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Fulum Group Holdings Limited
富臨集團控股有限公司
(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1443)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2025

HIGHLIGHTS

- Revenue was approximately HK\$1,702.1 million (2024: approximately HK\$1,841.2 million), representing a decrease of approximately 7.6%
- Gross profit margin¹ was at approximately 72.3% (2024: approximately 72.6%), representing a decrease of approximately 0.3%
- Earnings before interest expense, tax, depreciation and amortisation were approximately HK\$309.7 million (2024: approximately HK\$373.8 million)
- Loss for the year attributable to owners of the Company was approximately HK\$66.4 million (2024: profit for the year attributable to owners of the Company of approximately HK\$50.6 million)
- Basic loss per share² was approximately HK\$5.11 cents (2024: basic earnings per share of approximately HK\$3.89 cents)
- The Board does not recommend the payment of any dividend for the year ended 31 March 2025 (2024: a final dividend of HK\$0.3 cents per ordinary share)

1 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%.

2 The calculation of the basic loss per share amounts is based on loss for the year attributable to owners of the Company of approximately HK\$66,371,000 (2024: profit attributable to owners of the Company of approximately HK\$50,584,000) and 1,300,000,000 (2024: 1,300,000,000) ordinary shares in issue during the year.

ANNUAL RESULTS

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 consolidated results of the Group for the year ended 31 March 2025, together with comparative figures for the year ended 31 March 2024, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 March 2025

		2025	2024
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	4	1,702,059	1,841,212
Other income and gains, net	6	13,283	21,778
Cost of inventories sold		(471,695)	(505,280)
Staff costs		(609,200)	(637,612)
Property rentals and related expenses		(47,616)	(63,751)
Depreciation of right-of-use assets		(276,510)	(271,608)
Depreciation of property, plant and equipment		(66,051)	(58,203)
Fuel and utility expenses		(93,479)	(96,886)
Other expenses		(187,755)	(180,732)
Share of loss in a joint venture		(654)	(4,194)
(Losses from)/reversals of impairment/write-off of non-financial assets		(12,832)	273
Losses from impairment/write-off of financial assets		(1,189)	(1,058)
Gain on disposal of subsidiaries		18,792	–
Finance costs	7	(25,331)	(31,936)
(Loss)/profit before tax		(58,178)	12,003
Income tax (expense)/credit	8	(8,194)	38,571
(Loss)/profit for the year	9	(66,372)	50,574
Other comprehensive income/(expense):			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translation of foreign operations		(146)	(279)
Exchange differences reclassified to profit or loss on disposal of subsidiaries		1,498	–
		1,352	(279)
Total comprehensive (expense)/income for the year		(65,020)	50,295

	Notes	2025 HK\$'000	2024 HK\$'000
(Loss)/profit for the year attributable to:			
Owners of the Company		(66,371)	50,584
Non-controlling interests		(1)	(10)
		<u>(66,372)</u>	<u>50,574</u>
Total comprehensive (expense)/income for the year attributable to:			
Owners of the Company		(65,019)	50,305
Non-controlling interests		(1)	(10)
		<u>(65,020)</u>	<u>50,295</u>
(Loss)/earnings per share			
– Basic (HK\$ cent)	11	<u>(5.11)</u>	<u>3.89</u>
– Diluted (HK\$ cent)		<u>(5.11)</u>	<u>3.89</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2025

		2025	2024
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		168,840	183,315
Right-of-use assets		465,288	666,942
Deposits and other receivables		56,422	52,837
Deferred tax assets		33,944	41,855
		724,494	944,949
Current assets			
Inventories		68,825	76,448
Trade receivables	<i>12</i>	40,770	16,877
Prepayments, deposits and other receivables		92,915	104,585
Amount due from a joint venture		12,080	9,811
Tax recoverable		–	5
Cash and cash equivalents		74,639	121,790
		289,229	329,516
Current liabilities			
Trade payables	<i>13</i>	87,017	54,452
Other payables, accruals and deferred income		140,203	129,470
Interest-bearing bank borrowings		249,054	281,353
Lease liabilities		258,442	261,727
Provision		5,136	3,341
Tax payable		6,658	6,466
		746,510	736,809
Net current liabilities		(457,281)	(407,293)
TOTAL ASSETS LESS CURRENT LIABILITIES		267,213	537,656

