a reduction in operating costs incurred during the year ended 31 March 2025, partially offset by a decline in revenue.

LIQUIDITY AND FINANCIAL RESOURCES, CAPITAL STRUCTURE AND GEARING RATIO

The Group financed its business with internally generated cash flows, borrowings and the proceeds received from the rights issue. As at 31 March 2025, the Group's bank balances and cash amounting to approximately HK\$6.8 million, representing a decrease of approximately HK\$6.5 million from approximately HK\$13.3 million as at 31 March 2024. Most of the Group's bank deposits and cash were denominated in Hong Kong dollars and Renminbi.

As at 31 March 2025, the Group recorded lease obligation of approximately HK\$1.7 million (31 March 2024: approximately HK\$2.8 million). The Group did not use any financial instrument for hedging purpose.

As at 31 March 2025, the Group's total current assets and current liabilities were approximately HK\$12.6 million (31 March 2024: approximately HK\$20.9 million) and approximately HK\$14.7 million (31 March 2024: approximately HK\$16.8 million) respectively. The Group's current ratio, calculated by dividing the total current assets over the total current liabilities, was approximately 0.9 times (31 March 2024: approximately 1.2 times). The Group's gearing ratio, calculated as percentage of bank borrowings to the total equity attributable to owners of the Company, was 0% as at 31 March 2025 (31 March 2024: 0%).

TREASURY POLICY

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

FOREIGN CURRENCY RISK

During the year ended 31 March 2025, most of the transactions of the Group were denominated and settled in Hong Kong dollars and Renminbi. The Renminbi is not a freely convertible currency. Future exchange rates of the Renminbi could vary significantly from the current or historical exchange rates as a result of the capital controls that could be imposed by the PRC government. The exchange rates may also be affected by economic developments and political changes both domestically and internationally, and also from the demand and supply of the Renminbi. The Group has currently not implemented any foreign currency hedging policy but the management will closely monitor the exposure and consider hedging against significant foreign exchange exposure should the need arise.

CONTINGENT LIABILITIES

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

Nevertheless, the management of the Company obtained legal advice, and considered no additional interest, surcharge and penalty required apart from the amounts stated in the other payables and accruals and provisions. As at 31 March 2025, the related amounts included in other payables and accruals and provisions are HK\$1,867,000 and HK\$235,000 (2024: HK\$1,867,000 and HK\$191,000) respectively.

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

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

CHARGE OF ASSETS

As at 31 March 2025, the Group did not have any mortgages, charges and pledges over the Group's assets (2024: nil).

DIVIDEND

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

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

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

SHARE OPTIONS

The Company has conditionally adopted by the resolutions in writing of all the shareholders passed on 21 February 2019 a share option scheme (the “**Share Option Scheme**”). The Share Option Scheme became effective on the listing date (e.g. 15 March 2019). The Share Option Scheme enables the Company to grant share options to any director, employee or other stakeholders to the Company or any of its subsidiaries, as incentives or rewards for their contributions to the Group.

During the year ended 31 March 2025, no share option was granted, exercised, lapsed or cancelled under the Share Option Scheme. The total number of share options available for grant under the Share Option Scheme was 5,500,000 as at 1 April 2024 and 31 March 2025.

SEGMENT INFORMATION

Segmental information is presented for the Group as disclosed on Note 4 of this announcement.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this announcement, the Group did not have other plans for material investments or capital assets as of 31 March 2025.

CAPITAL COMMITMENT

As at 31 March 2025, the Group did not have any capital commitment (2024: approximately HK\$4.3 million).

HUMAN RESOURCES AND REMUNERATION POLICY

As at 31 March 2025, the Group had a total of 36 employees (31 March 2024: 42). The staff costs (included Directors’ emoluments) were approximately HK\$8.9 million for the year ended 31 March 2025 (2024: approximately HK\$16.1 million). The remuneration package of the employees is determined by various factors such as their working experience and job performance, the market condition, industry practice and applicable employment law. Discretionary bonus based on job performance will be paid to employees as recognition of and reward for their contributions. The Group also maintains the Mandatory Provident Fund Scheme and insurance for its employees in Hong Kong. Various types of trainings were provided to the employees. Share options may also be granted to eligible employees by reference to the Group’s performance as well as individual employees’ contribution.

USE OF NET PROCEEDS FROM THE RIGHTS ISSUE

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

Business objective and strategy	Approximately % of net proceeds %	Planned amount HK\$'000	Unutilised net proceeds as at 1 April 2024 HK\$'000	Actual amount utilised during the year ended 31 March 2025 HK\$'000	Unutilised net proceeds as at 31 March 2025 HK\$'000
Expansion of restaurant network	64	17,000	8,584	8,584	–
General working capital	36	9,500	–	–	–
	100.0	26,500	8,584	8,584	–

As at 31 March 2025, all of the net proceeds from the rights issue had been utilised as intended. The net proceeds have been used for capital expenditures of new restaurants and general working capital.

