



翠華集團®
TSUI WAH GROUP

Tsui Wah Holdings Limited
翠華控股有限公司

(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 : 1314

ANNUAL REPORT 年報

2024



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This Annual Report is printed on environmentally friendly paper

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Lee Yuen Hong (*Chairman*)
Mr. Lee Kun Lun Kenji (*Group Chief Executive Officer*)
Ms. Lee Yi Fang

Non-Executive Directors

Mr. Cheng Chung Fan
Mr. Wong Chi Kin

Independent Non-Executive Directors

Mr. Goh Choo Hwee
Mr. Tang Man Tsz
Mr. Yim Kwok Man

AUTHORISED REPRESENTATIVES

Mr. Lee Yuen Hong
Mr. Kwok Siu Man

BOARD COMMITTEES

Audit Committee

Mr. Yim Kwok Man (*Chairman*)
Mr. Goh Choo Hwee
Mr. Wong Chi Kin

Remuneration Committee

Mr. Goh Choo Hwee (*Chairman*)
Mr. Lee Yuen Hong
Mr. Tang Man Tsz

Nomination Committee

Mr. Lee Yuen Hong (*Chairman*)
Mr. Goh Choo Hwee
Mr. Tang Man Tsz

COMPANY SECRETARY

Mr. Kwok Siu Man

LEGAL ADVISERS

As to Hong Kong laws
Mason Ching & Associates

INDEPENDENT AUDITORS

KPMG
Certified Public Accountants
Public Interest Entity Auditor registered in accordance with the
Accounting and Financial Reporting Council Ordinance of
Hong Kong

REGISTERED OFFICE

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Units 1–6, 2/F, Delta House,
No. 3 On Yiu Street,
Sha Tin,
New Territories,
Hong Kong

LISTING INFORMATION

Place of Listing

Main Board of The Stock Exchange
of Hong Kong Limited

Stock Code

1314

Board Lot

2,000 shares

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 BRANCH SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712–1716
17/F, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

PRINCIPAL BANKERS

Standard Chartered Bank (Hong Kong) Limited
United Overseas Bank

COMPANY'S WEBSITE ADDRESS

www.tsuiwah.com

CHAIRMAN'S STATEMENT

Dear Shareholders:

On behalf of the board of directors of Tsui Wah Holdings Limited (the **"Company"**, the **"Directors"** and the **"Board"**, respectively), I hereby present the audited annual results of the Company and its subsidiaries (the **"Group"**) for the year ended 31 March 2024 (the **"Year"**).

BUSINESS REVIEW

Despite the end of the pandemic and the full resumption of normal travel between Hong Kong and Mainland in February 2023, the pace of recovery has not lived up to expectations, with the entire food & beverage industry and the retail sector facing formidable challenges. The sluggish economic revival, coupled with Hong Kong consumers' growing inclination to travel in mainland China, has further weakened local consumption power. Moreover, the surge in costs, including food, rent, utilities, and labor, has exacerbated the industry's woes. In the mainland market, the strong rebound in the first half of the Year provided temporary vibrancy for the food & beverage sector, but the subsequent consumption downturn and market normalization in the second half led to a noticeable contraction.

Amidst these challenges, the Group has demonstrated remarkable resilience and delivered a commendable performance with the total revenue increased by approximately 12.8% to reach HK\$954.1 million in this fiscal Year, while the profit attributable to the Company's owners amounted to approximately HK\$39.0 million. Excluding the one-time gain of HK\$84.2 million from property sales in the previous year, the Group successfully turned around from a loss to profitability, significantly improving its earnings capability. Through sustained innovation, agile marketing strategies, and effective operational management, the Group is well-positioned to overcome the current difficulties and achieve more robust development.

Over the past year, the Group has undertaken a brand rejuvenation initiative, successfully capturing the attention of the younger generation through the creation of the iconic "Tsui Wah Junior" cartoon figure. Furthermore, the Group has actively sought cross-industry collaborations, forging a strategic alliance with Hong Kong Express Airways to serve Ging Sun Ho King Of Bun's signature pan-fried pork soup bun to passengers on flights, further expanding the brand's reach. Concurrently, the Group's existing outlets at the Hong Kong International Airport and Artificial Island at the Hong Kong-Zhuhai-Macao Bridge Hong Kong Port have benefited from the surge in cross-border passenger flows, solidifying its market position and promoting Hong Kong's local cuisine to a wider audience of travelers.

Beyond Hong Kong, the Group's operations in Singapore and Macau have continued to perform remarkably, driven by a significant increase in local tourism. In the mainland, the Group has maintained relatively stable performance and has pursued strategic initiatives, such as joint ventures with cross-industry brands, to enhance younger consumers' affinity and strengthen its connection with this target demographic. These strategic moves will help the Group maintain its market presence and lay a solid foundation for future growth.

CHAIRMAN'S STATEMENT

OUTLOOK

Looking ahead, the respective governments of Mainland China, Hong Kong, Macau and Singapore are actively planning a series of promotional initiatives aimed at stimulating local consumption and attracting more tourists. The Group firmly believes that these measures will benefit its businesses. To seize this opportunity, the Group is carefully planning the expansion of its retail network. First, Tsui Wah restaurants will return to the two major tourist areas of Central and Tsim Sha Tsui in Hong Kong, while the Group will also renovate its outlets in the StarWorld Hotel and Galaxy Hotel in Macau, presenting a more modern outlook to customers and enhancing their dining experience. Additionally, the Group is actively expanding its sub-brand portfolio. Ging Sun Ho King Of Bun, for instance, will venture beyond Hong Kong, with plans to open outlets in Macau and Singapore, further expanding its overseas business and increasing brand influence.

The Group is confident that the upcoming updates and improvements will deliver an unprecedented new experience for its customers. At the same time, to further enhance its operational efficiency, the Group has developed its own point of sale (POS) system, which will increase the level of automation in its business, thereby effectively controlling costs.

AWARDS AND RECOGNITIONS

Over the years, Tsui Wah has not only focused on operating a sustainable Chinese catering business but has also placed great emphasis on social protection and development. In 2023, the Group collaborated with various social welfare organizations and sponsored charitable activities to support the community, including donating mooncakes, fundraising initiatives, and sponsoring charity events. It is worth noting that in 2023, Tsui Wah was awarded several corporate awards in recognition of its outstanding performance in marketing strategies and brand image in both Hong Kong and global markets, including the "2023–2024 Quality Tourism Services Scheme — Accredited Merchant" from the Hong Kong Tourism Board, the "2023–2024 Caring Company Scheme" from the Hong Kong Council of Social Service, and the "World Branding Awards 2023" from World Branding Forum.

APPRECIATION

The Board would like to express its sincere gratitude to the Group's management and all its staff for their continuous support and contribution. What is more, the Board would also like to take this opportunity to thank all the shareholders of the Company (the "**Shareholder(s)**") and the Group's investors, customers, business partners and associates for their loyal support and longstanding faith in the prospects of the Group.

By order of the Board
Tsui Wah Holdings Limited
Mr. Lee Yuen Hong
Chairman

Hong Kong, 27 June 2024

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

The anti-pandemic measures over the world were basically fully lifted in 2023, which has provided an immensely help to a recovery of the global economy. Given the full resumption of normal travel between Hong Kong and Mainland (the **“Travel Resumption”**) in the 1st quarter of 2023, the number of inbound visitors increased during the Year.

According to the data maintained with the Census and Statistics Department of Hong Kong, for the first quarter of 2024, the total restaurant receipts increased by HK\$759 million from HK\$27,445 million for the fourth quarter of 2023 to HK\$28,204 million for the first quarter of 2024, representing an increase of approximately 2.8%. Notwithstanding the increase, in the long run, the business environment of the catering industry in Hong Kong remains challenging, with rising costs of food, rent and utilities, putting continued pressure on profit margins. Customers are more price-sensitive, and with the trend of Hong Kong residents travelling to Mainland China for consumption after the Travel Resumption, it poses a challenge towards the catering industry in Hong Kong. Besides, competition for quality personnel is still an issue. On 13 June 2023, the Chief Executive-in-Council endorsed to enhance the coverage and operation of the Supplementary Labour Scheme to alleviate the manpower shortage across different sectors, including catering sector, which may reduce the pressure in the catering industry.

BUSINESS REVIEW

With the three-year-long pandemic over, all anti-pandemic measures were finally lifted and the borders reopened in February 2023, the habit of people dining out has basically returned, which has given the Group's business the impetus to recover. As at 31 March 2024, a total of 72 restaurants were operated by the Group in Hong Kong, Macau, Mainland China and Singapore. During the Year, the Group recorded revenue of approximately HK\$954.1 million, representing an increase of approximately 12.8% against last year, with profit attributable to owners of Company reaching approximately HK\$39.0 million. It is worth noting that in the previous year, the Group recorded a one-time revenue of HK\$84.2 million from the sale of certain properties in Hong Kong. If that being excluded, the results of the Group in the Year would had improved markedly when compared with that of last year.

Hong Kong

After three years of hardship due to the pandemic, all pandemic prevention measures in Hong Kong were officially lifted in February 2023. Business for our Group has gradually recovered, but with the Travel Resumption, a trend of Hong Kong people traveling north to Mainland China to consume has emerged. As a result, the flow of people spending in Hong Kong during holidays has been weakened, especially during Christmas, Chinese New Year, and Easter, where the number of Hong Kong people traveling north was far greater than incoming tourists. This has affected our business. Fortunately, some of the Group's restaurants have benefited from this trend, such as those at the Hong Kong International Airport and on Hong Kong-Zhuhai-Macau Bridge, where business tends to increase during holidays. However, overall, the Group's business in Hong Kong has been somewhat impacted.