		2025	2024
	Notes	HK\$'000	HK\$'000
Non-current liabilities			
Accruals and deferred income		1,518	1,482
Lease liabilities		136,417	335,577
Provision		4,139	7,184
		<u>142,074</u>	<u>344,243</u>
NET ASSETS		<u>125,139</u>	<u>193,413</u>
Capital and reserves			
Share capital	14	1,300	1,300
Reserves		126,420	194,693
		<u>127,720</u>	<u>195,993</u>
Equity attributable to owners of the Company		(2,581)	(2,580)
Non-controlling interests			
TOTAL EQUITY		<u>125,139</u>	<u>193,413</u>

NOTES TO FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Fulum Group Holdings Limited 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 are 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 (the "**Shares**") have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 13 November 2014 (the "**Listing Date**") (the "**Listing**").

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

2. GOING CONCERN BASIS

The Group incurred a loss of approximately HK\$66,372,000 for the year ended 31 March 2025 and, as of that date, the Group had net current liabilities of approximately HK\$457,281,000. This condition indicates 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.

The directors of the Company are of the opinion that the Group will have sufficient working capital to meet its financial liabilities as and when they fall due given that (i) the controlling shareholder has agreed to provide adequate funds for the Group to meet its liabilities as they fall due; (ii) the Group is negotiating with financial institutions for extending repayment schedule; and (iii) the Group is actively implementing cost-control measures to improve operating cash flows and its financial position and the directors of the Company believe that the performance of the Group will be significantly improved in the forthcoming year.

Accordingly, the directors of the Company are of the opinion that it is appropriate to prepare the consolidated financial statements on the going concern basis. Should the Group be unable to continue as a going concern, adjustments would have to be made to the consolidated financial statements, to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

3. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

In the current year, the Group has adopted all the new and revised HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) that are relevant to its operations and effective for its accounting year beginning on 1 April 2024. HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards (“HKFRS”); Hong Kong Accounting Standards (the “HKAS”); and Interpretations. The adoption of these new and revised HKFRS Accounting Standards 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 year and prior years.

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

4. REVENUE

An analysis of revenue is as follows:

	2025 HK\$'000	2024 HK\$'000
Restaurant operations	1,597,788	1,739,460
Sale of food and other operating items	42,446	51,480
Sales from food court operations	17,233	11,954
	<hr/>	<hr/>
Revenue from contracts with customers	1,657,467	1,802,894
	<hr/>	<hr/>
Rental income from food court operations	44,592	38,318
	<hr/>	<hr/>
	1,702,059	1,841,212
	<hr/> <hr/>	<hr/> <hr/>

Disaggregation of revenue from contracts with customers:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Geographical markets		
Hong Kong	1,652,366	1,753,542
PRC	49,693	87,670
	<u>1,702,059</u>	<u>1,841,212</u>
	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Information about timing of revenue recognition		
At a point in time	1,640,234	1,790,940
Over time	17,233	11,954
	<u>1,657,467</u>	<u>1,802,894</u>
Rental income from food court operations	44,592	38,318
	<u>1,702,059</u>	<u>1,841,212</u>

Information about the Group's performance obligations is summarised below:

Restaurant operations

The performance obligation is satisfied when the customer obtains control of the promised goods, being the point in time when the customer purchases the goods at the restaurants. Payment of the transaction price is due immediately at the point when the customer purchases the goods.

Sale of food and other operating items

The performance obligation is satisfied when the customer obtains control of the promised goods, being the point in time when the customer purchases the goods at the shops or upon delivery of the goods. Payment is generally due at the point when the customer purchases the goods at shops or within 30 to 60 days from delivery.

Food court operations

Fixed rental income from the sub-lease of food courts, which is recognised on a straight-line basis over the lease term, and the variable portion of the rental income, which is computed based on a percentage of the food court tenant's gross sales recognised when such sales are earned.

Income from food court operation services, which is recognised over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

5. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker (the “CODM”). The CODM, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the executive directors.