OUTLOOK

The Group always strive for every possible opportunity to enhance the operation efficiency and profitability of its business. One of the business strategies of the Group is expanding its network of restaurants by opening new restaurants in suitable and strategic locations in Hong Kong, so as to secure new and additional source of income to the Group. The Group intends to set up new restaurants that offer different style of cuisines in the coming year.

The catering industry in Hong Kong is currently facing significant challenges, including a weak economy, high operating costs, and shifting consumer spending patterns that have led to reduced dining-out frequency and lower per-visitor expenditure. Despite these headwinds, the Group remains proactive in seeking growth opportunities by exploring market expansion, optimizing operational efficiency, and leveraging innovative strategies. By focusing on cost control, enhancing service offerings, and tapping into emerging consumer trends, the Group aims to strengthen its competitive position and drive sustainable growth amid a challenging business environment.

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

RESULTS AND DIVIDENDS

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 of this announcement. The state of affairs of the Group as at 31 March 2025 are set out in the consolidated statement of financial position of this announcement. The Directors do not recommend the payment of a final dividend for the year ended 31 March 2025.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares during the year ended 31 March 2025.

EVENTS AFTER THE REPORTING DATE

Details are set out in note 15 of this annual results announcement.

CORPORATE GOVERNANCE PRACTICE

The Company acknowledges the need and importance of corporate governance as one of the key elements in creating shareholders' value. The Company is also committed to achieving high standard of corporate governance that can protect and promote the interests of all shareholders and to enhance corporate value and accountability of the Company. For corporate governance purpose, the Company has adopted the principles and code provisions as set out in the corporate governance code (the "**CG Code**") contained in Part 2 of Appendix C1 to the GEM Listing Rules. During the year ended 31 March 2025, to the best knowledge of the Board, the Company has complied with the code provisions set out in the CG Code.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealing, as set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for securities transactions by the Directors in respect of the shares of the Company. Having made specific enquiry of all Directors, all Directors have confirmed that they have complied with the required standard of dealings and the code of conduct for securities transactions by the Directors during the year ended 31 March 2025.

AUDIT COMMITTEE

Pursuant to the GEM Listing Rules, the Company established an audit committee (the “**Audit Committee**”) with written terms of reference aligned with the provision of the code provisions set out in the GEM Listing Rules. As at the date of this announcement, the chairman of the Audit Committee is Mr. Lui Sze Ho, the independent non-executive Director, and other members included Ms. Li Mingrong and Ms. Kanlaya Bunphor, the independent non-executive Directors. The written terms of reference of the Audit Committee are posted on the website of the Stock Exchange and on the Company’s website.

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 independent non-executive Director) is an independent non-executive Director who possesses appropriate professional qualifications or accounting related financial management expertise.

The primary duties of the Audit Committee are mainly to review the financial information and reporting process, internal control procedures and risk management system, audit plan and relationship with external auditors and arrangements to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

SCOPE OF WORK OF MCMILLAN WOODS (HONG KONG) CPA LIMITED

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2025 as set out in the preliminary announcement have been agreed by the Company’s auditor, McMillan Woods (Hong Kong) CPA Limited, to the amounts set out in the Group’s consolidated financial statements for the year. The work performed by McMillan Woods (Hong Kong) CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by McMillan Woods (Hong Kong) CPA Limited on the preliminary announcement.

EXTRACT FROM INDEPENDENT AUDITOR’S REPORT PREPARED BY THE AUDITOR OF THE COMPANY

The Company would like to provide an extract from the independent auditor’s report prepared by McMillan Woods (Hong Kong) CPA Limited on the Group’s consolidated financial statements for the year ended 31 March 2025 as set out below:

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 2 to the consolidated financial statements, which indicates that the Group incurred a loss of approximately HK\$6,156,000 for the year ended 31 March 2025 and, as at 31 March 2025, the Group had net current liabilities of approximately HK\$2,126,000. As stated in note 2 to the consolidated financial statements, these events or conditions indicate that a material uncertainty exists that might cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

REVIEW OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR

The Audit Committee, which comprises three independent non-executive Directors, have reviewed the consolidated financial statements for the year ended 31 March 2025 in conjunction with the Company's auditor, McMillan Woods (Hong Kong) CPA Limited. Based on this review and discussion with the management of the Company, the Audit Committee was satisfied that the consolidated financial statements were prepared in accordance with applicable accounting standards and fairly presented the Group's consolidated financial position as at 31 March 2025 and the annual results for the year ended 31 March 2025.

APPRECIATION

The Company would like to thank the Group's customers, suppliers, business partners for their support. Also, the Company would like to offer its highest gratitude to its shareholders for their devotion and to the Group's employees for their loyalty and contributions made during the year.

For and on behalf of
Tasty Concepts Holding Limited
Sung Kwan Wun
Executive Director

Hong Kong, 30 June 2025

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

This announcement will remain on the website of the Stock Exchange at www.hkexnews.hk on the "Latest Listed Company Information" page for at least 7 days from the date of its posting and will be published on the Company's website at www.butaoramen.com.