On 22 April 2024, the first phase of Hong Kong's single-use plastic control measures was officially implemented. For environmental protection, the Group has always been supportive and will fully support and cooperate with the arrangements made by the Hong Kong government.

The Group's brands in Hong Kong include “Tsui Wah (翠華)”, “Nijuuichi Don (廿一堂)”, “Homurice (揚食屋)”, “Ceylon (錫蘭)”, “Ging Sun Ho King of Bun (堅信號上海生煎皇)” and “From Seed to Wish”, etc. After a review of the Group's restaurant network, during the Year, the Group had closed down 8 restaurants in Hong Kong and had opened 3 restaurants under the brands of “Homurice (揚食屋)” and “Ging Sun Ho King of Bun (堅信號上海生煎皇)” in Hong Kong.

MANAGEMENT DISCUSSION AND ANALYSIS

Mainland China

In the current year, the mainland catering market is still full of challenges. In the first half of the Year, the market experienced a strong recovery after the full opening post-pandemic, benefiting the Group's mainland branches. However, in the second half of the Year, there have been noticeable changes as the market returns to normal. With downward consumer spending affecting the market, the entire catering market has shrunk, leading to fierce price competition and a "price war" heating up. In response to the rapidly changing market, the Group has made timely adjustments with a cautious strategy. Throughout the Year, the Group's performance has remained stable. In the fiercely competitive market environment, the management approach of "one store, one strategy" has been implemented to create more reasonable profits through cost control and revenue growth. Internal operational management and brand promotion continue to be optimized, with the long-term mission of enhancing brand value. In the current year, we seek break throughs by collaborating with cross-border brands to increase the recognition of younger customers. We are also committed to online platform cooperation, marketing, and promotion to attract new customers and maintain customer loyalty. As for takeaway sales, the percentage has remained steady, with our flagship product Hainan chicken rice becoming a must-order item in the mainland market, proving our commitment to prioritizing product quality and meeting customer expectations. In line with the development of the Greater Bay Area, 7 restaurants were closed during the Year upon the expiry of their respective leases, while 3 Tsui Wah restaurants and 1 Tsui Wah Express restaurant were opened in the Greater Bay Area, following the core strategy of one flagship restaurant per region and multiple Tsui Wah Express restaurants. We remain confident about the future and will continue to develop steadily with a cautious attitude.

Others

In Singapore, the Group has maintained its strategic partnership with Jumbo Group Limited ("**Jumbo**") and is operating a Hong Kong style Cha Chaan Teng (茶餐廳) under the brand of "Tsui Wah". Leveraging on Jumbo's strong presence in Singapore, the Group is confident that this joint venture will continue to be successful and expects that "Tsui Wah" will establish an excellent international reputation of its products among the approximately 5.5 million population to expand its business network in Singapore.

The Group currently operates 4 restaurants in Singapore, having opened an outlet in January 2024 at Clarke Quay Central. After the relaxation of the novel coronavirus disease 2019 (the "**COVID-19**") measures, Singapore sales quickly rebounded to pre-pandemic levels. The ease of border restrictions worldwide, including visa-free travel between Singapore and China, has further contributed to the boost in sales within our Singapore operations. However, we remain cautious about rising operating costs, including raw materials, manpower, rental, and utilities, as well as the ongoing manpower shortage and projected world economic headwinds.

In terms of Macau, the number of tourists visiting Macau in 2023 has surged, with various industries in Macau flourishing. Galaxy Hotel opened its Galaxy Arena in April 2024, hosting several large-scale exhibitions, concerts and events, attracting a large number of people and further enhancing the Group's business in Macau. In October 2023, the Group introduced a self-service ordering system for Macau restaurants, resulting in a significant increase in our table turnover rate.

In early May 2024, the National Immigration Bureau implemented six new policy measures to further facilitate the entry and exit of mainland Chinese personnel, which will lead to further growth in the number of visitors to Macau.

The Group's restaurant at the third floor of the StarWorld Hotel will undergo renovations in or about the third quarter of 2024 and will move to the first floor of the StarWorld Hotel. Likewise, the Group's restaurant at the Galaxy Hotel will also undergo renovations at the end of 2024, presenting a new look to solidify and attract new customers.

MANAGEMENT DISCUSSION AND ANALYSIS

As all the social distancing measures were lifted, the Group has full confidence in the prospect of the catering industry and will tap into diversified fields with a prudent and optimistic approach, while paying close attention to various negative factors that may affect the business operations of the Group. We will seize the opportunity to join hands with our staff to develop the Group into a highly regarded catering group with a diverse brand portfolio and comprehensive customer base to introduce more delicious dishes to customers.

FINANCIAL REVIEW

Revenue

Revenue of the Group for the Year was approximately HK\$954.1 million, representing an increase of approximately 12.8% as compared with approximately HK\$845.8 million for the year ended 31 March 2023 (the “**Year 2023**”). The increase in revenue was mainly attributable to the rebound of Hong Kong and China business as a result of the recovery from the negative impact of the COVID-19.

Cost of inventories sold

The cost of inventories sold for the Year was approximately HK\$246.1 million, representing an increase of approximately 6.6% as compared with approximately HK\$230.8 million for the Year 2023. The cost of inventories sold accounted for approximately 25.8% of the Group’s revenue for the Year (2023: approximately 27.3%). The decrease in the ratio of cost of inventories sold in proportion to the Group’s revenue was mainly attributable to the Group’s efforts to control food materials, including regularly reviewing the prices of food materials, switching the food materials of grossly inflated price or changing the menu while maintaining quality.

Gross profit

The Group’s gross profit (equivalent to revenue minus the cost of inventories sold) for the Year was approximately HK\$708.0 million, representing an increase of 15.1% compared with approximately HK\$615.0 million for the Year 2023. The increase in gross profit was primarily a result of the proportional increase in revenue.

Staff costs and human resources and remuneration policy

As at 31 March 2024, the Group employed 2,104 employees. The Group’s staff costs for the Year were approximately HK\$314.8 million, representing an increase of approximately 6.4% as compared with approximately HK\$295.8 million for the Year 2023. The increase in staff costs was primarily a result of the proportional increase in revenue.

Remuneration packages are generally determined by reference to market norms, individual qualifications, relevant experience and performance as well as the Group’s results. The Company adopted a share award scheme on 9 August 2018 (the “**Share Award Scheme**”) for the purpose of, amongst others, providing incentives and helping the Group in retaining its existing employees. The Group periodically reviews the remuneration of its employees. Since the expiry of its share option scheme on 25 November 2022, the Company has not adopted any share option scheme. In September 2022, the Company granted a total of 10,000,000 shares of the Company to certain Directors of the Company. For details, please refer to the paragraph headed “Movements in the Share Award Scheme” in the “Report of Directors” of the annual report of the Company for the Year.

MANAGEMENT DISCUSSION AND ANALYSIS

Depreciation and amortisation

During the Year, (i) depreciation and amortisation of property, plant and equipment, investment properties and intangible assets were approximately HK\$47.4 million, equivalent to 5.0% of the Group's revenue (2023: approximately HK\$50.0 million, equivalent to 5.9% of the Group's revenue); and (ii) depreciation of right-of-use assets was approximately HK\$87.3 million, equivalent to 9.1% of the Group's revenue (2023: approximately HK\$124.9 million, equivalent to 14.8% of the Group's revenue). The aggregate amount of depreciation and amortisation was approximately HK\$134.7 million, equivalent to 14.1% of the Group's revenue (2023: approximately HK\$175.0 million, equivalent to 20.7% of the Group's revenue). The decrease in the ratio of depreciation and amortisation to the Group's revenue was mainly due to a decrease in the number of restaurants, as well as the impairment loss recognised for the Year 2023, which had reduced the net book value of the property, plant and equipment and right-of-use assets.

Property rentals and related expenses

During the Year, the Group did not receive any rent concession for the Year (2023: approximately HK\$15.3 million) and hence, the property rental and related expenses increased by 102.8% from approximately HK\$26.7 million for the Year 2023 to approximately HK\$54.1 million for the Year.

Other operating expenses

Other operating expenses increased by approximately 7.3%, from approximately HK\$140.9 million for the Year 2023 to approximately HK\$151.3 million for the Year, representing approximately 15.9% (2023: approximately 16.7%) of the Group's revenue for the Year. Given the possible adverse impact of the trends of Hong Kong residents travelling north to Mainland China for consumption after the Travel Resumption, the management conducted a review of the Group's right-of-use assets and property, plant and equipment. Accordingly, impairment losses of right-of-use assets and property, plant and equipment of approximately HK\$25.9 million and HK\$18.9 million were recognised respectively during the Year (2023: approximately HK\$45.0 million in aggregate). Besides, as some restaurants had ceased operations during the Year, there was a non-recurring write-off of property, plant and equipment of approximately HK\$1.6 million (2023: approximately HK\$1.4 million). Excluding the above-mentioned impairments and write-off, the other operating expenses for the Year were approximately HK\$104.9 million (2023: approximately HK\$94.5 million), increased by approximately 11.0% as compared with the Year 2023, representing approximately 11.0% of the Group's revenue (2023: approximately 11.2%). Such increase in the ratio of other operating expenses to the Group's revenue was mainly due to an increase which was corresponding to the increase in sales and business activities during the Year.