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 resource 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.

Information about geographical areas

The following tables present certain non-current asset information, by geographical areas.

	2025 <i>HK\$’000</i>	2024 <i>HK\$’000</i>
Hong Kong	583,864	798,309
PRC	50,264	51,948
	<u>634,128</u>	<u>850,257</u>

The non-current asset information above is based on the locations of the assets and excludes financial assets and deferred tax assets.

Information about major customers

During the years ended 31 March 2025 and 2024, none of the Group’s individual customer contributed more than 10% to the total revenue of the Group.

6. OTHER INCOME AND GAINS, NET

	<i>Note</i>	2025 HK\$'000	2024 <i>HK\$'000</i>
Interest income		114	361
Licensing income		476	444
Sponsorship income		2,157	3,135
Forfeiture of rental deposits		–	2,352
Gain on lease termination		6,889	7,897
Overprovision of reinstatement liabilities		1,250	2,035
Others		2,397	5,554
		13,283	21,778

7. FINANCE COSTS

		2025 HK\$'000	2024 <i>HK\$'000</i>
Interest on bank loans		11,476	13,032
Interest on lease liabilities		13,855	18,904
		25,331	31,936

8. INCOME TAX EXPENSE/(CREDIT)

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Hong Kong Profits Tax:		
– Current tax	283	289
PRC Enterprise Income Tax (“EIT”):		
– Current tax	–	126
Deferred tax:	<u>7,911</u>	<u>(38,986)</u>
	<u>8,194</u>	<u>(38,571)</u>

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (2024: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2024: 8.25%) and the remaining assessable profits are taxed at 16.5% (2024: 16.5%).

Taxes on profits assessable in Mainland China have been calculated at the rate of 25% (2024: 25%) during the year.

9. (LOSS)/PROFIT FOR THE YEAR

The Group’s (loss)/profit for the year is stated after charging/(crediting) the following:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Auditor’s remuneration	2,150	2,150
Cost of inventories sold	471,695	505,280
Expenses related to short-term leases	7,123	6,373
Expenses related to variable lease payments not included in lease liabilities	4,184	5,745
Gain on disposal of subsidiaries	18,792	–
Loss on disposal of property, plant and equipment	(4,989)	–
Losses from/(reversal of) impairment of items of property, plant and equipment	3,111	(273)
Impairment of right-of-use assets	9,721	–
Impairment of trade receivables and other receivables	1,189	1,058
Salaries, bonuses and other allowances	589,079	615,812
Retirement benefit scheme contributions (defined contribution schemes)	19,475	20,063
Share-based payments	<u>646</u>	<u>1,737</u>
Total staff costs	<u>609,200</u>	<u>637,612</u>

10. DIVIDENDS

The Board has resolved not to propose a final dividend for the year ended 31 March 2025.

The proposed final dividend of HK\$0.3 cents per share, totalling approximately HK\$3,900,000, for the year of 2024 was paid on 21 October 2024.

A special dividend of HK\$0.3 cents per share, totalling approximately HK\$3,900,000, was declared and paid to the shareholders of the Company who appears on the register of members as at 9 October 2023. The dividend was paid on 19 October 2023.

11. (LOSS)/EARNINGS PER SHARE

Basic (loss)/earnings per share

The calculation of basic loss (2024: earnings) per share attributable to owners of the Company is based on the loss (2024: profit) for the year attributable to owners of the Company of approximately HK\$66,371,000 (2024: profit for the year attributable to owners of the Company of approximately HK\$50,584,000) and the weighted average number of ordinary shares of 1,300,000,000 (2024: 1,300,000,000) in issue during the year.

Diluted (loss)/earnings per share

Diluted loss per share are the same as basic loss per share for the year ended 31 March 2025 as the effects of all potential ordinary shares are anti-dilutive.

The calculation of diluted earnings per share attributable to owners of the Company is based on the profit for the year ended 31 March 2024 attributable to owners of the Company of approximately HK\$50,584,000 and the weighted average number of ordinary shares of 1,300,646,172, being the weighted average number of ordinary shares of 1,300,000,000 in issue during the year ended 31 March 2024 used in the basic earnings per share calculation plus the weighted average number of ordinary shares of 646,172 assumed to have been issued at no consideration on the deemed exercise of the share options outstanding at the end of the reporting period.

