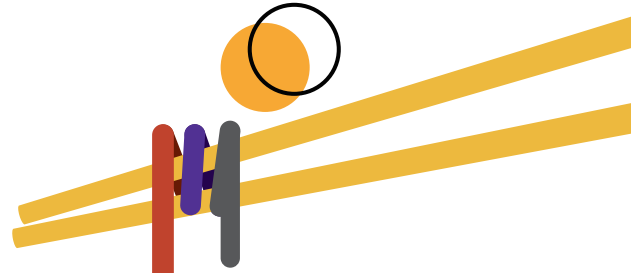




Fulum Group Holdings Limited  
富臨集團控股有限公司

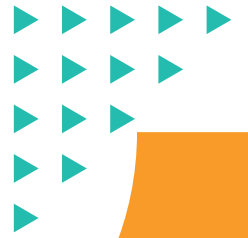
(Incorporated in the Cayman Islands with limited liability)  
(於開曼群島註冊成立之有限公司)

Stock Code 股份代號: 1443



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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### EXECUTIVE DIRECTORS

Mr. YEUNG Wai  
*(Chairman)*  
Mr. Wu Kam On Keith  
*(Vice Chairman and Chief Executive Officer)*  
Mr. YEUNG Yun Chuen  
Mr. YEUNG Yun Kei  
Mr. LEUNG Siu Sun  
Mr. YEUNG Ho Wang

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. NG Ngai Man Raymond  
Mr. WONG Wai Leung Joseph  
Mr. CHAN Chun Bong Junbon

### COMPANY SECRETARY

Mr. NG Kam Tsun Jeffrey

### AUTHORISED REPRESENTATIVES

Mr. YEUNG Wai  
Mr. NG Kam Tsun Jeffrey

### MEMBERS OF AUDIT COMMITTEE

Mr. WONG Wai Leung Joseph *(Chairman)*  
Mr. NG Ngai Man Raymond  
Mr. CHAN Chun Bong Junbon

### MEMBERS OF NOMINATION COMMITTEE

Mr. CHAN Chun Bong Junbon *(Chairman)*  
Mr. NG Ngai Man Raymond  
Mr. YEUNG Wai

### MEMBERS OF REMUNERATION COMMITTEE

Mr. NG Ngai Man Raymond *(Chairman)*  
Mr. WONG Wai Leung Joseph  
Mr. YEUNG Wai

### MEMBERS OF EXECUTIVE COMMITTEE

Mr. YEUNG Wai *(Chairman)*  
Mr. YEUNG Yun Chuen  
Mr. YEUNG Yun Kei  
Mr. LEUNG Siu Sun  
Mr. WU Kam On Keith  
Mr. YEUNG Ho Wang

## REGISTERED OFFICE

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

## CORPORATE HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

26/F., Capital Tower  
38 Wai Yip Street, Kowloon Bay  
Kowloon, Hong Kong

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

## HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited  
Level 54, Hopewell Centre  
183 Queen's Road East  
Hong Kong

## PRINCIPAL BANKERS

Hang Seng Bank Limited  
Standard Chartered Bank (Hong Kong) Limited  
The Bank of East Asia, Limited  
Bank of China (Hong Kong) Limited  
The Hong Kong and Shanghai Banking Corporation Limited

## AUDITOR

Zhonghui Anda CPA Limited  
*Certified Public Accountants*

## STOCK CODE

01443

## WEBSITE

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

## HIGHLIGHTS



- Revenue was approximately HK\$772.6 million (corresponding period in 2020: approximately HK\$565.6 million), representing an increase of approximately 36.6%
- Gross profit margin<sup>1</sup> was at approximately 65.4% (corresponding period in 2020: approximately 66.7%), representing a decrease of approximately 1.3 percentage point
- Loss attributable to owners of the Company was approximately HK\$2.3 million (corresponding period in 2020: approximately HK\$95.9 million)
- Basic loss per share<sup>2</sup> was HK0.17 cents (corresponding period in 2020: HK7.38 cents)
- The guest count was approximately 7.4 million (corresponding period in 2020: approximately 5.8 million), representing an increase of approximately 27.6%
- The Board has resolved not to declare the payment of any interim dividend

<sup>1</sup> Gross profit equals revenue minus cost of inventories sold. Gross profit margin is calculated by dividing gross profit by revenue and multiplying the resulting value by 100%.

<sup>2</sup> The calculation of the basic loss per share amounts is based on loss for the period attributable to owners of the Company of approximately HK\$2,258,000 (corresponding period in 2020: approximately HK\$95,907,000) and the weighted average number of ordinary shares of 1,300,000,000 (corresponding period in 2020: 1,300,000,000) in issue during the Reporting Period.



# MANAGEMENT DISCUSSION AND ANALYSIS

## INDUSTRY OVERVIEW

In 2021, the economy of Hong Kong has gradually emerged from the novel coronavirus (the “COVID-19”) pandemic and is currently on the road to recovery. According to figures from the Census and Statistics Department, the gross domestic product (GDP) of Hong Kong for the third quarter increased by 5.4% year-on-year in real terms and increased by 0.1% quarter-on-quarter after seasonal adjustment. Among which, the private consumption expenditure increased by 7% year-on-year in real terms, representing a slight decrease as compared with the second quarter. Over the same period, the value of total receipts of the restaurant sector was provisionally estimated to increase by 43.8% year-on-year, and the total receipts of Chinese restaurants increased by 61.6% year-on-year in value.

As the epidemic situation in Hong Kong remains stable, the government has relaxed the restrictions on the modes of operation of catering premises under Vaccine Bubble as set out in the Prevention and Control of Diseases (Requirements and Directions) (Business and Premises) Regulation (Cap. 599F), enabling the industry to resume a rebound. However, as the global supply chain is affected by factors such as city lockdowns and suspension of work in some regions, which has driven up the price of shipping containers and the costs of ingredients, the catering industry is put under operating pressure. Despite the fact that the market uncertainties cannot be fully resolved in the short term, the Group is still full of confidence towards the prospects of the industry and continues to adopt a prudent yet optimistic attitude in response to the challenges.

For the PRC market, according to the statistics from the National Bureau of Statistics of China and the “Annual Report on Catering Industry of China in 2021 (《2021中國餐飲業年度報告》)” released by the China Hotel Association, in 2020, the catering receipts in the PRC were RMB4 trillion, representing a year-on-year decrease of 16.6%, of which, Guangdong Province recorded a revenue of RMB0.41 trillion, ranking top in the catering receipts leaderboard among provinces, cities and regions in China. From January to September 2021, the catering receipts amounted to RMB3.3 trillion, representing a year-on-year increase of 29.8%. Benefited from various promotion and business preferential policies implemented in China to promote the rapid recovery of the industry, the catering sector is optimistic about its future development.

## BUSINESS REVIEW

During the Reporting Period, the catering industry in Hong Kong was affected by the prohibition of group gatherings, which limited the number of restaurant patrons. The Group continued to adopt a strategy of full-time and diversified catering ecosphere to offer a comprehensive dining experience to the mass market. Meanwhile, the Group expanded its diversified business by launching the “Asian Catering Line (亞洲餐飲線)” brand with a variety of cuisines and an online shopping platform under Fulum (富臨), so as to cater for the mass livelihood market and provide customers with new excitement.

As at 30 September 2021, the Group operated a total of 83 restaurants in Hong Kong, including 18 restaurants under the “Fulum (富臨)” main brand, 8 restaurants under the “Sportful Garden (陶源)” main brand, 57 restaurants under the “Asian Catering Line (亞洲餐飲線)” main line as well as 9 supermarkets, and 4 restaurants in the Mainland China.