	For the year ended	
	2024	2023
	HK\$'000	HK\$'000
Other operating expenses included:		
Tools and consumables	23,105	21,714
Logistic and transportation	16,678	12,514
Repairs and maintenance	9,414	10,075
Staff welfare	12,100	11,547
Sanitation	8,273	8,966
Foreign exchange differences, net	1,071	241
Auditor's remuneration	3,136	2,545
Write-off of property, plant and equipment	1,639	1,415
Impairment of property, plant and equipment	18,928	12,079
Impairment of right-of-use assets	25,881	32,948
Other operating related expenses	31,033	26,858
	151,258	140,902

MANAGEMENT DISCUSSION AND ANALYSIS

Finance costs

Finance costs which was mainly the interest on lease liabilities amounted to approximately HK\$10.5 million for the Year, representing a decrease of approximately HK\$3.6 million from the Year 2023.

Share of profits from joint ventures

The share of profits from joint ventures amounted to approximately HK\$38.0 million for the Year, representing an increase of approximately HK\$28.8 million as compared with the Year 2023. The increase was primarily due to the business resurgence in Macau following their recovery from the COVID-19 pandemic.

Profit for the year

The Group's profit was approximately HK\$33.0 million for the Year (2023: HK\$55.9 million). The decrease was mainly due to a gain on disposal of certain properties of the Group in Hong Kong for Year 2023. The Group would have recorded a loss of approximately HK\$28.3 million for Year 2023 if such gain was not existed.

Liquidity, financial resources and capital structure

The Group financed its business principally with internally generated cash flows and the proceeds received from the initial public offering of the Company's shares (the "**Shares**") in issue for listing on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 26 November 2012. Taking into account the financial resources available to the Group, including internally generated funds and available banking facilities, the Group has sufficient working capital to meet its present requirements.

As at 31 March 2024, the Group had cash and cash equivalents and time deposits totally amounting to approximately HK\$235.0 million, representing a decrease of approximately HK\$51.4 million from approximately HK\$286.4 million as at 31 March 2023. Most of the Group's bank deposits and cash were denominated in Hong Kong dollars, Renminbi and Singapore dollars.

As at 31 March 2024, the Group's total current assets and current liabilities were approximately HK\$309.9 million (2023: approximately HK\$385.9 million) and approximately HK\$242.5 million (2023: approximately HK\$289.5 million), respectively, while the current ratio calculated by dividing the total current assets over the total current liabilities was approximately 1.3 times (2023: approximately 1.3 times).

As at 31 March 2024, the Group did not have any interest-bearing bank borrowings. Accordingly, the Group's gearing ratio, calculated by the interest-bearing bank borrowings divided by the equity attributable to equity Shareholders and then multiplied by 100%, was 0% (2023: 0%).

Contingent liabilities

As at 31 March 2024, the Group had contingent liabilities of approximately HK\$2.9 million (2023: approximately HK\$3.7 million) in respect of bank guarantees given in favour of the landlords in lieu of rental deposits.

MANAGEMENT DISCUSSION AND ANALYSIS

Outlook

Looking forward, the Group plans to implement the following measures so as to diversify its business scope and income source. The Group will actively broaden its platforms and develop its new brands and explore other new business models with a view to maintaining flexible market responses and coping with the change in consumption manner. Besides, the Group will accelerate its expansion in overseas markets and the Greater Bay Area, and strengthen marketing efforts to expand its customer base. The Group hopes to consolidate the presence of its brands and increase its market share in Hong Kong, Macau and Mainland China. The Group will also make good use of its strategic partnership relationship with Jumbo in Singapore, and continue carefully seeking development opportunities in Singapore and other Southeast Asia regions.

Apart from restructuring the restaurants and developing business, the Group will also actively promote takeaway services to further strengthen its food delivery business and will launch marketing promotions to attract more customers. To enhance its efficiency and productivity, the Group is taking decisive measures to protect profit margins by controlling its costs (such as rent and labour costs) as well as reviewing and readjusting its recurrent expenditure.

As the economy gradually recovers, with its solid cash flow and strong resources reserve, it will pave the way for the Group's continuous, sustainable growth in Hong Kong, Mainland China, Macau and Singapore.

APPRECIATION

The Board would like to express its sincere gratitude to the Group's management and all its staff for their continuous support and contribution. What is more, the Board would also like to take this opportunity to thank all the Shareholders and the Group's investors, customers, business partners and associates for their loyal support and longstanding faith in the prospects of the Group.

BIOGRAPHIES OF DIRECTORS

EXECUTIVE DIRECTORS

Mr. Lee Yuen Hong (李遠康) (“Mr. Lee”), aged 69, is the chairman of the Board (the **“Chairman”**) and an executive Director. Mr. Lee has been an executive Director and the Chairman since 29 May 2012, the date of incorporation of the Company. Apart from his current directorship in the Company, he also holds directorships in almost all subsidiaries of the Company. He is the founder of the Group and is primarily responsible for the Group’s overall corporate strategies, management and business development. Mr. Lee is also the chairman of the nomination committee of the Company (the **“Nomination Committee”**) and a member of the remuneration committee of the Company (the **“Remuneration Committee”**).

Mr. Lee founded the Group in 1989 by acquiring the San Po Kong Tsui Wah Restaurant (新蒲崗翠華餐廳). Mr. Lee first joined the restaurant industry in Hong Kong in 1966 and has since served in various positions within the industry. He served as a cook, the chief cook and the chef in a number of restaurants from 1973 to 1989. Mr. Lee has spent more than 30 years in the Group since 1989 which, together with his previous positions in other restaurants, has enabled him to accumulate not less than 50 years of experience in the restaurant industry, in particular in the Cha Chaan Teng sector.

He is currently the honorary chairman of the Association of Coffee and Tea (香港咖啡紅茶協會), the president of the Hong Kong Federation of Restaurants & Related Trades Limited (香港餐飲聯業協會有限公司) and members of the Catering and Hospitality Services Safety and Health Committee and the Committee of HKTDC Mainland Business Advisory Committee (香港貿易發展局內地商貿諮詢委員會), respectively. Moreover, he is a director of Pok Oi Hospital (博愛醫院) and a council member of The Better Hong Kong Foundation (香港明天更好基金). He also serves as the vice president of Guangzhou Restaurant & Catering Association (廣州市飲食行業商會) and a council member of Shanghai Cuisine Association (上海市烹飪協會), and was appointed as a member of the Committee on Reduction of Salt and Sugar in Food (降低食物中鹽和糖委員會).

Mr. Lee completed a Hygiene Supervisor Training Course (衛生督導員訓練課程) organised by the Food and Environmental Hygiene Department in Hong Kong in December 2004. Mr. Lee obtained his master’s degree in business administration from the Sun Yat-Sen University (中山大學) in China in November 2010. Mr. Lee is the father of (i) Mr. Kenji Lee, an executive Director and the Group Chief Executive Officer (the **“Group CEO”**), and (ii) Ms. Christy Lee, an executive Director. In addition, he is a director of Cui Fa Limited (**“Cui Fa”**), a controlling Shareholder.

Mr. Lee Kun Lun Kenji (李堃綸) (“Mr. Kenji Lee”) (former name: Lee Tsz Kin Kenji (李祉鍵)), aged 39, has been an executive Director since 1 November 2016 and the Group CEO since 1 June 2019. He also holds directorships in most of the subsidiaries of the Company. Mr. Kenji Lee joined the Group as the marketing and design officer in January 2007. He assumed the position of head of the project development department of the Group from early 2010 until the first half of 2015 and was responsible for formulating the development direction and store planning of the Group. Since May 2015, Mr. Kenji Lee has become the head of the brand development department of the Group, and has been responsible for the Group’s corporate development, leasing cooperation and business diversification. Mr. Kenji Lee has been the business development director of the Group since November 2016 and is responsible for leading new business development, project development as well as leasing matters of the Group.

BIOGRAPHIES OF DIRECTORS

Mr. Kenji Lee graduated from the University of Huddersfield in England with a bachelor's degree majoring in International Business. He is an executive member of the Federation of Hong Kong Guangxi Community Organisations Limited (香港廣西社團總會有限公司), a director of Hong Kong Federation of Restaurants & Related Trades Limited (香港餐飲聯業協會有限公司), an honorary consultant of Hong Kong People and Brands (香港人撐香港人品牌) and an honorary consultant of Association of Founders (創業家協會).

Mr. Kenji Lee is (i) the son of Mr. Lee, the Chairman and an executive Director; (ii) a director of Cui Fa; and (iii) the younger brother of Ms. Christy Lee, an executive Director.

Ms. Lee Yi Fang (李易彤) ("Ms. Christy Lee") (former name: Lee Sin Ying (李倩盈)), aged 40, has been an executive Director and the general manager of the supply chain of the Group since 1 June 2019. Ms. Christy Lee has over 11 years of marketing experience in the catering service. She joined the Group in 2007 and served as the corporate planning manager of the Group from 2007 to 2012. Ms. Christy Lee was appointed as the general manager of the central kitchen of the Group in 2016, responsible for the management and operation of the Group's central kitchen. She has assumed her position and responsibilities as the general manager of the supply chain of the Group since 1 June 2019.

Ms. Christy Lee has obtained a bachelor of Business Management (honours) degree majoring in Marketing from the University of Surrey in England.

Ms. Christy Lee is (i) a daughter of Mr. Lee, the Chairman and an executive Director; (ii) a director of Cui Fa; and (iii) the elder sister of Mr. Kenji Lee, an executive Director and the Group CEO.

NON-EXECUTIVE DIRECTORS

Mr. Cheng Chung Fan (鄭仲勳) ("Mr. Cheng"), aged 43, is a non-executive Director (the "NED"). Mr. Cheng has been a NED since 1 November 2016. Currently, he is the Chief Investment Officer of BlueTop Group Limited. Mr. Cheng has over 19 years of business, investment and capital markets experience. He obtained a bachelor's degree in applied science specialising in electrical engineering from Queen's University, Canada in June 2004 and a master's degree in science specialising in engineering enterprise management from The Hong Kong University of Science and Technology in July 2007. Mr. Cheng acted as an independent director of Genesis Unicorn Capital Corp. ("**Genesis**" and stock symbol: GENQU) from 15 February 2022 to 31 March 2024; Genesis is listed on NASDAQ. Mr. Cheng was also appointed as a director of Esperanza Limited, a non-profit making organisation in Hong Kong, on 7 July 2021.