12. TRADE RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Credit card receivables	8,328	3,520
Others	47,395	27,121
	55,723	30,641
Impairment	(14,953)	(13,764)
	40,770	16,877

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 (2024: 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 enhancement 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 loss allowance, is as follows:

	2025 HK\$'000	2024 HK\$'000
Within 1 month	24,643	12,899
1 to 3 months	12,942	3,620
3 to 12 months	3,185	358
	<u>40,770</u>	<u>16,877</u>

The movements in the loss allowance for impairment of trade receivables are as follows:

	2025 HK\$'000	2024 HK\$'000
At beginning of year	13,764	12,914
Impairment losses	1,189	850
	<u>14,953</u>	<u>13,764</u>

13. TRADE PAYABLES

The trade payables are non-interest-bearing and generally have payment terms of 45 to 90 days (2024: 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:

	2025 HK\$'000	2024 HK\$'000
Within 1 month	66,783	50,431
1 to 3 months	13,365	3,208
3 to 12 months	5,847	809
Over 12 months	1,022	4
	<u>87,017</u>	<u>54,452</u>

14. SHARE CAPITAL

	Number of shares	Amount equivalent to share capital <i>HK\$'000</i>
Authorised:		
Shares of the Company with nominal value of HK\$0.001 each		
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	<u>2,000,000,000</u>	<u>2,000</u>
Issued and fully paid:		
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	<u>1,300,000,000</u>	<u>1,300</u>

15. CONTINGENT LIABILITIES

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Bank guarantees given in lieu of rental and utility deposits	<u>17,647</u>	<u>19,635</u>

EXTRACT OF INDEPENDENT AUDITOR’S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to note 2 to the consolidated financial statements which mentions that as at 31 March 2025 the Group had net current liabilities of HK\$457 million. This condition indicates a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Overview

Hong Kong’s catering industry faces multiple challenges from 2024 to the first half of 2025. Although the overall economy continues to recover, consumers’ willingness to spend remains weak, and the volume of restaurant receipts indicator continued to fall, reflecting the contraction in diners and consumption activities. The cost of raw materials and labor continued to rise, increasing operating pressure. The overall revenue of the catering industry showed a differentiated trend, with fast food restaurants and non-Chinese restaurants performing relatively well, while Chinese restaurants and bars faced greater pressure. The popularity of take-out and online ordering services after the pandemic has changed consumption patterns, and the catering industry needs to actively adjust its business strategies to cope with market changes.

According to data from the Hong Kong Census and Statistics Department, the seasonally adjusted GDP grew by about 2% in the first quarter of 2025, indicating a steady economic expansion. Real GDP grew by 3.1% year-on-year, faster than the previous quarter. Despite the economic growth, private consumption expenditure still fell slightly by 1.2%, reflecting continued consumer caution. The government continues to promote expansionary financial policies and capital expenditure increases, which will help support economic activities and the development of the catering industry.

In the first quarter of 2025, the number of visitors to Hong Kong was about 12.2 million, a year-on-year increase of 9%, and the tourism industry has gradually recovered. However, mainland tourists prefer short-distance travel, which provides limited support to the local catering industry. The total restaurant revenue value in the fourth quarter of 2024 was approximately HK\$27.56 billion, a slight

increase of 0.46% year-on-year; but after deducting price factors, the revenue quantity index fell by about 1.1%, indicating that actual consumption has not yet fully recovered. In terms of value and volume, revenues of Chinese restaurants decreased by 3.6% and 5.3% respectively; those of non-Chinese restaurants increased by 2.2% and 1.6% respectively; revenues of fast food restaurants increased by 6.6% and 4.3% respectively; while revenues of bars decreased by 8.9% and 11.9%. Overall, the catering industry is facing cost pressure and changes in consumption patterns, and the operating environment remained tough.