# MANAGEMENT DISCUSSION AND ANALYSIS



During the Reporting Period, the Group offered customers with a traditional Chinese dining experience under the “Fulum (富臨)” main brand and “Sportful Garden (陶源)” main brand. The “Fulum (富臨)” main brand offers a wide variety of Cantonese delicacies to mass market customers, including seafood, dim sum and hotpot, as well as luxurious venues with unique decorations and sophisticated catering experience for wedding banquets and events. Restaurants under the “Sportful Garden (陶源)” main brand focus on mid-to-high-end Cantonese cuisine and attract customers who put a high value on quality with luxurious decorations. At the same time, the Group regularly introduced festive seasonal set menus and promotions for online food ordering, including various Mid-Autumn Festival meal sets for reunion feast, the Chinese Valentine’s Day meal set for two and all-you-can-eat hairy crabs package, and launched the consumption voucher dinner offers to attract customers.

In recent years, the Group also proactively expanded the restaurants under the “Asian Catering Line (亞洲餐飲線)” main line with its commitment to establishing a full-time catering ecosphere. By providing diversified restaurant brands to the public, customers can enjoy delicacies at various types of the Group’s restaurants at any time, which can promote the consumption upgrade of existing customers and form a new growth point by attracting more young people. Restaurants under the “Asian Catering Line (亞洲餐飲線)” main line include Korean barbecue restaurants embedding authentic and traditional culture of Korean local cuisines, classy and casual cafes, restaurants specializing in high-quality Japanese Wagyu beef hotpots and food courts. In the future, the Group will strive to explore a variety of high-quality cuisines, aiming to satisfy customers’ needs and broaden its customer base at the same time.

During the pandemic, customers spend more time on home cooking and dining, leading to the persistent market demand for quality ingredients. In addition to operating supermarkets in residential areas to provide mass and quality products for customers, such as high-quality frozen meat, seafood straight from the source, fresh vegetables and fruits, grains and oil, the Group also provided online shopping services to enable customers to buy fresh ingredients anytime and anywhere during the period. The Group will continue to open more supermarkets in residential areas while optimizing its product portfolio to cater for the customers’ needs.

In terms of pandemic prevention and control measures, the Group actively followed the government’s containment policies. In addition to strictly implementing relevant measures in its restaurants, the Group also arranged regular testing for employees and encouraged employees to get vaccinated to safeguard the health of all employees and diners.

For the PRC market, the Group operated a total of four “Fulum Palace (富臨皇宮)” restaurants, located in the densely-populated residential areas in Yuexiu District of Guangzhou, Baiyun District of Guangzhou, Zhuhai and Shenzhen respectively. With the European palace-style interior design, these restaurants can meet the residents’ demand for Chinese cuisine and wedding venues in the regions. Believing in the strong recovery and the enormous consumption power in the Mainland China market, the Group will open more new businesses in various areas in Mainland China as and when appropriate in the future.



# MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets forth the number of restaurants by business as of the dates indicated.

	As at 30 September	
	2021	2020
Number of restaurants		
“Fulum (富臨)” main brand	22	24
“Sportful Garden (陶源)” main brand	8	8
“Asian Catering Line (亞洲餐飲線)” main line	57	48
	87	80

## FINANCIAL REVIEW

### Revenue

The total revenue of the Group increased by approximately 36.6%, or approximately HK\$207.0 million, from approximately HK\$565.6 million for the Previous Reporting Period to approximately HK\$772.6 million for the Reporting Period. The increase was mainly due to Hong Kong’s gradual emergence from the COVID-19 pandemic during the Reporting Period. The Group’s businesses are mainly restaurant operations, and sales of food and other operating items.

Revenue from restaurant operations increased by approximately 39.6%, or approximately HK\$209.3 million, from approximately HK\$529.1 million for the Previous Reporting Period to approximately HK\$738.4 million for the Reporting Period. The following table sets forth the breakdown of our revenue and percentage change from restaurant operations by line of business for the periods indicated.

	Six months ended 30 September		
	2021	2020	% Change
	HKS’000	HK\$’000	
	(unaudited)	(unaudited)	
Restaurant operations			
“Fulum (富臨)” main brand	334,844	311,848	7.4
“Sportful Garden (陶源)” main brand	94,237	46,079	104.5
“Asian Catering Line (亞洲餐飲線)” main line	309,306	171,175	80.7

Revenue from sales of food and other operating items decreased by approximately 6.3%, or approximately HK\$2.3 million from approximately HK\$36.5 million for the Previous Reporting Period to approximately HK\$34.2 million for the Reporting Period.

### Other Income and Gains, Net

Other income and gains, net decreased by approximately 58.2%, or approximately HK\$47.4 million from approximately HK\$81.4 million for the Previous Reporting Period to approximately HK\$34.0 million for the Reporting Period. The decrease was mainly due to government subsidies decreased by approximately 77.3%, or approximately HK\$53 million from approximately HK\$68.6 million for the Previous Reporting Period to approximately HK\$15.6 million for the Reporting Period.

# MANAGEMENT DISCUSSION AND ANALYSIS



## Cost of Inventories Sold

The cost of inventories sold by the Group increased by approximately 42.0%, or approximately HK\$79.2 million from approximately HK\$188.5 million for the Previous Reporting Period to approximately HK\$267.7 million for the Reporting Period. The increase was mainly due to the increase in revenue during the Reporting Period.

## Gross Profit

Gross profit (gross profit equals revenue minus cost of inventories sold) increased by approximately 33.9%, or approximately HK\$127.8 million from approximately HK\$377.1 million for the Previous Reporting Period to approximately HK\$504.9 million for the Reporting Period. The increase was mainly due to the increase in revenue during the Reporting Period.

## Gross Profit Margin

The gross profit margin (gross profit margin equals gross profit divided by revenue multiplied by 100%) of the Group for the Reporting Period and the Previous Reporting Period were approximately 65.4% and 66.7%, respectively. The decrease was mainly due to the increase in the cost of food and beverages used in the operation during the Reporting Period.

## Staff Costs

The staff costs for the Reporting Period and the Previous Reporting Period were approximately HK\$248.6 million and HK\$184.1 million, respectively, representing approximately 32.2% and 32.6% of the respective periods' revenues. The increase in staff costs was mainly because more frontline staffs were employed to cope with the recovery of the restaurant's business during the Reporting Period.

## Property Rentals and Related Expenses

The property rentals and related expenses increased by approximately 13.7%, or approximately HK\$4.3 million, from approximately HK\$31.4 million for the Previous Reporting Period to approximately HK\$35.7 million for the Reporting Period. The increase was mainly due to the increase of variable lease payment in the Reporting Period.

## Depreciation expenses

Depreciation expenses decreased by approximately 13.5%, or approximately HK\$22.1 million, from approximately HK\$163.1 million for the Previous Reporting Period to approximately HK\$141.0 million for the Reporting Period. The decrease was primarily due to depreciation expenses on right-of-use assets decreased by approximately 18%, or approximately HK\$24.3 million, from approximately HK\$135.3 million for the Previous Reporting Period to approximately HK\$111.0 million for the Report Period. The decrease was due to impairment was provided for right-of-use assets in last financial year.

## Other Expenses

Other expenses decreased by approximately 47.7%, or approximately HK\$54.8 million, from approximately HK\$114.9 million for the Previous Reporting Period to approximately HK\$60.1 million for the Reporting Period. The decrease was mainly due to gain on disposal of subsidiaries of HK\$25.4 million was recorded in the Reporting Period.