Mr. Wong Chi Kin ("Mr. Wong"), aged 51, was appointed as an independent non-executive director of the Company in November 2012 and was re-designated to a non-executive Director in November 2016. Mr. Wong has over 28 years of solid accounting, banking and corporate finance experience gained from reputable commercial banks and leading investment banks (including ING Bank, UBS and Morgan Stanley).

Mr. Wong was appointed as the deputy chief executive officer of Orient Victory Smart Urban Services Holding Limited ("**Orient Victory**") (Stock Code: 265) in July 2023. During the period from October 2014 to October 2018, he was the chief financial officer of Orient Victory. Prior to joining Orient Victory, Mr. Wong held various management positions at China Qinfa Group Limited (Stock Code: 866), including (i) the deputy chief financial officer (from April 2011 to September 2011); (ii) the chief financial officer (from September 2011 to October 2014); and (iii) the company secretary (from July 2011 to August 2014).

BIOGRAPHIES OF DIRECTORS

Besides, Mr. Wong was appointed as (i) a non-executive director of Asiaray Media Group Limited (Stock Code: 1993) in March 2017, mainly responsible for strategic mergers and acquisitions as well as capital market transactions and retired from such position in June 2023; (ii) an independent non-executive director of Forgame Holdings Limited (Stock Code: 484) in May 2020; (iii) an independent non-executive director of Modern Chinese Medicine Group Co., Ltd. (Stock Code: 1643) in April 2023; (iv) an independent non-executive director of Lianlian Digitech Co., Ltd. (Stock Code: 2598) in June 2023; and (v) an independent non-executive director of Jiu Rong Holdings Limited (Stock Code: 2358) on 24 August 2023.

For the period from July 2018 to July 2019, given Mr. Wong's professional background and his areas of expertise, he was appointed as the chairman of the independent board committee of Shenzhou Space Park Group Limited ("**Shenzhou Space**") whose shares were listed on the Stock Exchange (Former Stock Code: 692) and delisted in December 2019 under Rule 6.01A of the Listing Rules, and an independent non-executive director. Throughout his appointment in Shenzhou Space, Mr. Wong played curial roles in delivering independent advice on listing resumption proposal and corporate governance issues as well as providing guidance in the investigation of certain transactions (For details, please refer to the announcement of Shenzhou Space dated 9 December 2019). For the period from November 2021 to February 2022, Mr. Wong was appointed a member of the independent investigation committee of Mayer Holdings Limited (Stock Code: 1116) and an independent non-executive director.

Except for the banks and Shenzhou Space, all the above companies are listed on the Main Board of the Stock Exchange.

Mr. Wong obtained a Bachelor of Science (Honours) degree in Finance from the City University of Hong Kong in December 1996, a Certificate in Consecutive Interpretation in Putonghua/English from The School of Professional and Continuing Education of The University of Hong Kong in March 2001, a Master's degree in Practicing Accounting from the Monash University, Australia in November 2001, and a Master of Business Administration degree (Executive MBA Programme) from The Chinese University of Hong Kong in December 2010 (Dean's list: 2009/2010).

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Goh Choo Hwee (吳慈飛) ("**Mr. Goh**"), aged 52, has been an independent non-executive Director (the "**INED**") since 5 November 2012. Mr. Goh is the chairman of the Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee. Mr. Goh is a member of the Law Society of Hong Kong and has been a practicing solicitor since 1997 and is currently a consultant of Ma Tang & Co., a law firm in Hong Kong. He has over 21 years of experience in China-related corporate and securities practices. Mr. Goh has been appointed as an independent non-executive director of Huajin International Holdings Limited whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 2738), since 23 March 2016. Mr. Goh graduated from The Chinese University of Hong Kong in December 1993 with a bachelor's degree in arts. He subsequently obtained a Postgraduate Certificate in Laws from the University of Hong Kong in June 1995.

Mr. Tang Man Tsz (鄧文慈) ("**Mr. Tang**"), aged 52, has been an INED since 1 November 2016. He is also a member of each of the Remuneration Committee and the Nomination Committee. Mr. Tang has accumulated over 20 years of experience in international investment and corporate banking services. He worked for a number of renowned international banking corporations, including Merrill Lynch, UBS, Royal Bank of Scotland and BNP Paribas, in which he was involved in the provision of bond financing and equity financing services. Mr. Tang received a bachelor's degree in economics from The Chinese University of Hong Kong in 1994.

Mr. Tang served as an independent non-executive director of Shenzhou Space from 9 July 2018 to 22 March 2019.

BIOGRAPHIES OF DIRECTORS

Mr. Yim Kwok Man (嚴國文) (“**Mr. Yim**”), aged 55, has been an INED since 5 November 2012. He is the chairman of the Audit Committee. Mr. Yim has over 20 years of experience in the areas of corporate finance, debt and equity capital markets, asset management as well as mergers and acquisitions in Asia, in particular in Hong Kong and the People’s Republic of China (the “**PRC**”). He is a fellow member of the Association of Chartered Certified Accountants headquartered in England and a member of the Hong Kong Institute of Certified Public Accountants. He has worked with various international financial institutions and investments bank since 1994, including Rabobank International Hong Kong Branch, DBS Asia Capital Limited, Galaxy Asset Management (H.K.) Limited as well as CITIC Capital Markets Holdings Limited. Mr. Yim served as a non-executive director of Eternite International Company Limited (currently known as Larry Jewelry International Company Limited), the shares of which are listed on GEM of the Stock Exchange (Stock Code: 8351), from December 2010 to August 2011. Mr. Yim has also served as a non-executive director of Star Properties Group (Cayman Islands) Limited (Stock Code: 1560) since 4 March 2016. Mr. Yim was appointed as an independent non-executive director of Apex Ace Holdings Limited (Stock Code: 6036) on 15 February 2018. The issued shares of the two last-mentioned companies are listed on Main Board of the Stock Exchange. Mr. Yim graduated with a bachelor’s degree in civil engineering from the Hong Kong Polytechnic (presently known as the Hong Kong Polytechnic University) in November 1991. He completed a master of business administration exchange program at the John E. Anderson Graduate School of Management, University of California, Los Angeles (UCLA), the United States of America in 1993 and obtained a master’s degree in business administration from The Chinese University of Hong Kong in December 1994.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving and maintaining a high standard of corporate governance that properly protects and promotes the interest of its Shareholders and devotes considerable efforts to identifying and formalising good corporate governance practices. The Company has adopted and adhered to the principles in the Corporate Governance Code effective from January 2022 as set out in Appendix C1 to the Rules Governing the Listing of Securities on Stock Exchange (the “**Listing Rules**” and the “**CG Code**”, respectively). The corporate governance principles of the Company place strong emphasis on an effective board with a high level of integrity, proper internal controls, as well as a high degree of transparency and accountability, which not only maximise the corporate value for the Shareholders but also protect the long-term sustainability of the Group as a whole.

Throughout the Year and up to the date of this report, the Company has complied with all the applicable code provisions as in force under the CG Code.

The Board periodically reviews and continues to abide by the Company’s corporate governance policies to ensure compliance with the code provisions of the CG Code.

DIRECTORS

The Board

The Board, led by the Chairman, is responsible for the leadership and control of the Company and is vested with the overall management of the Group’s business. The Board is collectively responsible for promoting the success of the Company, by making decisions objectively, having regard to the best interests of the Company and the Shareholders as a whole at all times. The Board has delegated the authority and responsibility for the day-to-day management and operation of the Group to the Group’s senior management (the “**Senior Management**”). Such responsibilities include implementing the decisions of the Board, directing and co-ordinating day-to-day operations, managing the Group in accordance with the strategies and plans as approved by the Board, formulating and monitoring the operation and production plans and budgets, as well as supervising and monitoring the control systems. In addition, the Board has established Board committees and has delegated various responsibilities to these Board committees as set out in their respective terms of reference.

The Board undertakes responsibility for its decision for all major matters of the Company, including the approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve a conflict of interest), financial information, appointment of Directors and other significant financial and operational matters.

With the assistance of the Company’s company secretary (the “**Company Secretary**”), the Chairman has sought to ensure that all Directors were properly consulted on all major matters relating to the Company. The Directors are provided with monthly operating information which contains up-to-date performance of the Group and information of the Company. The Directors were sufficiently briefed on issues raised during Board meetings and all relevant information had been received in a timely manner. To the extent that any of the Directors required independent professional advice, this would be met by the Group, at the Group’s expense, upon the Director having made a reasonable request to the Board.

CORPORATE GOVERNANCE REPORT

Independent Views

The Company recognises that Board independence is pivotal to good corporate governance and Board effectiveness. The Board has established mechanisms to ensure that independent views and input from any Director are conveyed to the Board for enhancing an objective and effective decision making.