The Chinese mainland market continued to recover, with total retail sales of consumer goods reaching RMB 48.8 trillion in 2024, a year-on-year increase of 3.5%; the catering industry's revenue was close to RMB 5.6 trillion, a year-on-year increase of 5.3%, a higher growth rate than the overall retail market. The mainland consumer market is large and continues to expand, providing important development opportunities for Hong Kong catering companies. The government's promotion of economic diversification and consumption upgrades has prompted innovation and improvement in service quality in the catering industry, and the market outlook is optimistic.

Business Review

In the financial year under review, facing the severe operating environment of Hong Kong's catering industry, Fulum Group actively carried out drastic business adjustments, continuously improved and simplified operating processes, and made early preparations for future development. The Group actively promoted the reorganization of its business structure, significantly improving overall operational efficiency and profitability by re-examining and allocating restaurant portfolios and closing branches with suboptimal performance. The Group has been committed to providing high-quality and diversified catering services to the public, meeting the needs of different age groups and spending power. During the period, the Group continued to promote business diversification, expanding more brands, covering different cuisines and price levels, and successfully attracting a wider customer base.

During the financial year under review, the Group effectively reduced operating costs and improved service quality by optimizing operating processes and promoting digital management, laying a solid foundation for future sustainable development. The Group relocated some of its back-office functions to Zhuhai, China to reduce costs, while making full use of flexible remote working to streamline workflows and improve efficiency. The Group attaches great importance to digital transformation and uses it as an opportunity to promote environmental benefits. During the financial year under review, we adopted a one-stop mobile office platform to improve operational efficiency and reduce costs by optimizing resource management efficiency, remote collaboration and conferencing, cloud services and integrating multi-functional tools. At the same time, it can also reduce the use of paper and consumables, and reduce carbon emissions through flexible office.

The Group has been expanding its catering brands in residential areas and tourist regions at a steady and prudent pace. As of 31 March 2025, the Group operated a total of 98 restaurants in Hong Kong, including 12 restaurants under the “Fulum” series brands, 5 restaurants under the “Sportful Garden” (陶源) series brands, 81 restaurants and tea shops and 6 food courts under the “Concept Line” series, 2 restaurants in Mainland China and 1 restaurant in Macau.

During the financial year under review, the Group continued to expand its “Concept Line” series, actively introducing cuisines from various countries to create a catering ecosystem for all time zones, using innovative themed foods and limited-time dishes to cater to different age groups and diverse tastes. The Group takes “small store model group management” as its concept, providing Korean izakaya and Korean barbecue, Korean and Western light meals, popular Japanese restaurants, casual cafes, authentic Thai cuisine and exquisite Western cuisine, while covering multiple price levels to enhance market competitiveness.

In addition to restaurants that cater to the general public’s tastes, Fulum Group is also actively developing different catering models. During the period, the Group established a new restaurant brand “Agate” (璞) in the M+ Building in the West Kowloon Cultural District, offering exquisite and innovative Cantonese cuisine, expanding its presence in the high-end catering market; at the same time, we operate two tea shops “HEYTEA” under a franchise model, providing handmade drinks that are very popular among young customers, in order to develop more different business models and expand our customer base.

In addition, the Group has actively expanded its food court business and established a new brand food court in Kai Tak Sports Park, which brings together the most popular restaurants in the city, providing venue users and local residents with a wide range of food choices. Currently, food courts have covered major residential areas such as Yuen Long, Tuen Mun, Kowloon Bay and Kai Tak. Customers can browse the customer discounts provided by multiple food courts through mobile applications and place orders instantly. We will continue to look for suitable locations and expand more food courts in the future.

During the reporting period, the Group continued to expand its presence in China by jointly opening a Korean barbecue restaurant “The Charcoal Room” (柞木炭家) in Zhuhai, marking the Group’s further expansion in the Greater Bay Area market. In the future, the Group will continue to seek for the right opportunity to promote its diversified and high-quality catering brands to various parts of the country and other Asian regions.