# MANAGEMENT DISCUSSION AND ANALYSIS

## Finance Costs

The finance costs amounted to approximately HK\$10.5 million for the Reporting Period and approximately HK\$17.2 million for the Previous Reporting Period. The decrease in finance costs was primarily due to less interest on lease liabilities was incurred in the Reporting Period as a result of repayment of lease liabilities.

## Loss attributable to Owners of the Company

As a result of the factors discussed above, the loss attributable to owners of the Company decreased by approximately 97.6%, or approximately HK\$93.6 million, from loss of approximately HK\$95.9 million for the Previous Reporting Period to loss of approximately HK\$2.3 million for the Reporting Period.

## Liquidity and financial resources

The Group generally finances its operations with internally generated cash flows and facilities provided by its principal bankers in Hong Kong. The Group had cash and cash equivalent of approximately HK\$144.0 million as at 30 September 2021 (31 March 2021: approximately HK\$145.1 million). The Group had cash and bank balances which were mostly held in Hong Kong dollar and Renminbi. As at 30 September 2021, the Group's outstanding bank borrowings were approximately HK\$195.8 million (31 March 2021: HK\$177.8 million), while total assets were approximately HK\$1,086.7 million (31 March 2021: HK\$1,206.1 million).

As at 30 September 2021, the Group's current assets were kept at approximately HK\$318.6 million (31 March 2021: approximately HK\$379.5 million) whilst current liabilities were approximately HK\$726.0 million (31 March 2021: approximately HK\$736.6 million). The decrease in current liabilities was mainly due to repayment of current lease liabilities in the Reporting Period. The directors of the Board (the "Director(s)") consider that the current working capital level is conservatively sufficient to meet the upcoming operating needs.

The gearing ratio, calculated by dividing the interest-bearing bank borrowings by total equity attributable to owners of the Company, was equal to approximately 162.9% at 30 September 2021 (31 March 2021: approximately 145.7%). The increase was mainly due to the increase in interest-bearing bank borrowings and the decrease in the total equity attributable to owners of the Company.

## Pledge of assets

As at 30 September 2021, the Group pledged its property, plant and equipment of approximately HK\$38.3 million and right-of-use assets of approximately HK\$135.8 million to secure the banking facilities granted to the Group.

# MANAGEMENT DISCUSSION AND ANALYSIS



## CONTINGENT LIABILITIES

As at 30 September 2021, the Group had contingent liabilities not provided for in the condensed consolidated financial statements in the amount of approximately HK\$19.3 million in relation to bank guarantees given in lien of rental and utility deposits (31 March 2021: approximately HK\$29.1 million).

## PROSPECTS AND OUTLOOK

As the consumer confidence in Hong Kong has improved with the gradual economic recovery, and the continued stability of the pandemic has created conditions for reopening the borders between Hong Kong and China, it is believed that it will help the economic activities in Hong Kong to recover to pre-pandemic levels. The Group is full of confidence in the long-term prospects of the catering market in both Hong Kong and China. In the future, the Group will prudently expand the “Asian Catering Line (亞洲餐飲線)” main line, develop a variety of excellent small-scale catering services for the mass market and actively seek supreme and unique catering brands outside Hong Kong, in order to bring a brand new dining experience for customers. In addition, the Group will continue to develop the online shopping platform for Fulum (富臨) by putting more marketing and promotional efforts and providing delivery promotion packages to attract more customers. In terms of pandemic prevention and control measures, the Group remains steadfast in implementing strict anti-epidemic measures on its restaurants, aiming to tide over the challenging period of the pandemic with Hong Kong citizens.

## DIVIDEND

The Board has resolved not to declare the payment of any interim dividend for the Reporting Period (corresponding period in 2020: Nil).



## CORPORATE GOVERNANCE PRACTICES

### Compliance with the Corporate Governance Code

The Company periodically reviews its corporate governance practices to ensure its continuous compliance with the code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 14 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). For the Reporting Period, save for the deviation from code provision A.2.1 of the CG Code, the Board considered that the Company has complied with the code provisions set out in the CG Code.

Pursuant to code provision A.2.1 of the CG Code, the roles of the chairman (the “**Chairman**”) and the chief executive officer (the “**Chief Executive Officer**”) of the Company should be separated and should not be performed by the same individual. At the beginning of the Reporting Period, the Company did not have a separate Chairman and Chief Executive Officer, with Mr. Yeung Wai (楊維) performing these two roles, as Mr. Yeung Wai has in-depth experience and knowledge of the Group and its businesses. In order to further enhance the corporate governance of the Group, on 13 May 2021, the Company has appointed Mr. Wu Kam On Keith as the Chief Executive Officer while Mr. Yeung Wai has remained as the Chairman. Accordingly, the Company has complied with code provision A.2.1 of the CG Code since 13 May 2021.

The Board is committed to maintaining a high standard of corporate governance practices to safeguard the interests of the Company’s shareholders, and to enhance corporate value and accountability. These objectives can be achieved by an effective Board, segregation of duties with clear responsibility, sound internal controls, appropriate risk assessment procedures and transparency to all the Company’s shareholders.

### MODEL CODE OF SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct (the “**Code of Conduct**”) regarding Directors’ securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules. Based on responses of specific enquiries made with the Directors, all of the Directors have confirmed that they have complied with required standards as set out in the Model Code and Code of Conduct throughout the Reporting Period.

# CORPORATE GOVERNANCE AND OTHER INFORMATION



## AUDIT COMMITTEE

The Company established the Audit Committee on 28 October 2014 with the revised written terms of reference adopted on 28 December 2018. The primary duties of the Audit Committee are to make recommendations to the Board on the appointment and removal of the external auditor, to review the financial statements and material advice in respect of financial reporting and to oversee the audit process, risk management system and internal control procedures of the Group. Mr. Ng Ngai Man Raymond, Mr. Wong Wai Leung Joseph and Mr. Chan Chun Bong Junbon, all being independent non-executive Directors, are members of the Audit Committee with Mr. Wang Wai Leung Joseph acting as the chairman.

The Group's unaudited condensed consolidated interim financial statements for the Reporting Period have not been audited, but have been reviewed by the Audit Committee. Based on this review and discussions with the management, the Audit Committee was satisfied that the unaudited condensed consolidated interim financial statements were prepared in accordance with applicable accounting standards and fairly presented the Group's financial position and results for the six months ended 30 September 2021.

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 September 2021, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were deemed or taken to have under such provisions of the SFO), or as recorded in the register required to be kept by the Company pursuant to section 352 of



# CORPORATE GOVERNANCE AND OTHER INFORMATION

the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Name of Director	The Company/ name of associated corporation	Capacity/ nature of interest	Number and class of securities (Note 1)	Approximate percentage of shareholding
Mr. Yeung Wai	The Company	Interest held jointly with another person; interest in a controlled corporation; beneficial owner (Note 2)	915,375,000 Shares (L) (Note 3)	70.41%
Mr. Yeung Yun Chuen	The Company	Interest held jointly with another person; beneficial owner (Note 2)	915,375,000 Shares (L) (Note 4)	70.41%
Mr. Yeung Yun Kei	The Company	Interest held jointly with another person; beneficial owner (Note 2)	915,375,000 Shares (L) (Note 5)	70.41%
Mr. Leung Siu Sun	The Company	Beneficial owner	73,625,000 Shares (L)	5.66%
Mr. Wu Kam On Keith	The Company	Beneficial Owner (Note 6)	4,000,000 Shares (L)	0.31%
Mr. Yeung Ho Wang	The Company	Beneficial Owner (Note 6)	4,000,000 Shares (L)	0.31%
Mr. Ng Ngai Man Raymond	The Company	Beneficial Owner (Note 6)	1,360,000 Shares (L)	0.10%
Mr. Wong Wai Leung Joseph	The Company	Beneficial Owner (Note 6)	1,360,000 Shares (L)	0.10%
Mr. Chan Chun Bong Junbon	The Company	Beneficial Owner (Note 6)	1,360,000 Shares (L)	0.10%

Notes:

1. The letter "L" denotes the person's long position in the shares and underlying shares of the Company or the relevant associated corporation.
2. Mr. Yeung Wai, Mr. Yeung Yun Chuen and Mr. Yeung Yun Kei, being our executive Directors, are siblings, associates of each other under the Listing Rules and are deemed to be persons acting in concert under The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong. As such, each of Mr. Yeung Wai, Mr. Yeung Yun Chuen and Mr. Yeung Yun Kei is deemed to be interested in all the shares of the Company (the "Shares") in which the others are interested.