The governance framework and the following mechanisms are reviewed annually by the Board to ensure their effectiveness:

1. The Nomination Committee will assess the independence, qualification and time commitment of a candidate who is nominated to be a new INED before appointment and the continued independence of existing INEDs and their time commitments annually. On an annual basis, all INEDs are required to confirm in writing their compliance of independence requirements pursuant to Rule 3.13 of the Listing Rules, and to disclose the number and nature of offices held by them in public companies or organisations and other significant commitments.
2. The Nomination Committee will conduct the performance evaluation of the INEDs annually to assess their contributions.
3. External independent professional advice is available as and when required by individual Directors.
4. All Directors are given an opportunity to include matters in the agenda for Board meetings.
5. All Directors are encouraged to express freely their independent views and constructive challenges during the Board meetings.
6. A Director (including an INED) who has a material interest in a matter shall not vote or be counted in the quorum on any Board resolution approving the same. Further, the matter should be dealt with by a physical Board meeting rather than a written resolution of the Directors. INEDs who, and whose close associates (as defined in the Listing Rules), have no material interest in the matter should be present at that Board meeting to express their views and input on the matter.
7. The Chairman (who is presently an executive Director) meets with INEDs annually without the presence of other executive Directors.

CORPORATE GOVERNANCE REPORT

Board Meetings and General Meeting

During the Year, the Board held six meetings (including those regular meetings for, amongst, others, considering and approving the audited consolidated results of the Group for the Year 2023 and the unaudited consolidated results of the Group for the six months ended 30 September 2023, respectively). The attendance record of each Director in respect of the Board meetings for the Year and the annual general meeting of the Company (the "AGM") for year 2023 (the "2023 AGM") is set out below:

Name of Director	Number of Board meeting(s) attended/eligible to attend	2023 AGM attended/eligible to attend
<i>Executive Directors:</i>		
Mr. Lee (<i>Chairman</i>)	5/6	1/1
Mr. Kenji Lee (<i>Group CEO</i>)	5/6	1/1
Ms. Christy Lee	5/6	1/1
<i>NEDs:</i>		
Mr. Cheng	6/6	1/1
Mr. Wong	5/6	1/1
<i>INEDs:</i>		
Mr. Goh	6/6	1/1
Mr. Tang	6/6	1/1
Mr. Yim	6/6	1/1

During the Year, apart from the Board meetings above, consents and/or approvals of all the Directors were also obtained by way of written resolutions on the alteration of the Company's memorandum and articles of association and change of the Company's principal place of business in Hong Kong.

Chairman and Chief Executive Officer

During the Year, the Chairman was Mr. Lee whilst the Group CEO was Mr. Kenji Lee. The Company has complied with code provision C.2.1 of Part 2 of the CG Code, which stipulates that the chairman and the chief executive should be segregated and should not be performed by the same individual. The Chairman provides leadership for the Board, encouraging all Directors to be proactive in their contributions to the Company's affairs and ensures that the Directors act in the best interests of the Company. The CEO represents the management of the Company and is mainly responsible for overseeing the implementation of the Group's strategies, business objectives and management policies.

CORPORATE GOVERNANCE REPORT

Board Composition

As at 31 March 2024, the Board comprised eight Directors, including three executive Directors, two NEDs and three INEDs as below:

	Membership of Board Committee(s)
<i>Executive Directors:</i>	
Mr. Lee (<i>Chairman</i>)	Chairman of the Nomination Committee Member of the Remuneration Committee
Mr. Kenji Lee (<i>Group CEO</i>)	N/A
Ms. Christy Lee	N/A
<i>NEDs:</i>	
Mr. Cheng	N/A
Mr. Wong	Member of the Audit Committee
<i>INEDs:</i>	
Mr. Goh	Chairman of the Remuneration Committee Member of the Audit Committee Member of the Nomination Committee
Mr. Yim	Chairman of the Audit Committee
Mr. Tang	Member of the Remuneration Committee Member of the Nomination Committee

The Board has maintained the necessary balance of skills and experience appropriate for the business requirements and objectives of the Group and for the exercise of independent judgement. During the Year, the Company had three INEDs and the number of INEDs met the requirements of at least one-third of the Board under Rules 3.10(1) and 3.10A of the Listing Rules. In addition, pursuant to Rule 3.10(2) of the Listing Rules, the Board ensured that at least one of the INEDs possessed appropriate professional qualifications, or accounting or related financial management expertise. Mr. Yim is a fellow member of the Association of Chartered Certified Accountants headquartered in England and is a member of the Hong Kong Institute of Certified Public Accountants.

The Company has received an annual confirmation in writing from each of the INEDs of their independence pursuant to Rule 3.13 of the Listing Rules. The Board is not aware of any circumstance which would affect the independence and exercise of impartial judgment from the INEDs. As such, the Board notes that all the INEDs are independent.

The biographies of the Directors are set out on pages 11 to 14 of this annual report. Save as disclosed in the section headed "Biographies of Directors" in this annual report, there is no family, financial or business relationship among the Directors.

A full list of the Directors is available on the respective websites of the Company and the Stock Exchange, and is disclosed in all corporate communications issued by the Company from time to time in accordance with the Listing Rules.

Directors' Liabilities Insurance

During the Year and up to the date of this annual report, an appropriate and adequate directors' and officers' liability insurance is in place to protect the Directors from legal action arising from the performance of their duties as a Director. Such insurance coverage is reviewed and renewed on an annual basis. No claims under the insurance policy have been made.

CORPORATE GOVERNANCE REPORT

Appointment, Re-Election and Removal of Directors

In compliance with the Listing Rules, and in accordance with the articles of association of the Company (the “**Articles of Association**”), (i) all NEDs are not required to be appointed for specific terms as from 1 January 2022, and (ii) all Directors should be subject to retirement by rotation at least once every three years and are eligible for re-election. The Listing Rules provide that any Director appointed by the Board to fill a casual vacancy in the Board or as an addition to the existing Board shall hold office only until the next AGM and shall be subject to re-election at such meeting.

Continuous Professional Development

On the first occasion of each Director’s appointment, the Company will arrange a comprehensive, formal and detailed introduction to each Director to ensure that he/she has a proper understanding of the Company’s operations and business and is fully aware of the Director’s responsibilities under statutory and common law, the Listing Rules, other legal and regulatory requirements and the Company’s business and governance policies.

In compliance with code provision C.1.4 of Part 2 of the CG Code, the Company had arranged and funded suitable trainings for all the Directors to partake in continuous professional development. This was conducted by way of a combination of in-house trainings, webinars, seminars and other appropriate courses and distribution of relevant reading materials to (i) develop and refresh their knowledge and understanding of the Group and its business; (ii) update their skills and knowledge with respect to the latest development or changes in the relevant commercial, legal and regulatory statutes, the Listing Rules and corporate governance practices; and (iii) enhance their awareness on the responsibilities for a director of a listed corporation. Examples included the attendance during the Year by the Directors and a majority of the members of the Senior Management of (i) the seminars on the Directors’ duties and responsibilities under statutory and regulatory requirements and an update on the amendments to the Listing Rules delivered by the legal adviser of the Company; and (ii) an integrity training on directors’ ethics conducted by the Independent Commission Against Corruption of Hong Kong.

A summary of the training received by the Directors for the Year and up to the date of this annual report is set out below:

Name of Director	Type of Trainings
<i>Executive Directors:</i>	
Mr. Lee (Chairman)	A and B
Mr. Kenji Lee (Group CEO)	A and B
Ms. Christy Lee	A and B
<i>NEDs:</i>	
Mr. Cheng	A and B
Mr. Wong	A and B
<i>INEDs:</i>	
Mr. Goh	A and B
Mr. Tang	A and B
Mr. Yim	A and B

A: attending in-house trainings/external seminars/webinars/briefings/conferences/forums and workshops

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

CORPORATE GOVERNANCE REPORT

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "**Model Code**") as its own code of conduct governing the Directors' transactions of the listed securities of the Company.

Following the specific enquiries made by the Company with each of the Directors, all Directors confirmed that they had complied with the standards as set out in the Model Code for the Year.

BOARD COMMITTEES

The Board has established the Nomination Committee, the Remuneration Committee and the Audit Committee to oversee particular aspects of the Company's affairs. Each of these Committees has specific written terms of reference setting out its duties and authority. The Committees have sufficient resources to execute their requisite duties and enjoy the support of management. To the extent that any independent professional advice is required each of the above Committees has access as necessary at the Group's expense.

Nomination Committee

The primary duties of the Nomination Committee are (a) reviewing the structure, size and composition of the Board; (b) assessing the independence of INEDs; (c) identifying suitably qualified candidates to become members of the Board and giving adequate consideration to the Board Diversity Policy (as defined below); and (d) making recommendations to the Board on any proposed change to the Board or selection of individuals nominated for directorships, or on appointment or re-appointment of Directors. The current members of the Nomination Committee are Mr. Goh and Mr. Tang, both being INEDs, and Mr. Lee, an executive Director. Mr. Lee is the chairman of the Nomination Committee.

The Board adopts a board diversity policy which recognises and embraces the benefits of diversity in the composition of the Board (the "**Board Diversity Policy**"). The Board Diversity Policy requires that all Board appointments shall be based on merit and selection of candidates shall be based on a range of diversity factors. The Company believes that a diversity of perspectives can be achieved through a number of factors, including but not limited to knowledge, gender, age, skills, functional expertise, cultural and educational background as well as professional experience and qualifications. In reviewing the Board Diversity Policy, the Company will also take into account of factors based on its own business model and specific needs from time to time, as well as the merits and contributions that the selected candidates will bring to the Board.

After considering the nature of the food and catering industry and the characteristics of the Group's business model, the Nomination Committee has opined that the current composition of the Board maintains an appropriate range and reflects the balance of skills, educational background, experience and diversity of perspectives desirable for the effective management of the Company. In addition, a proposal for the appointment of new Director will be considered and reviewed by the Nomination Committee. Candidates to be selected and recommended are experienced and high calibre individuals. All candidates must be able to meet the standards and criteria set out in the Listing Rules and the Company's nomination policy.

As at the date of this report, the Board comprises eight Directors, one of whom is a female. The Board considers its diversity of gender is appropriate and targets to maintain at least the current level of female representation to avoid a single gender Board.