During the financial year under review, the Group continued to provide customers with traditional Chinese dining experience through its “Fulum” series and “Sportful Garden” series. The “Fulum” series targets the mass market and features Cantonese cuisine, including seafood, dim sum and hot pot, and provides distinctive decorations and luxurious venues for weddings and banquets; the “Sportful Garden” series focuses on mid- to high-end Cantonese delicacies and attracts high-end customers with luxurious decorations. In the face of changes in people’s dining habits after the pandemic, the Group actively adjusted its operating strategy and developed the Fulum online shopping platform. In line with market tastes and needs, it regularly launched takeaway meal packages, BBQ assortment and side dishes, and expanded its customer base through both online and offline operations.

Financial Review

During the year under review, the Group’s revenue decrease by approximately 7.6% to approximately HK\$1,702.1 million (2024: approximately HK\$1,841.2 million) from last year.

The following table sets forth the breakdown of the Group’s main revenue and percentage change by line of business for the financial years indicated:

	2025	2024	Change
	HK\$’000	HK\$’000	%
Restaurant operations			
“Fulum (富臨)” main brand	626,925	755,440	(17.0)
“Sportful Garden (陶源)” main brand	196,547	220,836	(11.0)
“Concept Line (概念線)”	774,316	763,183	1.5
Sale of food and other operating items	42,446	51,480	(17.5)

During the year under review, the Group’s gross profit margin decreased to 72.3% (2024: approximately 72.6%). The Group recorded a loss attributable to owners of the Company of approximately HK\$66.4 million for the year ended 31 March 2025 when compared with a profit attributable to owners of the Company of approximately HK\$50.6 million for the year ended 31 March 2024 which the decrease was mainly due to decrease in revenue.

Prospects and Outlook

Looking ahead, in the face of challenges such as cost pressure and changes in consumption patterns, Fulum Group will actively seize the opportunities brought by the local economic recovery and the rebound in the tourism industry, and further enhance operational efficiency and customer experience by optimizing its catering portfolio, promoting brand diversification and digital development.

At the same time, the Group will actively explore markets outside Hong Kong. In addition to the highly promising Greater Bay Area, the Group is also actively studying overseas markets to advance its business layout. The Board believes that the series of adjustments and innovations carried out during the financial year under review will create greater development space for the Group. In the future, Fulum Group will strengthen its market position and enhance its competitiveness by adopting innovative and flexible business strategies to provide customers with a quality dining experience and continue to create long-term value for its shareholders.

Financial resources and liquidity

As at 31 March 2025, the Group's total assets decreased to approximately HK\$1,013.7 million (2024: approximately HK\$1,274.5 million). As at 31 March 2025, the Group recorded total equity of approximately HK\$125.1 million (2024: approximately HK\$193.4 million). The decrease in the total equity of the Group as at 31 March 2025 mainly resulted from loss attributable to owners of the Company of approximately HK\$66.4 million for the year ended 31 March 2025.

As at 31 March 2025, the Group had approximately HK\$74.6 million in cash and bank balances available (2024: approximately HK\$121.8 million). The current ratio of the Group was approximately 0.39 (2024: approximately 0.45).

As at 31 March 2025, the Group's total borrowings amounted to approximately HK\$249.1 million (2024: approximately HK\$281.4 million), which mainly consisted of term loans in the amount of approximately HK\$233.4 million (2024: approximately HK\$265.7 million) and a revolving loan of approximately HK\$15.7 million (2024: approximately HK\$15.7 million). These borrowings were denominated in Hong Kong dollars, and the effective interest rates ranged from approximately 3.0% to 6.1% per annum.

Capital expenditure

The capital expenditure during the year under review was primarily related to expenditures on additions and renovation of property, plant and equipment and investment property for the Group's central kitchen and logistics center, new restaurants and maintenance of existing restaurants. The capital commitments were related to leasehold improvements and equipment for our restaurants.

Contingent liabilities

As at 31 March 2025, the Group had contingent liabilities not provided for in the consolidated financial statements in the amount of approximately HK\$17.6 million in relation to bank guarantees given in lieu of rental and utility deposits (2024: approximately HK\$19.6 million).

Foreign currency exposure

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (to the extent that revenue or expenses are denominated in a currency that is different from the functional currency of the relevant subsidiaries of the Group). Majority of the Group's purchase during the year under review was denominated in the functional currency of the relevant subsidiaries.