## CORPORATE GOVERNANCE AND OTHER INFORMATION



3. In respect of the 915,375,000 Shares, 272,025,000 Shares were held by Mr. Yeung Yun Chuen, 184,275,000 Shares were held by Mr. Yeung Yun Kei, 452,075,000 Shares were held by China Sage International Limited, a company incorporated in the British Virgin Islands, the entire issued share capital of which is beneficially owned by Mr. Yeung Wai, and 7,000,000 Shares are underlying shares of the same number of options granted to Mr. Yeung Wai on 18 August 2021 under the Share Option Scheme.
4. In respect of the 915,375,000 Shares, 272,025,000 Shares were held by Mr. Yeung Yun Chuen, 184,275,000 Shares were held by Mr. Yeung Yun Kei, 452,075,000 Shares were held by China Sage International Limited, a company incorporated in the British Virgin Islands, the entire issued share capital of which is beneficially owned by Mr. Yeung Wai, and 7,000,000 Shares are underlying shares of the same number of options granted to Mr. Yeung Yun Chuen on 18 August 2021 under the Share Option Scheme.
5. In respect of the 915,375,000 Shares, 272,025,000 Shares were held by Mr. Yeung Yun Chuen, 184,275,000 Shares were held by Mr. Yeung Yun Kei, 452,075,000 Shares were held by China Sage International Limited, a company incorporated in the British Virgin Islands, the entire issued share capital of which is beneficially owned by Mr. Yeung Wai, and 7,000,000 Shares are underlying shares of the same number of options granted to Mr. Yeung Yun Kei on 18 August 2021 under the Share Option Scheme.
6. The relevant Directors were granted options to subscribe for such number of Shares under the Share Option Scheme. Details of the Directors' Interests in Share options are set out in the paragraph headed "Share Option Scheme" in the interim report.

Save as disclosed above, as at 30 September 2021, none of the Directors or chief executive of the Company had any interest or short position in the shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) as recorded in the register that was required to be kept pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.



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

As at 30 September 2021, the interests or short positions of the persons, other than Directors or chief executive of the Company, in the Shares and underlying Shares of the Company, as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO, were as follows:

Name of Shareholder	Capacity/nature of interest	Number and class of securities (Note 1)	Approximate percentage of shareholding in the Company
Ms. Lam Man Ki, Elane	Interest of spouse (Note 2)	915,375,000 Shares (L)	70.41%
Ms. Yung Yuk Ling	Interest of spouse (Note 3)	915,375,000 Shares (L)	70.41%
Ms. Hui Lin Na	Interest of spouse (Note 4)	915,375,000 Shares (L)	70.41%
China Sage International Limited	Beneficial owner (Note 5)	452,075,000 Shares (L)	34.78%
Ms. Leung Siu Kuen	Interest of spouse (Note 6)	73,625,000 Shares (L)	5.66%

*Notes:*

1. The letter "L" denotes the person or entity's long position in the shares and underlying shares of the Company.
2. Ms. Lam Man Ki, Elane was deemed to be interested in all the Shares in which Mr. Yeung Wai, her spouse, was interested by virtue of the SFO.
3. Ms. Yung Yuk Ling was deemed to be interested in all the Shares in which Mr. Yeung Yun Chuen, her spouse, was interested by virtue of the SFO.
4. Ms. Hui Lin Na was deemed to be interested in all the Shares in which Mr. Yeung Yun Kei, her spouse, was interested by virtue of the SFO.
5. These Shares were held by China Sage International Limited. The entire issued shares of China Sage International Limited are owned by Mr. Yeung Wai.
6. Ms. Leung Siu Kuen was deemed to be interested in all the Shares in which Mr. Leung Siu Sun, her spouse, was interested by virtue of the SFO.

Save as disclosed above, as at 30 September 2021, no person, other than the Directors and chief executive of the Company, had registered an interest or short position in the shares or underlying shares of the Company that was recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.



## SHARE OPTION SCHEME

The Company operates a share option scheme (the “**Share Option Scheme**”) for the purpose of motivating eligible participants to optimise their future contributions to the Group and to reward them for the past contributions and to attract and retain or otherwise maintain ongoing relationships with such eligible participants whose contributions are or will be beneficial to the performance, growth or success of the Group.

Eligible participants of the Share Option Scheme include the Company’s Directors, including independent non-executive Directors, other employees of the Group and any consultants, business or joint venture partners, franchisees, contractors, agents, representatives or service providers of any member of the Group. The Share Option Scheme was adopted by the Company on 28 October 2014 and became effective on 13 November 2014, and, unless otherwise cancelled or amended, will remain in force for 10 years from the effective date.

The maximum number of shares in respect of which options may be granted under the Share Option and any other schemes by the Company shall not, in aggregate, exceed 10% of the issued share capital of the Company as at the Listing Date unless shareholders’ approval has been obtained.

The maximum number of shares issuable under the share options to each eligible participant in the Share Option Scheme within any 12-month period is limited to 1% of the Shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders’ approval in advance in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive Directors. In addition, any share options granted to a substantial shareholder or an independent non-executive Director of the Company, or to any of their associate, in excess of 0.1% of the Shares of the Company in issue at any time or with an aggregate value (based on the closing price of the Company’s Shares at the date of grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders’ approval in advance in a general meeting.

The offer of a grant of share options may be accepted upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the Directors, and may commence from the date of the offer of the share options and ends on a date which is not later than 10 years from the date of the offer of the share options or the expiry dates of the Share Option Scheme, if earlier.





# CORPORATE GOVERNANCE AND OTHER INFORMATION

Particulars of the movement of options granted under the Share Option Scheme during the six months ended 30 September 2021 are as follows:

## Directors

Name	Capacity	Date of Grant	Exercise Price	Granted during the period	Exercised during the period	Outstanding as at 30 September 2021
Mr. Yeung Wai	Beneficial Owner	18 August 2021	HK\$0.2056	7,000,000	–	7,000,000
Mr. Yeung Yun Chuen	Beneficial Owner	18 August 2021	HK\$0.2056	7,000,000	–	7,000,000
Mr. Yeung Yun Kei	Beneficial Owner	18 August 2021	HK\$0.2056	7,000,000	–	7,000,000
Mr. Leung Siu Sun	Beneficial Owner	18 August 2021	HK\$0.2056	7,000,000	–	7,000,000
Mr. Wu Kam On Keith	Beneficial Owner	18 August 2021	HK\$0.2056	4,000,000	–	4,000,000
Mr. Yeung Ho Wang	Beneficial Owner	18 August 2021	HK\$0.2056	4,000,000	–	4,000,000
Mr. Ng Ngai Man Raymond	Beneficial Owner	18 August 2021	HK\$0.2056	1,360,000	–	1,360,000
Mr. Wong Wai Leung Joseph	Beneficial Owner	18 August 2021	HK\$0.2056	1,360,000	–	1,360,000
Mr. Chan Chun Bong Junbon	Beneficial Owner	18 August 2021	HK\$0.2056	1,360,000	–	1,360,000

## Employees

Date of Grant	Capacity	Exercise Price	Granted during the period	Exercised during the period	Outstanding as at 30 September 2021
18 August 2021	Beneficial Owner	HK\$0.2056	63,920,000	–	63,920,000

Notes:

- As for the share options granted on 18 August 2021 (the "Date of Grant"), the closing price of the shares quoted on the Stock Exchange immediately before the business day on which the options were granted i.e. 17 August 2021 was HK\$0.205. The options are exercisable in 3 tranches of 33%, 33% and 34%, respectively, at any time after the expiration of 24, 36 and 48 months, respectively, from the Date of Grant.
- If as a result of the exercise of the share options, the public float as required under the Listing Rules cannot be maintained, then the share options may only be exercised by the grantees to the extent allowable under the Listing Rules so that after exercise of such share options, the public float requirements will not be violated.
- No option lapsed or was cancelled during the six months ended 30 September 2021.