CORPORATE GOVERNANCE REPORT

In terms of workforce of the Group, as at 31 March 2024, the Group had 2,104 employees (including the Board members and the Senior Management). Among which, there were 964 male employees and 1,140 female employees, representing approximately 45.8% and 54.2%, respectively of the Group's workforce. Based on the current gender ratio in the Group's workforce, the Board is of the view that the Company has basically achieved a certain degree of balanced diversity. Nevertheless, the Company aims to further enhance its diversity in workforce by introducing more staff with different genders and ages (subject to the job nature) and expects to perform a further review of its diversity in workforce by the first quarter of 2025.

The Directors recognise the importance of incorporating elements of good corporate governance in the management structures, internal control and risk management procedures of the Group so as to achieve effective accountability.

The Nomination Committee will continue to identify qualified candidates through merit-based selection and candidates will be considered by using objective criteria, with due regard to the benefits of diversity on the Board.

The Nomination Committee will continue to review the Board Diversity Policy from time to time to ensure its continued effectiveness.

Nomination Policy

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

- i The Nomination Committee will, giving due consideration to the current composition and size of the Board, develop a list of desirable skills, perspectives and experience at the outset to focus the search effort;
- ii The Nomination Committee may consult any source it considers appropriate in identifying or selecting suitable candidates, such as referrals from existing Directors, advertising, recommendations from a third party agency firm and proposals from the Shareholders with due consideration given to the criteria which include but are not limited to:
 - (a) Diversity in the aspects of, amongst others, gender, age, cultural and educational background, professional experience, skills, knowledge and length of service;
 - (b) Commitment for responsibilities of the Board in respect of available time and relevant interest (details of the Board Diversity Policy set out above);
 - (c) Qualifications, both academic and professional, including accomplishment and experience in the relevant industries in which the business(es) of the Company and its subsidiaries is/are involved;
 - (d) Independence (for INEDs);
 - (e) Reputation for integrity;
 - (f) Potential contributions that the individual can bring to the Board; and
 - (g) Plan(s) in place for the orderly succession of the Board.

CORPORATE GOVERNANCE REPORT

- iii The Nomination Committee may adopt any process it considers appropriate in evaluating the suitability of the candidates, such as interviews, background checks, presentations and third party reference checks;
- iv The Nomination Committee will consider a broad range of candidates who are in and outside of the Board's circle of contacts;
- v Promptly after considering a candidate's suitability for the directorship, the Nomination Committee will hold a meeting and/or by way of written resolutions to, if thought fit, approve the recommendation to the Board for appointment;
- vi The Nomination Committee will provide the relevant information of the selected candidate to the Remuneration Committee for consideration of the remuneration package of such selected candidate (except for a candidate for INED);
- vii The Nomination Committee will thereafter make a recommendation to the Board in relation to the proposed appointment, including the policy and structure for the remuneration;
- viii The Board may arrange for the selected candidate to be interviewed by the members of the Board, who are not members of the Nomination Committee and the Board will thereafter deliberate and decide the appointment as the case may be; and
- ix All appointment of Directors will be confirmed by the filing of the consent to act as Director of the relevant Director (or any other similar filings requiring the relevant Director to acknowledge or accept the appointment as Director, as the case may be) to be filed with the relevant regulatory authorities, if required.

The terms of reference of the Nomination Committee is available on the respective websites of the Company and the Stock Exchange.

For the Year, the Nomination Committee held one meeting. All members, namely Mr. Lee (Chairman), Mr. Goh and Mr. Tang attended the meeting.

The work performed by the Nomination Committee during the Year included the following:

1. reviewed the structure, size and diversity of the Board;
2. reviewed the independence of the INEDs; and
3. made recommendations to the Board on the nomination of Directors for re-election at the 2023 AGM.

CORPORATE GOVERNANCE REPORT

Remuneration Committee

The primary duties of the Remuneration Committee include (a) evaluating the performance and making recommendations to the Board on the Company's policies and structure for the remuneration of all of Directors and Senior Management; (b) establishing a formal and transparent procedure for developing a policy on remuneration; (c) making recommendations to the Board on the remuneration packages of individual executive Directors and Senior Management; (d) making recommendations to the Board on the remuneration packages of INEDs; (e) reviewing and/or approving matters relating to share scheme; (f) reviewing the appropriateness and relevance of the remuneration policy; and (g) forming a view as to the fairness and reasonableness of the terms of any Director's service agreement, which are subject to the approval of the Shareholders in general meeting pursuant to the Listing Rules. The current members of the Remuneration Committee are Mr. Goh and Mr. Tang, both being INEDs, and Mr. Lee, an executive Director. Mr. Goh is the chairman of the Remuneration Committee.

For the Year, the Remuneration Committee held two meetings. All members, namely Mr. Goh (Chairman), Mr. Lee and Mr. Tang attended both meetings.

The terms of reference of the Remuneration Committee is available on the respective websites of the Company and the Stock Exchange.

The work performed by the Remuneration Committee during the Year included the following:

1. made recommendations to the Board on the remuneration packages of the existing Directors, Senior Management and employees of the Group;
2. reviewed the appropriateness of the remuneration policy; and
3. evaluated the performance of all the Directors and the Senior Management.

Audit Committee

The primary duties of the Audit Committee are to make recommendations to the Board on the appointment and removal of the external auditor, review the financial statements and material advice in respect of financial reporting and oversee the internal control procedures of the Company. The current members of the Audit Committee are Mr. Goh and Mr. Yim, both being INEDs, and Mr. Wong, a NED. Mr. Yim is the chairman of the Audit Committee.

For the Year, the Audit Committee held two meetings. All members, namely Mr. Yim (Chairman), Mr. Goh and Mr. Wong attended both meetings.

The terms of reference of the Audit Committee is available on the respective websites of the Company and the Stock Exchange.

The work performed by the Audit Committee during the Year included the following:

1. reviewed the Company's annual report for the Year 2023 and interim report for the six months ended 30 September 2023, consolidated financial statements and the related results announcements, documents and other matters or issues raised by external auditors;
2. reviewed the findings from external auditors;

CORPORATE GOVERNANCE REPORT

3. reviewed the independence of the external auditors and engagement of external auditors for annual audit;
4. reviewed the audit plans, internal control plan, the development in accounting standards and its effects on the Group, financial reporting and risk management matters;
5. reviewed the adequacy of resources, qualifications and experience of staff in the Group's internal audit, accounting and financial reporting functions as well as their training programmes and budget;
6. reviewed the changes in accounting policies and practices;
7. approved the current external audit plan, and reviewed and monitored the level of financial control as well as the effectiveness of the Group's risk management and internal control systems; and
8. assessed certain corporate governance compliance matter (i.e. reviewing and monitoring the training and continuous professional development of the Directors and the Senior Management).

This annual report has been reviewed by the Audit Committee.

Corporate Governance Function

The Board is responsible for ensuring that the Company maintains and implements comprehensive corporate governance practices and procedures. During the Year, the Board:

- (1) reviewed the corporate governance policies and practices of the Company;
- (2) reviewed and monitored the policies and practices of the Company to ensure compliance with relevant legal and regulatory requirements;
- (3) reviewed and monitored the code of conduct of the Directors and employees of the Group; and
- (4) reviewed compliance with the code provisions of the CG Code and made necessary disclosure in the 2024 Annual Report.

This corporate governance report has been reviewed by the Board in fulfillment of its corporate governance responsibilities.

Whistleblowing System

There is a whistleblowing system applicable to all stakeholders, including employees, Shareholders, customers and suppliers. The system allows stakeholders to raise concerns, in confidence, with the Audit Committee about possible improprieties in any matter related to the Company.

CORPORATE GOVERNANCE REPORT

REMUNERATION OF DIRECTORS

The particulars of the Directors' remuneration for the Year are set out in note 9 to the consolidated financial statements and the Directors' remuneration policy is disclosed in the section headed "Directors' Remuneration" of the "Report of Directors" on page 41 of this annual report.

ACCOUNTABILITY AND AUDIT

All Directors acknowledge their responsibilities in publishing annual and interim reports with a clear and an accurate assessment of the results and operations of the Group, as well as price-sensitive or inside information and relevant disclosures by way of announcements as required under the Listing Rules. The Directors also acknowledge their responsibilities for the preparation of the Group's consolidated financial statements and confirm the true and fair description of the Group's state of affairs therein.

The reporting responsibilities of the Company's independent auditor (the "**Independent Auditor**") in respect of the consolidated financial statements of the Group are set out in the independent auditor's report on pages 46 to 50 of this annual report. The Directors, having made the relevant enquiries, confirm that there are no material uncertainties relating to events which may affect the Company's ability to continue as a going concern.

For the Year, the fees paid or payable to the Independent Auditor are set out as follows:

	Fees paid/ payable HK\$'000
Audit services	2,000
Non-audit services	
— Internal control review	180
	2,180

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for overseeing the Group's risk management and internal control systems and reviewing their effectiveness at least annually. The Audit Committee assists the Board in fulfilling its oversight and corporate governance roles in the Group's financial, operational, compliance, risk management and internal control system. External professional consultant was engaged to review the Group's risk management and internal control systems during the Year.

CORPORATE GOVERNANCE REPORT

With the recommendations from the external professional consultant, the Group's risk management framework has been guided by the "Three Lines of Defense" model. The policy formalised by the Group clearly defines the roles and responsibilities of each layer of the structure, including the Board, Audit Committee, Senior Management, department and operation heads as well as internal audit team.

1st Line of Defense

Department and operation heads, as risk owners, identify, evaluate, mitigate and monitor their own risks.

2nd Line of Defense

Senior Management is responsible for monitoring and facilitating the implementation and operations of effective risk management system.