The Group's assets, liabilities and transactions are mainly denominated in Hong Kong dollars. Certain of the Group's bank balances are denominated in Renminbi ("RMB") which is not freely convertible into other currencies. However, under Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations of the PRC, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business. The Directors are of the view that the Group's operating cash flow and liquidity are not subject to significant foreign exchange rate risks and therefore no hedging arrangements were made. However, the Group will review and monitor the relevant foreign exchange exposure from time to time based on its business development requirements and may enter into foreign exchange hedging arrangements when appropriate.

Human resources and remuneration policy

As at 31 March 2025, the Group had approximately 2,163 employees. The Group believes that hiring, motivating and retaining qualified employees are crucial to the Group's success as a restaurant operator. During the year under review, the Group conducted a series of standardised training and advancement programs for all the Group's staff, from serving staff, cashiers, floor managers, chefs, restaurant managers to district managers. These training programs intend to ensure that all new staff are equipped with the skills required for their positions. The Group's internal advancement programs can provide its staff with clear advancement guidelines and promote employee satisfaction. The Group offers competitive remuneration packages to its employees, including basic salary, allowances, insurance and commission/bonuses.

Indebtedness and charges on Group's assets

As at 31 March 2025, the Company had outstanding bank loans of approximately HK\$249.1 million, of which approximately HK\$73.8 million were secured, and approximately HK\$175.3 million were unsecured. As at 31 March 2025, the Company had lease liabilities recognised on the application of HKFRS 16 "Leases" of approximately HK\$394.8 million, of which approximately HK\$258.4 million were due within one year and approximately HK\$136.4 million were due after one year.

As at 31 March 2025, certain assets of the Group with a carrying amount in aggregate of HK\$162.6 million (2024: HK\$165.7 million) were pledged to secure its bank borrowings.

Material acquisition or disposal of subsidiaries or associated companies

During the year under review, there was no material acquisition or disposal of subsidiaries or associated companies of the Company.

Dividends

The board does not recommend the payment of any dividend for the year ended 31 March 2025 (2024: a final dividend of HK\$0.3 cents per ordinary share).

Share Option Schemes

The Company has adopted a post-IPO share option scheme (the “**Share Option Scheme**”) on 28 October 2014, pursuant to which, the Directors may grant options to eligible participants to subscribe for Shares at a price determined by the Board provided that the exercise price shall not be less than whichever is the highest of (i) the nominal value of the Shares; (ii) the closing price of the Shares as stated in the Stock Exchange daily quotations sheet on the offer date; and (iii) the average of the closing prices of the Shares as stated in the Stock Exchange’s daily quotation sheet for the five business days immediately preceding the offer date. The option may be exercised in accordance with the terms of the Share Option Scheme at any time during the option period which may be determined and conveyed by the Board to the grantee at the time an offer is made. The Share Option Scheme shall be valid and effective for a period of 10 years commencing on 13 November 2014.

Particulars of the movement of options granted under the Share Option Scheme during the year ended 31 March 2025 are as follows:

Directors

Name	Capacity	Date of Grant	Exercise Price	Outstanding as at 1 April 2024	Granted during the period	Lapsed during the period	Outstanding as at 31 March 2025
Mr. Yeung Wai	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. Yeung Chun Nin	Beneficial Owner	30 November 2022	HK\$0.216	1,087,500	–	–	1,087,500
Ex-Director (Note 4)	Beneficial Owner	18 August 2021	HK\$0.2056	7,000,000	–	–	7,000,000
Mr. Ng Ngai Man							
Raymond	Beneficial Owner	18 August 2021	HK\$0.2056	1,360,000	–	1,360,000	0
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	Outstanding as at 1 April 2024	Granted during the period	Lapsed during the period	Outstanding as at 31 March 2025
18 August 2021	Beneficial Owner	HK\$0.2056	40,127,500	–	5,850,000	34,277,500
22 March 2023	Beneficial Owner	HK\$0.228	15,000,000	–	–	15,000,000

Notes:

- As for the share options granted on 18 August 2021 (the “**2021 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 2021 Date of Grant.
- As for the share options granted on 30 November 2022 (the “**2022 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. 29 November 2022 was HK\$0.203. The options are exercisable in 3 tranches of 33%, 33% and 34%, respectively, at any time after the expiration of 12, 24 and 36 months, respectively, from the 2022 Date of Grant.