# CORPORATE GOVERNANCE AND OTHER INFORMATION



## STATUS UPDATE AS TO THE 34 BUILDING ORDERS

Reference is made to the 34 unreleased building orders registered against our leased premises in the section headed “Business – Building orders and fire safety directions registered against our leased premises” in the prospectus of the Company date 4 November 2014. Among those 34 unreleased building orders, 17 of them were no longer the leased premises of the Group as at the date of this report, 3 of them were released, 12 of them have been completed with rectification works and are subject to the release of the building orders while the remaining building orders are still being followed up, including those that we are unable to obtain co-operation from the relevant landlord(s) or incorporated owners to carry out the relevant rectification works.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company’s listed securities.

## CHANGES IN THE BOARD AND THE DIRECTORS’ INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, changes in the information of Directors since the date of the last annual report are set out below:

- Mr. Fan Chun Wah Andrew has resigned as an independent non-executive Director and has ceased to be the chairman of the Nomination Committee and a member of each of the Audit Committee and the Remuneration Committee with effect from 7 May 2021.
- Mr. Wong Wai Leung Joseph has been appointed as an independent non-executive Director, the chairman of the Nomination Committee and a member of each of the Audit Committee and the Remuneration Committee with effect from 7 May 2021.
- Mr. Yeung Wai has ceased to be the CEO and remains as the Chairman and an executive Director with effect from 13 May 2021.
- Mr. Wu Kam On Keith has been re-designated from an independent non-executive Director to an executive Director and appointed as the vice chairman of the Board, the CEO and a member of the Executive Committee. Due to his re-designation, Mr. Wu Kam On Keith has resigned as the chairman of the Audit Committee with effect from 13 May 2021.
- Mr. Yeung Ho Wang has been appointed as an executive Director and a member of the Executive Committee with effect from 13 May 2021.
- Mr. Chan Chun Bong Junbon has been appointed as an independent non-executive Director, the chairman of the Nomination Committee and a member of the Audit Committee with effect from 13 May 2021.
- Mr. Wong Wai Leung Joseph has ceased to be the chairman of the Nomination Committee while he has been appointed as the chairman of the Audit Committee with effect from 13 May 2021.



# CORPORATE GOVERNANCE AND OTHER INFORMATION

## EVENTS AFTER THE REPORTING PERIOD

The Board is not aware of any material event affecting the Group since the end of the Reporting period and up to the date of this report.

## PUBLICATION OF INTERIM REPORT

The electronic version of this interim report will be published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.fulumgroup.com](http://www.fulumgroup.com)).

## APPRECIATION

The Board would like to thank the management and the staff of the Group for their hard work and dedication, as well as its shareholders, business partners and associates, bankers and auditor for their support to the Group throughout the Reporting Period.

By order of the Board of  
**Fulum Group Holdings Limited**  
**YEUNG WAI**  
*Chairman and Executive Director*

Hong Kong, 26 November 2021

*As at the date of this report, the Board comprises Mr. Yeung Wai (Chairman), Mr. Wu Kam On Keith (Vice Chairman and CEO), Mr. Yeung Yun Chuen, Mr. Yeung Yun Kei, Mr. Leung Siu Sun and Mr. Yeung Ho Wang as executive Directors; and Mr. Ng Ngai Man Raymond, Mr. Wong Wai Leung Joseph and Mr. Chan Chun Bong Junbon as independent non-executive Directors.*

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Six months ended 30 September 2021



The board (the “**Board**”) of directors (the “**Directors**”) of Fulum Group Holdings Limited (the “**Company**”), together with its subsidiaries (collectively the “**Group**”), hereby announces the unaudited condensed consolidated interim results of the Group for the six months ended 30 September 2021 (the “**Reporting Period**”) together with comparative figures for the corresponding period in 2020 (the “**Previous Reporting Period**”). The condensed consolidated interim financial statements for the Reporting Period have not been audited, but have been reviewed by the audit committee of the Company (the “**Audit Committee**”).

	Notes	Six months ended 30 September	
		2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
<b>REVENUE</b>	5	<b>772,560</b>	565,643
Other income and gains, net	6	<b>33,964</b>	81,364
Cost of inventories sold		<b>(267,662)</b>	(188,540)
Staff costs		<b>(248,604)</b>	(184,127)
Property rentals and related expenses		<b>(35,686)</b>	(31,376)
Depreciation		<b>(140,978)</b>	(163,083)
Fuel and utility expenses		<b>(45,204)</b>	(43,083)
Other expenses		<b>(60,063)</b>	(114,916)
Share of profit of a joint venture		<b>11</b>	–
Finance costs	7	<b>(10,536)</b>	(17,220)
<b>LOSS BEFORE TAX</b>		<b>(2,198)</b>	(95,338)
Income tax expense	8	<b>(60)</b>	(569)
<b>LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	9	<b>(2,258)</b>	(95,907)



# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Six months ended 30 September 2021

	Notes	Six months ended 30 September	
		2021	2020
		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
<b>OTHER COMPREHENSIVE INCOME</b>			
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>			
Exchange differences on translation of foreign operations		223	1,602
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		<b>(2,035)</b>	<b>(94,305)</b>
<b>LOSS PER SHARE</b>	11		
– Basic and diluted (HK cents)		<b>(0.17)</b>	<b>(7.38)</b>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 September 2021



	Notes	30 September 2021 HK\$'000 (Unaudited)	31 March 2021 HK\$'000 (Audited)
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	12	165,509	169,988
Investment in a joint venture		14	–
Right-of-use assets		521,558	601,877
Deposits and other receivables		81,019	54,726
<b>Total non-current assets</b>		<b>768,100</b>	<b>826,591</b>
<b>CURRENT ASSETS</b>			
Inventories	13	80,070	93,382
Trade receivables	14	21,602	9,708
Prepayments, deposits and other receivables		67,107	119,138
Financial assets at fair value through profit or loss		400	–
Amount due from a joint venture		2,499	–
Tax recoverable		2,834	12,194
Cash and cash equivalents		144,041	145,074
<b>Total current assets</b>		<b>318,553</b>	<b>379,496</b>
<b>CURRENT LIABILITIES</b>			
Trade payables	15	68,017	51,711
Other payables, accruals and deferred income		175,193	172,827
Interest-bearing bank borrowings		195,777	177,758
Lease liabilities		275,845	320,320
Provision		7,858	12,205
Tax payable		3,318	1,780
<b>Total current liabilities</b>		<b>726,008</b>	<b>736,601</b>
<b>NET CURRENT LIABILITIES</b>		<b>(407,455)</b>	<b>(357,105)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>360,645</b>	<b>469,486</b>



# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

30 September 2021

		30 September 2021 HK\$'000 (Unaudited)	31 March 2021 HK\$'000 (Audited)
	Notes		
<b>NON-CURRENT LIABILITIES</b>			
Accruals and deferred income		1,806	11,981
Lease liabilities		230,159	326,153
Provision		7,894	8,803
Deferred tax liabilities		570	570
Total non-current liabilities		240,429	347,507
Net assets		120,216	121,979
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Issued capital	16	1,300	1,300
Reserves		118,916	120,679
Total equity		120,216	121,979

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Six months ended 30 September 2021



	Attributable to owners of the Company							
	Issued capital	Share premium account	Other reserve	Merger reserve	Share option reserve	Exchange fluctuation reserve	Accumulated losses	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2020 (audited)	1,300	540,140	(5,372)	31,073	-	(5,701)	(274,546)	286,894
Loss for the period (unaudited)	-	-	-	-	-	-	(95,907)	(95,907)
Other comprehensive income for the period (unaudited)	-	-	-	-	-	1,602	-	1,602
Total comprehensive (loss)/ income for the period (unaudited)	-	-	-	-	-	1,602	(95,907)	(94,305)
At 30 September 2020 (unaudited)	1,300	540,140*	(5,372)*	31,073*	-	(4,099)*	(370,453)*	192,589

	Attributable to owners of the Company							
	Share capital	Share premium	Other reserve	Merger reserve	Share option reserve	Exchange fluctuation reserve	Accumulated losses	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2021 (audited)	1,300	540,140	(5,372)	31,073	-	(2,311)	(442,851)	121,979
Loss for the period (unaudited)	-	-	-	-	-	-	(2,258)	(2,258)
Other comprehensive income for the period (unaudited)	-	-	-	-	-	223	-	223
Total comprehensive (loss)/ income for the period (unaudited)	-	-	-	-	-	223	(2,258)	(2,035)
Share-based payments	-	-	-	-	272	-	-	272
At 30 September 2021 (unaudited)	1,300	540,140*	(5,372)*	31,073*	272*	(2,088)*	(445,109)*	120,216

\* These reserve accounts comprise the consolidated reserves of HK\$118,916,000 (31 March 2021: HK\$120,679,000) in the condensed consolidated statement of financial position.





# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Six months ended 30 September 2021

	Six months ended 30 September	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Net cash generated from operating activities	152,946	147,735
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of items of property, plant and equipment	(25,147)	(51,217)
Investment in a joint venture	(3)	–
Purchases of financial assets at fair value through profit or loss	(400)	–
Disposal of financial assets at fair value through profit or loss	–	405
Disposal of subsidiaries (net of cash and cash equivalents disposed of)	(44)	–
Net cash used in investing activities	(25,594)	(50,812)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
New bank loans	25,488	108,596
Repayment of bank loans	(7,460)	(23,170)
Interest paid	(10,536)	(17,220)
Principal portion of lease payments	(136,605)	(114,599)
Net cash used in financing activities	(129,113)	(46,393)
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,761)</b>	<b>50,530</b>
Cash and cash equivalents at the beginning of the period	145,074	116,412
Effect of foreign exchange rate changes, net	728	4,515
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>144,041</b>	<b>171,457</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents as stated in the condensed consolidated statement of financial position and in the condensed consolidated statement of cash flows	144,041	171,457

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Six months ended 30 September 2021



## 1. CORPORATE INFORMATION

The Company is an exempted company with limited liability incorporated in the Cayman Islands on 24 February 2014. The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company is located at 26/F, Capital Tower, 38 Wai Yip Street, Kowloon Bay, Hong Kong.

The Company is an investment holding company and the Company's subsidiaries were principally engaged in restaurant operations in Hong Kong and the People's Republic of China (the "PRC" or "Mainland China"). The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 13 November 2014.

## 2. BASIS OF PRESENTATION AND PREPARATION

These unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

These unaudited condensed consolidated financial statements should be read in conjunction with the 2021 annual financial statements. The accounting policies and methods of computation used in the preparation of these unaudited condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 March 2021.

### Going concern basis

The Group incurred a loss attributable to owners of the Company of approximately HK\$2,258,000 for the six months ended 30 September 2021 and as at 30 September 2021, the Group had net current liabilities of approximately HK\$407,455,000. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

In addition, taking into account a number of sources of finance available to fund its operations including future operating cash inflows and the financial support from the controlling shareholder of the Company when needed, the Directors consider that the Group will have sufficient working capital to finance its operations and be able to meet its financial obligations as and when they fall due for at least the next twelve months from the end of the reporting period. Accordingly, the Directors are satisfied that it is appropriate to prepare the Group's condensed consolidated financial statements on a going concern basis.



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Six months ended 30 September 2021

## 3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 April 2021. HKFRSs comprise Hong Kong Financial Reporting Standards (“**HKFRS**”); Hong Kong Accounting Standards (“**HKAS**”); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s consolidated financial statements and amounts reported for the current period and prior years.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The application of these new HKFRSs will not have material impact on the unaudited condensed consolidated financial statements of the Group.

## 4. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group’s policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

Disclosures of level in fair value hierarchy at 30 September 2021:

	Fair value measurements using			Total HK\$’000 (unaudited)
	Level 1 HK\$’000 (unaudited)	Level 2 HK\$’000 (unaudited)	Level 3 HK\$’000 (unaudited)	
Recurring fair value measurements:				
Financial assets at fair value through profit or loss	–	–	400	400

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Six months ended 30 September 2021



## 5. REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in restaurant operations in Hong Kong and Mainland China. 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 and no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.

Revenue represents the gross revenue from restaurant operations and net invoiced value of food and other operating items sold, after allowances for returns and trade discounts. An analysis of revenue is as follows:

	For the six months ended 30 September	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Restaurant operations	738,387	529,102
Sale of food and other operating items	34,173	36,541
	<b>772,560</b>	565,643

For the six months ended 30 September 2021 and 2020, all revenues were recognised at a point in time.



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Six months ended 30 September 2021

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

### Information about Geographical Areas

The following tables present revenue from external customers for the six months ended 30 September 2021 and 2020, and certain non-current assets information as at 30 September 2021 and 31 March 2021, by geographical areas.

(a) *Revenue from external customers*

	Six months ended 30 September	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Hong Kong	729,824	523,771
Mainland China	42,736	41,872
	772,560	565,643

The revenue information above is based on the locations of the customers.

(b) *Non-current assets*

	30 September	31 March
	2021	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Hong Kong	620,188	708,014
Mainland China	66,879	64,198
	687,067	772,212

The non-current assets information above is based on the locations of the assets and excludes investment in a joint venture and financial assets.

### Information about Major Customers

Since no single customer of the Group has contributed over 10% of the Group's total revenue during the period, no information about major customers in accordance with HKFRS 8 *Operating Segments* is presented.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Six months ended 30 September 2021



## 6. OTHER INCOME AND GAINS, NET

	Six months ended 30 September	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest income on bank deposits	62	511
Interest income on rental deposits	119	133
Licensing income	376	364
Food court income	11,517	2,778
Government subsidies (note)	15,597	68,624
Gain on lease modification	583	4,760
Sponsorship income	752	214
Others	4,958	3,980
	<b>33,964</b>	<b>81,364</b>

Note: Government subsidies of HK\$15,597,000 (2020: HK\$68,624,000) were granted during the six month period ended 30 September 2021 by the Government of the Hong Kong Special Administrative Region under the Anti-Epidemic Fund. There are no unfulfilled conditions and other contingencies attached to the receipts of those subsidies. There is no assurance that the Group will continue to receive such subsidies in the future.