3rd Line of Defense

Internal audit is responsible for providing an independent assessment on the effectiveness of the system.

Risk management process — The Group's risk management approach is a structured mechanism and a continuous process of identifying, evaluating, prioritising, managing and monitoring of the risks. The risks are categorised into strategic risks, operational risks, financial risks and compliance risks. The following are the key risk management process:

1. Risk Identification — Identify potential risks of key processes at least annually
2. Risk Assessment — Evaluate and prioritise the risks at least annually
3. Risk Response — Establish mitigation plan for the risks identified
4. Risk Monitoring — Continue monitoring the effectiveness of the risk management system
5. Risk Reporting — Submit management reports on a regular basis
6. Annual Review — Conduct an annual review of the effectiveness of the risk management system

The internal audit team is an independent function reporting directly to the Audit Committee. It provides independent, objective, assurance and consulting services on risk management and internal control. The internal audit team has unrestricted access to information that allows it to review all aspects of the Company's risk management, control and governance processes. On a regular basis, it conducts audits on financial, operational and compliance controls, and the risk management functions of the Group. The internal audit team produces an annual internal audit plan for the Audit Committee's approval. The audit plan is prepared based on the risk assessment to ensure that business activities with higher risks are covered. The plan is executed by the external professional consultant and the internal audit team on a co-sourcing approach. The head of internal audit team reports to the Audit Committee on a regular basis.

CORPORATE GOVERNANCE REPORT

The Board, through the Audit Committee, made an annual review of the effectiveness of the Group's risk management and internal control systems for the Year. The review covered all material controls, including financial, operational and compliance controls. No significant areas of concern had been identified and the Board considered that the systems were effective and adequate. However, such systems were designed to manage rather than eliminate the risk of failure to achieve business objectives, and could only provide reasonable and not suitable assurance against material misstatement or loss.

During the annual review, the Audit Committee has also considered the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit, financial reporting functions as well as those relating to the Company's environmental, social and governance performance and reporting.

Inside Information

Policies, procedures and controls for handling and dissemination of inside information has been set out internally to enhance information management of the Group and to ensure the authenticity, accuracy, completeness and timeliness of information disclosed to the public while protecting the legitimate rights and interests of the Company, the Shareholders, as well as the Company's creditors and other stakeholders as a whole.

DISSEMINATION OF INSIDE INFORMATION

With respect to the procedures and internal controls for the handling and dissemination of price-sensitive information, the Company acknowledges its responsibilities under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and the Listing Rules and the overriding principle that inside information should be announced promptly. The Company has established a policy for the disclosure of inside information (the "**Inside Information Disclosure Policy**") with close regard to the "Guidelines on Disclosure of Inside Information" issued by the Securities and Futures Commission of Hong Kong.

The Inside Information Disclosure Policy includes, among other things, that:

- (a) only designated persons are authorised to communicate the Company's corporate matters with investors, analysts, the media or other members of the investment community;
- (b) Directors or Senior Management shall report to the Group CEO any potential/suspected inside information as soon as practicable so that he/she can consult (if appropriate) the Board thereafter for determining the nature of developments and, if required, making appropriate disclosure;
- (c) disclosure of inside information must be made in a manner that can provide for equal, timely and effective access by the public to the disclosed inside information; and
- (d) inside information must be kept strictly confidential until a public announcement is made and shall be disseminated in accordance with the requirements of the Listing Rules before it is released via other means.

DELEGATION BY THE BOARD

In general, the Board oversees the Company's strategic development and determines the objectives, strategies and policies of the Group. The Board also monitors and controls operating and financial performance and sets appropriate policies for risk management in pursuit of the Group's strategic objectives. The Board delegates the implementation of strategies and day-to-day operation of the Group to the management.

CORPORATE GOVERNANCE REPORT

COMPANY SECRETARY

The Company Secretary supports the Board by ensuring that reliable and relevant flow of information is maintained amongst members of the Board and that all procedures have been adhered to in accordance with applicable laws, rules, codes and regulations.

Mr. Kwok Siu Man (“**Mr. Kwok**”) was re-appointed as the Company Secretary on 1 October 2021.

Mr. Kwok is the founder and director of SK2 Corporate Services (HK) Limited (“**SK2**”), an award-winning professional services provider. A Chartered Secretary, Chartered Governance Professional, professional accountant and certified tax adviser, as well as a fellow member of The Hong Kong Institute of Directors, Mr. Kwok holds a bachelor’s degree of arts, a post-graduate diploma in laws, as well as other relevant professional qualifications and has passed the Common Professional (Laws) Examinations of England and Wales. He was conferred as a Knight of Raza of the Philippines in 2019.

He has over 30 years’ corporate governance, company secretarial, regulatory compliance, share registration and management experience gained from working with reputable professional corporate services providers, conglomerates in Hong Kong (including Hang Seng Index Constituent and Hang Seng Mid-Cap 50 stock companies) and elsewhere and leading financial printers as directors, company secretaries and other senior executives.

He was a chief examiner as well as the youngest and longest-serving elected council member of The Hong Kong Chartered Governance Institute and was named in the “International WHO’S WHO of Professionals” in 1999.

Mr. Kwok was nominated by SK2 to be the Company Secretary and since 1 October 2021, SK2 has been providing certain corporate secretarial services to the Company. The primary person at the Company with whom Mr. Kwok contacted in respect of the company secretarial matters for the Year were Mr. Kenji Lee, an Executive Director and the Group CEO and Mr. Wong Chi Chiu, Financial Controller. He delivered and attended over 15 hours’ relevant continuing professional development training during the Year pursuant to rule 3.29 of the Listing Rules.

COMMUNICATION WITH SHAREHOLDERS

Effective Communication

The Board believes the importance of maintaining transparent, timely and effective communication with the Shareholders and investors of the Company. The Board also believes that effective communication with the Company’s investors is critical in establishing investor confidence and attracting new investors. Therefore, there is a Group policy to maintain a high degree of transparency to ensure that the Shareholders and potential investors of the Company will receive accurate, clear, comprehensive and timely information through the publication of annual reports, interim reports, announcements and circulars (the “**Corporate Communications**” and the “**Shareholders’ Communication Policy**”, respectively). All Corporate Communications are published on the respective websites of the Company and the Stock Exchange.

In respect of each matter to be considered at the AGMs and the extraordinary general meetings of the Company (the “**EGMs**”), including the re-election of Directors, a separate resolution will be proposed by the chairman of the relevant meeting. Voting at the AGMs and the EGMs is conducted by way of poll in accordance with the Listing Rules. The poll results will be published on the respective websites of the Stock Exchange and the Company after the conclusion of the AGMs and the EGMs in the manner as required by the Listing Rules. In addition, the Company regularly meets with institutional investors, financial analysts and financial media, and promptly releases information related to any significant progress of the Company, so as to promote the development of the Company through mutual and efficient communication.

CORPORATE GOVERNANCE REPORT

The Chairman and members of the Board and chairmen of the various Board committees or their duly appointed delegates have attended the 2023 AGM and will attend the forthcoming AGM to be held on Friday, 23 August 2024 (the “**2024 AGM**”) to answer questions raised by the Shareholders.

Pursuant to code provision F.2.2 of Part 2 of the CG Code, the representatives of the Independent Auditor and the chairman of each of the Audit, Remuneration and Nomination Committees were invited by the Company to attend the 2023 AGM and they will be invited by the Company to attend the forthcoming 2024 AGM to answer Shareholders’ questions regarding the conduct of the audit, the preparation and content of the independent auditor’s report, the accounting policies and Independent Auditor’s independence.

The Board has reviewed the implementation and effectiveness of the Shareholders’ Communication Policy, including but not limited to (i) timely publication of the Corporate Communications; (ii) the steps taken at the general meetings to ensure the opportunities for the Company to have direct interactions with the Shareholders, the handling of queries received (if any), and the participation of Board members, in particular, the chairmen of the Board committees or their delegates, and the Independent Auditor at the general meetings; and (iii) the multiple channels of communication and engagement in place, as well as the update of information on the Company’s website on a timely manner. With the above measures in place, the Board considers that the Shareholders’ Communication Policy has been effectively implemented during the Year.

Shareholders’ Rights

1. Procedures for Shareholders to Convene an EGM

Pursuant to article 58 of the Articles of Association, EGMs shall be convened on the requisition of one or more Shareholders holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company. Such requisition shall be made in writing to the Board or the Company Secretary for the purpose of requiring an EGM to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself/herself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Any requisition to convene an EGM should be lodged the Company’s principal place of business in Hong Kong (presently at Units 1–6, 2/F, Delta House, No. 3 On Yiu Street, Sha Tin, New Territories, Hong Kong) marked for the attention of the Company Secretary.

2. Procedures for Making Enquiries

Shareholders may direct their queries regarding their shareholdings, share transfer/registration, payment of dividend and change of correspondence address to the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited (“**Computershare**”):

Address	:	Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong
Website	:	www.computershare.com/hk/contact
Telephone	:	(852) 2862 8555
Fax	:	(852) 2865 0990

CORPORATE GOVERNANCE REPORT

Shareholders may make enquiries in respect of the Company at the following correspondence address, email address and fax number of the Company for the attention of the Company Secretary:

Address : Units 1–6, 2/F, Delta House, No. 3 On Yiu Street, Sha Tin, New Territories, Hong Kong
Email : ir@tsuiwah.com
Fax : (852) 2541 2908

3. Procedures for Putting Forward Proposals at Shareholders' Meetings

(i) *Proposal for election of a person other than a Director as a Director:*

Pursuant to article 85 of the Articles of Association, a Shareholder who wishes to propose a person other than a retiring Director for election to the office of Director at any general meeting should lodge (i) a notice in writing by him/her/it (other than the person to be proposed) of his/her/its intention to propose that person for election as a Director; and (ii) a notice in writing by that person of his/her willingness to be elected, at either (a) the principal place of business of the Company in Hong Kong (presently at Units 1–6, 2/F, Delta House, No. 3 On Yiu Street, Sha Tin, New Territories, Hong Kong), or (b) Computershare, the Hong Kong branch share registrar and transfer office of the Company in Hong Kong at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong. The period for lodgement of the notices mentioned above will commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least seven days.