3. As for the share options granted on 22 March 2023 (the “**2023 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. 21 March 2023 was HK\$0.19. The options are exercisable in 3 tranches of 33%, 33% and 34%, respectively, at any time after the expiration of 12, 24 and 36 months, respectively, from the 2023 Date of Grant.
4. Mr. Yeung Yun Chuen retired as an Executive Director with effect from 30 June 2022. In accordance with the Share Option Scheme, share options of 7,000,000 granted to him remain effective until the end of the exercise period.
5. 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 Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) so that after exercise of such share options, the public float requirements will not be violated.
6. Share options of 5,850,000 (Employees) and 1,360,000 (Directors), totaling 7,210,000 lapsed during the year ended 31 March 2025.

Corporate Governance Code

The Board periodically reviews the Group’s corporate governance practices to ensure its continuous compliance with the code provisions of the corporate governance code (the “**CG Code**”) (to the extent such provisions are applicable) as set out in Appendix C1 to the Listing Rules. Throughout the year ended 31 March 2025, the Board considered that the Company has complied with the code provisions set out in the CG Code.

As to the gender diversity required to be disclosed under the amended CG Code effective from 1 January 2022, the Board has been evaluating on appropriate plan for such diversity with reference to the relevant experiences and skills of the Board members, the Board compositions of market peers and the business development of the Group. The Board will continue to commit to maintaining a high standard of corporate governance practices to safeguard the interests of the shareholders of the Company, 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 C3 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 year ended 31 March 2025 and up to the date of this announcement.

Purchases, sale or redemption of listed securities

During the year ended 31 March 2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float of the issued Shares (i.e. at least 25% of the issued Shares has been held in public hands) as required under the Listing Rules during the year ended 31 March 2025 and up to the date of this announcement.

Events after the year under review

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 announcement.

Audit Committee

The primary duties of audit committee of the Company (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.

The Audit Committee comprises all three independent non-executive Directors, namely, Mr. Wong Wai Leung Joseph, Mr. Chan Chun Bong Junbon and Ms. Huang Li Mei with Mr. Wong Wai Leung Joseph, being the chairman of the Audit Committee. The Audit Committee has reviewed the Group's consolidated statements for the year ended 31 March 2025. The Audit Committee was of the opinion that the preparation of such results complied with applicable accounting standards and requirements as well as the Listing Rules and relevant adequate disclosures have been made.

Scope of work of ZHONGHUI ANDA 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 Group's auditors, ZHONGHUI ANDA CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by ZHONGHUI ANDA CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by ZHONGHUI ANDA CPA Limited on the preliminary announcement.

Closure of register of members

The register of members of the Company will be closed from Tuesday, 23 September 2025 to Friday, 26 September 2025, both days inclusive, during which period no transfer of Shares will be registered, for the purpose of ascertaining shareholders' entitlement to attend and vote at the forthcoming annual general meeting. In order to be eligible to attend and vote at the annual general meeting, all transfers of Shares accompanied by the relevant share certificates and appropriate transfer forms must be lodged for registration with the Company's share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Fast East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 22 September 2025.

Publication of annual results announcement and annual report

This annual results announcement is published on the Company's website (www.fulumgroup.com) and the Stock Exchange's website (www.hkexnews.hk). The annual report of the Company for the year ended 31 March 2025 containing all the information required under the Listing Rules will be despatched to the shareholders of the Company and will be made available on the websites of the Company and the Stock Exchange in due course.

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

Hong Kong, 27 June 2025

As at the date of this announcement, the Board comprises Mr. Yeung Wai (Chairman), Mr. Yeung Ho Wang (CEO), Mr. Yeung Yun Kei, Mr. Leung Siu Sun, and Mr. Yeung Chun Nin as executive Directors; and Mr. Wong Wai Leung Joseph, Mr. Chan Chun Bong Junbon and Ms. Huang Li Mei as independent non-executive Directors.