## 7. FINANCE COSTS

	Six months ended 30 September	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest on bank overdrafts and bank loans	2,077	1,973
Interest on lease liabilities	8,459	15,247
	<b>10,536</b>	<b>17,220</b>



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Six months ended 30 September 2021

## 8. INCOME TAX EXPENSE

	For the six months ended 30 September	
	2021	2020
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Hong Kong Profits Tax:		
– Current tax	–	569
PRC Enterprise Income Tax (“EIT”):		
– Current tax	60	–
Deferred tax	–	–
	60	569

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.

For the six months ended 30 September 2021 and 2020, Hong Kong Profit Tax is calculated under two-tier profit tax system where the first HK\$2 millions of estimated assessable profit is taxed at rate of 8.25% and remaining estimated assessable profit is taxed at 16.5%. The Group should elect one of the Hong Kong subsidiaries to apply the two-tier profit tax rate.

The subsidiaries of the Company established in Mainland China are subject to the PRC corporate income tax at a standard rate of 25% (six months ended 30 September 2020: 25%) during the current period.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Six months ended 30 September 2021



## 9. LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY

The Group's loss before tax is arrived at after charging/(crediting):

	For the six months ended	
	2021	2020
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Lease payments not included in the measurement of lease liabilities	9,354	874
Foreign exchange differences, net	(3)	(2)
Fair value losses on investment properties*	–	12,850
Impairment of items of property, plant and equipment*	–	4,499
Impairment of right-of-use assets*	–	5,937
Impairment of inventories*	2,500	–
Impairment of trade receivables*	2,687	–
Fair value losses on financial assets at fair value through profit or loss*	–	2,495
Gain on disposal of subsidiaries*	(25,411)	–
Depreciation of property, plant and equipment	29,952	27,751
Depreciation of right-of-use assets	111,026	135,332
Employee benefit expenses (including directors' remuneration):		
Salaries, bonuses and other allowances	240,392	177,268
Retirement benefit scheme contributions (defined contribution scheme)	8,212	6,859
	<b>248,604</b>	<b>184,127</b>

\* These items were included in "Other expenses" in the unaudited condensed consolidated statement of profit or loss and other comprehensive income.

## 10. DIVIDEND

The Directors do not recommend the payment of any interim dividends in respect of the period (six months ended 30 September 2020: Nil).





# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Six months ended 30 September 2021

## 11. LOSS PER SHARE

### Basic loss per share

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the period attributable to owners of the Company of approximately HK\$2,258,000 (six months ended 30 September 2020: HK\$95,907,000) and the weighted average number of ordinary shares of 1,300,000,000 (2020: 1,300,000,000) in issue during the period.

### Diluted loss per share

The effects of all potential ordinary shares are anti-dilutive for the six months ended 30 September 2021 and 2020.

## 12. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group acquired items of property, plant and equipment of HK\$25,147,000 (six months ended 30 September 2020: HK\$51,251,000).

## 13. INVENTORIES

	30 September 2021 HK\$'000 (Unaudited)	31 March 2021 HK\$'000 (Audited)
Food and beverages	78,324	87,690
Other operating items for restaurant operations	1,746	5,692
	<b>80,070</b>	93,382

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Six months ended 30 September 2021



## 14. TRADE RECEIVABLES

	30 September 2021 HK\$'000 (Unaudited)	31 March 2021 HK\$'000 (Audited)
Credit card receivables	11,715	2,134
Others	24,263	19,451
	35,978	21,585
Impairment	(14,376)	(11,877)
	21,602	9,708

The Group's trading terms with its customers are mainly on cash and credit card settlement while trading terms for sale of food are on credit with credit periods ranging from 30 to 60 days (31 March 2021: 30 to 60 days). The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of provision, is as follows:

	30 September 2021 HK\$'000 (Unaudited)	31 March 2021 HK\$'000 (Audited)
Within 1 month	15,576	6,554
1 to 3 months	1,462	1,531
3 to 12 months	2,154	1,623
Over 12 months	2,410	–
	21,602	9,708



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Six months ended 30 September 2021

## 15. TRADE PAYABLES

The trade payables are non-interest-bearing and generally have payment terms of 45 to 90 days (31 March 2021: 45 to 90 days). An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 September 2021 HK\$'000 (Unaudited)	31 March 2021 HK\$'000 (Audited)
Within 1 month	56,052	41,225
1 to 3 months	8,579	7,059
3 to 12 months	1,836	1,190
Over 12 months	1,550	2,237
	<b>68,017</b>	<b>51,711</b>

## 16. ISSUED CAPITAL

	30 September 2021 HK\$'000 (unaudited)	31 March 2021 HK\$'000 (audited)
Authorised: 2,000,000,000 shares of HK\$0.001 each	2,000	2,000
Issued and fully paid: 1,300,000,000 shares of HK\$0.001 each	1,300	1,300

## 17. SHARE OPTION SCHEMES

The Company operates a share option scheme (the “Schemes”) for the purpose of motivating eligible participants to optimise their future contributions to the Group and to reward them for the past contributions and to attract and retain or otherwise maintain ongoing relationships with such eligible participants whose contributions are or will be beneficial to the performance, growth or success of the Group.

Eligible participants of the Schemes include the Company’s directors, including independent non-executive directors, other employees of the Group and any consultants, business or joint venture partners, franchisees, contractors, agents, representatives or service providers of any member of the Group. The share option scheme became effective on 13 November 2014, and, unless otherwise cancelled or amended, will remain in force for 10 years, from the respective effective dates.



## 17. SHARE OPTION SCHEMES *(Continued)*

The maximum number of shares in respect of which options may be granted under the Schemes and any other schemes by the Company shall not, in aggregate, exceed 10% of the issued share capital of the Company as at the listing date unless shareholders' approval has been obtained.

The maximum number of shares issuable under the share options to each eligible participant in the Schemes within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in advance in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associate, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the closing price of the Shares at the date of grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and may commence from the date of the offer of the share options and ends on a date which is not later than 10 years from the date of the offer of the share options or the expiry dates of the Schemes, if earlier.

All holders of options granted under the Scheme may only exercise their options in the following manner:

Maximum percentage of options exercisable	Vesting period
33% of options	at any time after the expiration of 24 months from the date of grant
Additional 33% of options	at any time after the expiration of 36 months from the date of grant
Additional 34% of options	at any time after the expiration of 48 months from the date of grant



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Six months ended 30 September 2021

## 17. SHARE OPTION SCHEMES (Continued)

Name of grantee	Date of grant	Exercisable period	Exercisable price	Outstanding as at 31 March 2021	Grant during the period	Outstanding as at 30 September 2021	
<i>Executive Director</i>							
Mr. Yeung Wai	18.8.2021	18.8.2023-17.8.2026	HK\$0.2056	–	2,310,000	2,310,000	
Mr. Yeung Wai	18.8.2021	18.8.2024-17.8.2026	HK\$0.2056	–	2,310,000	2,310,000	
Mr. Yeung Wai	18.8.2021	18.8.2025-17.8.2026	HK\$0.2056	–	2,380,000	2,380,000	
Mr. Yeung Yun Chuen	18.8.2021	18.8.2023-17.8.2026	HK\$0.2056	–	2,310,000	2,310,000	
Mr. Yeung Yun Chuen	18.8.2021	18.8.2024-17.8.2026	HK\$0.2056	–	2,310,000	2,310,000	
Mr. Yeung Yun Chuen	18.8.2021	18.8.2025-17.8.2026	HK\$0.2056	–	2,380,000	2,380,000	
Mr. Yeung Yun Kei	18.8.2021	18.8.2023-17.8.2026	HK\$0.2056	–	2,310,000	2,310,000	
Mr. Yeung Yun Kei	18.8.2021	18.8.2024-17.8.2026	HK\$0.2056	–	2,310,000	2,310,000	
Mr. Yeung Yun Kei	18.8.2021	18.8.2025-17.8.2026	HK\$0.2056	–	2,380,000	2,380,000	
Mr. Leung Siu Sun	18.8.2021	18.8.2023-17.8.2026	HK\$0.2056	–	2,310,000	2,310,000	
Mr. Leung Siu Sun	18.8.2021	18.8.2024-17.8.2026	HK\$0.2056	–	2,310,000	2,310,000	
Mr. Leung Siu Sun	18.8.2021	18.8.2025-17.8.2026	HK\$0.2056	–	2,380,000	2,380,000	
Mr. Wu Kam On Keith	18.8.2021	18.8.2023-17.8.2026	HK\$0.2056	–	1,320,000	1,320,000	
Mr. Wu Kam On Keith	18.8.2021	18.8.2024-17.8.2026	HK\$0.2056	–	1,320,000	1,320,000	
Mr. Wu Kam On Keith	18.8.2021	18.8.2025-17.8.2026	HK\$0.2056	–	1,360,000	1,360,000	
Mr. Yeung Ho Wang	18.8.2021	18.8.2023-17.8.2026	HK\$0.2056	–	1,320,000	1,320,000	
Mr. Yeung Ho Wang	18.8.2021	18.8.2024-17.8.2026	HK\$0.2056	–	1,320,000	1,320,000	
Mr. Yeung Ho Wang	18.8.2021	18.8.2025-17.8.2026	HK\$0.2056	–	1,360,000	1,360,000	
<i>Independent non-executive Director</i>							
Mr. Ng Ngai Man Raymond	18.8.2021	18.8.2023-17.8.2026	HK\$0.2056	–	448,800	448,800	
Mr. Ng Ngai Man Raymond	18.8.2021	18.8.2024-17.8.2026	HK\$0.2056	–	448,800	448,800	
Mr. Ng Ngai Man Raymond	18.8.2021	18.8.2025-17.8.2026	HK\$0.2056	–	462,400	462,400	
Mr. Wong Wai Leung Joseph	18.8.2021	18.8.2023-17.8.2026	HK\$0.2056	–	448,800	448,800	
Mr. Wong Wai Leung Joseph	18.8.2021	18.8.2024-17.8.2026	HK\$0.2056	–	448,800	448,800	
Mr. Wong Wai Leung Joseph	18.8.2021	18.8.2025-17.8.2026	HK\$0.2056	–	462,400	462,400	
Mr. Chan Chun Bong Junbon	18.8.2021	18.8.2023-17.8.2026	HK\$0.2056	–	448,800	448,800	
Mr. Chan Chun Bong Junbon	18.8.2021	18.8.2024-17.8.2026	HK\$0.2056	–	448,800	448,800	
Mr. Chan Chun Bong Junbon	18.8.2021	18.8.2025-17.8.2026	HK\$0.2056	–	462,400	462,400	
Employees	18.8.2021	18.8.2023-17.8.2026	HK\$0.2056	–	21,093,600	21,093,600	
Employees	18.8.2021	18.8.2024-17.8.2026	HK\$0.2056	–	21,093,600	21,093,600	
Employees	18.8.2021	18.8.2025-17.8.2026	HK\$0.2056	–	21,732,800	21,732,800	
				–	104,000,000	104,000,000	
Exercisable at the end of the period							
						–	
Weighted average exercise price						HK\$0.2056	HK\$0.2056

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Six months ended 30 September 2021



## 17. SHARE OPTION SCHEMES (Continued)

At 30 September 2021, the total number of shares in respect of which options under the Scheme had been granted and remained outstanding was 104,000,000, representing 8% of the shares of the Company in issue at that date. The options outstanding at the end of period have a weight average remaining contractual life is approximately 5 years.

No option was exercised during the six months ended 30 September 2021.

The fair value of the share options was determined at the date of grant using the Binomial option pricing model (the “**Binomial Model**”) with the following inputs and based on the respective vesting period of the share options:

Stock price as at grant date	HK\$0.205
Exercise price	HK\$0.2056
Expected volatility	49.09%
Expected life of options	5 years
Risk free rate	0.8%
Expected dividend yield	0%

The Binomial Model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors’ best estimate. Expected volatility was determined by using the historical volatility of the Company’s share prices over the previous five years. Changes in variables and assumptions may result in changes in the fair value of the options.

The total estimated fair value of the share options granted on that date was approximately HK\$8,843,000.

The Group recognised share-based payments expense of approximately HK\$272,000 during the six months ended 30 September 2021 (2020: nil) in relation to the share options granted by the Company.



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Six months ended 30 September 2021

## 18. DISPOSAL OF SUBSIDIARIES

During the six months ended 30 September 2021, the Group disposed of its entire interests in certain subsidiaries to independent third parties for an aggregate consideration of HK\$103.

Net liabilities at the date of disposal were as follows:

	HK\$'000
Trade receivables	30
Prepayments, deposits and other receivables	12,985
Tax recoverable	1,004
Cash and cash equivalents	44
Trade payables	(93)
Other payables, accruals and deferred income	(1,260)
Lease liabilities	(35,596)
Provision	(2,106)
Tax payable	(419)
Net liabilities disposed of:	(25,411)
Gain on disposal of subsidiaries	25,411
Total consideration	–
Net cash outflow arising on disposal:	
Total consideration	–
Cash and cash equivalents disposed of	(44)
	(44)

## 19. CONTINGENT LIABILITIES

At the end of the reporting period, contingent liabilities not provided for in the condensed consolidated financial statements were as follows:

	30 September 2021 HK\$'000 (Unaudited)	31 March 2021 HK\$'000 (Audited)
Bank guarantees given in lieu of rental and utility deposits	19,318	29,088

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Six months ended 30 September 2021



## 20. CAPITAL COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	30 September 2021 HK\$'000 (Unaudited)	31 March 2021 HK\$'000 (Audited)
Contracted, but not provided for: Property, plant and equipment	16,500	684

## 21. RELATED PARTY TRANSACTIONS

### Related party transactions

In addition to the transactions and balances detailed elsewhere in these unaudited condensed consolidated interim financial statements, the Group had the following material transactions with related parties during the period:

	For the six months ended 30 September 2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Purchase of food (note)	4,299	1,636

Note: These related companies were controlled by the controlling shareholders and/or their family members.

The transactions were conducted at terms and conditions mutually agreed between the relevant parties. The Directors are of the opinion that those related party transactions were conducted in the ordinary course of business of the Group.

At 30 September 2021, the right-of-use assets related to certain restaurants leased from related companies controlled by the controlling shareholders and/or their family members amounted to HK\$138,304,000 (as at 31 March 2021: HK\$193,470,000) and lease liabilities of HK\$166,278,000 (as at 31 March 2021: HK\$229,435,000) are due to these related companies of the Group. Depreciation and impairment of right-of-use assets related to these restaurants amounted to HK\$47,557,000 (year ended 31 March 2021: HK\$139,399,000) and interest on lease liabilities to these related companies of the Group amounted to HK\$2,690,000 (year ended 31 March 2021: HK\$7,895,000) during the six months ended 30 September 2021.





# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Six months ended 30 September 2021

## 21. RELATED PARTY TRANSACTIONS *(Continued)*

Compensation of key management personnel of the Group is as follows:

	For the six months ended 30 September	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Short term employee benefits	3,748	3,182
Post-employment benefits	53	54
	<b>3,801</b>	<b>3,236</b>



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