(ii) *Other proposals:*

If a Shareholder wishes to make other proposals (the "**Proposal(s)**") at a general meeting, he/she/it may lodge a written request, duly signed, at the principal place of business of the Company in Hong Kong (presently at Units 1–6, 2/F, Delta House, No. 3 On Yiu Street, Sha Tin, New Territories, Hong Kong) marked for the attention of the Company Secretary.

The identity of the Shareholder and his/her/its request will be verified with the Company's branch share registrar in Hong Kong and upon confirmation by the branch share registrar that the request is proper and in order, and is made by a registered Shareholder, the Board will in its sole discretion decide whether the Proposal(s) may be included in the agenda for the general meeting to be set out in the notice of meeting.

The notice period to be given to all the Shareholders for consideration of the Proposal(s) made by the Shareholders concerned at the general meeting varies according to the nature of the Proposal(s) as follows:

- (1) Notice of not less than 21 clear days and not less than 20 clear business days in writing if the Proposal(s) require(s) approval in an AGM.
- (2) Notice of not less than 21 clear days and not less than 10 clear business days in writing if the Proposal(s) require(s) approval by way of a special resolution in an EGM.
- (3) Notice of not less than 14 clear days and not less than 10 clear business days in writing if the Proposal(s) require(s) approval by way of an ordinary resolution in an EGM.

CORPORATE GOVERNANCE REPORT

Dividend Policy

The Company has adopted a dividend policy (the “**Dividend Policy**”), pursuant to which the Company may declare and distribute dividends to the Shareholders.

The payment and the amount of any dividends will be at the discretion of the Directors and will depend upon the Group’s future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors which the Directors deem relevant. As regards the subsidiaries incorporated in the PRC, the PRC laws require that dividends be paid only out of the net profit calculated according to the PRC accounting principles which differ from generally accepted accounting principles in other jurisdictions, including Hong Kong Financial Reporting Standards. The PRC laws also require foreign-invested enterprises, such as the subsidiaries in Mainland China, to set aside part of their net profit as statutory reserves. These statutory reserves are not available for distribution as cash dividends.

Subject to the factors described above, the Board intends to recommend at the AGM that dividends of not less than 30% of the net profit for each financial year be recommended for payment as dividend. Unless the Board determines otherwise, cash dividends on the Shares, if any, will be paid in Hong Kong dollars. Other distributions, if any, will be paid to the Shareholders by any means which the Directors consider legal, fair and practicable.

The Dividend Policy will be reviewed from time to time and there is no assurance that a dividend will be proposed or declared in any specific periods.

Constitutional Documents

Pursuant to the written resolutions of the Shareholders passed on 5 November 2012, among other matters, the memorandum and articles of association of the Company (the “**Existing M&A**”) were adopted with effect from 26 November 2012, being the date of the listing of the Shares on the Stock Exchange.

During the Year, the Company proposed to make certain amendments to the Existing M&A to, among other things, (i) conform the Articles of Association to the Core Shareholder Protection Standards set out in Appendix A1 to the Listing Rules; (ii) reflect certain updates in relation to the Listing Rules and the applicable laws of the Cayman Islands; and (iii) make other consequential and housekeeping improvements at the 2023 AGM (collectively, the “**Proposed Amendments**”). The Proposed Amendments had been approved by the Shareholders at the 2023 AGM by adopting a new memorandum and articles of association of the Company (the “**New M&A**”) in substitution for, and to the exclusion of, the Existing M&A. The New M&A are available on the respective websites of the Company and the Stock Exchange.

REPORT OF DIRECTORS

The Directors present this report together with the audited financial statements of the Group for the Year.

FAIR REVIEW OF BUSINESS

A fair review of the business of the Group together with a discussion and analysis of the Group's performance during the Year, the material factors underlying its financial performance, the Group's future business development, as well as discussion on principal risks and uncertainties facing the Group are set forth in the "Chairman's Statement" and the "Management Discussion and Analysis" sections of this annual report. An analysis of the Group's performance during the Year using financial key performance indicators is provided in the "Five-Year Financial Summary" of this annual report. The information relating to the Group's food quality and safety, customers, suppliers, employees, community involvement and environmental protection is set out in the "Environmental, Social and Governance Report" which can be viewed or downloaded from the Company's official website.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Its subsidiaries are principally engaged in restaurant operation and the sale of food. Details of the principal activities of the Company's major subsidiaries are set out in note 1 to the financial statements.

The listing of and the dealing in the Shares on the Stock Exchange (the "**Listing**") commenced on 26 November 2012 (the "**Listing Date**").

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

The Group has put in place compliance and risk management policies and procedures, and members of the senior management are delegated with the continuing obligation to monitor adherence to and compliance with all significant legal and regulatory requirements by the Group.

In promoting food safety, the Group emphasizes active and transparent communications among all stakeholders. The Group has observed strict compliance with the applicable laws and regulations and implemented a comprehensive safety management system for the centralised kitchens of the Group, with an objective to continuously improving the Group's food quality and hygiene standards. Such standards align with international food standards.

As far as the Board is aware, the Group has complied with the relevant laws and regulations that may cause a significant impact on the business and operation of the Group. During the Year and up to the date of this annual report, there was no material breach or non-compliance with the applicable laws and regulations by the Group.

RELATIONSHIP WITH SUPPLIERS, CUSTOMERS AND OTHER STAKEHOLDERS

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

FINANCIAL RESULTS

The results of the Group for the Year are set out in the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income on pages 51 and 52 of this annual report, respectively. The state of affairs of the Group as at 31 March 2024 is set out in the consolidated statement of financial position on pages 53 and 54 of this annual report. Please also refer to the accompanying notes to the consolidated financial statements.

REPORT OF DIRECTORS

CASH FLOW POSITION

The cash flow position of the Group for the Year is set out and analysed in the consolidated statement of cash flows on pages 56 and 57 of this annual report.

DIVIDENDS

A special dividend of HK4.0 cents per share for the Year 2023 had been declared by the Board on 26 June 2023 (2022: Nil), which was paid in cash to the Shareholders on 21 July 2023.

The first interim dividend of HK1.0 cent per share in respect of the Year (the **"First Interim Dividend"**) (2023: Nil), amounting to approximately HK\$13,685,000 (2023: Nil), was paid in cash to the Shareholders on 22 December 2023.

The Board has resolved to declare the payment of the second interim dividend of HK2.5 cents per share for the Year (the **"Second Interim Dividend"**) (2023: Nil), amounting to approximately HK\$35,280,000 (2023: Nil), to those Shareholders whose names will appear in the Register of Members on Wednesday, 17 July 2024. It is expected that the Second Interim Dividend will be paid in cash on or about Wednesday, 31 July 2024.

Together with the First Interim Dividend, the total dividends for the Year will be HK3.5 cents per share (2023: Nil).

The Board has resolved not to recommend the payment of a final dividend for the Year (2023: Nil).

The Board is not aware of any Shareholders who have waived or agreed to waive any dividends.

CLOSURE OF REGISTER OF MEMBERS

For the Second Interim Dividend

The Register of Members will be closed from Monday, 15 July, 2024 to Wednesday, 17 July 2024 (both days inclusive), during which period no transfer of Shares will be registered, for ascertaining the entitlement of the Shareholders to qualify for the Second Interim Dividend. Non-registered Shareholders must lodge all duly completed and stamped transfer forms accompanied by the relevant share certificates with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited for registration no later than 4:30 p.m. on Friday, 12 July 2024. The address of the Hong Kong Branch Share Registrar is Shops 1712–1716, 17/F., Hopewell Centre, 183 Queen's Road East, Hong Kong.

For the Annual General Meeting

The Register of Members will be closed from Monday, 19 August 2024 to Friday, 23 August 2024 (both days inclusive), during which period no transfer of Shares will be registered, for ascertaining the entitlement of the Shareholders to attend, speak and vote at the 2024 AGM which will be held on Friday, 23 August 2024. In order to qualify for attending, speaking and voting at the forthcoming 2024 AGM, non-registered Shareholders must lodge all duly completed and stamped transfer forms accompanied by the relevant share certificates with the Hong Kong Branch Share Registrar for registration no later than 4:30 p.m. on Friday, 16 August 2024. The address of the Hong Kong Branch Share Registrar is Shops 1712–1716, 17/F., Hopewell Centre, 183 Queen's Road East, Hong Kong.

REPORT OF DIRECTORS

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the past five financial years is set out on page 118 of this annual report.

DISTRIBUTABLE RESERVES

As at 31 March 2024, the Company's reserves available for distribution, calculated in accordance with the Companies Act (Revised) of the Cayman Islands, amounted to HK\$386,560,000 (31 March 2023: HK\$456,126,000). The amount of HK\$386,560,000 (31 March 2023: HK\$456,126,000) includes the Company's share premium, contributed surplus and retained profits, which may be distributable, provided that immediately following the date on which the dividend is proposed to be distributed, if any, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

RESERVES

Movements in the reserves of the Group during the Year are set out in the consolidated statement of changes in equity on page 55 of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Movements in the property, plant and equipment of the Group for the Year are set out in note 14 to the financial statements.

SHARE CAPITAL

Details of the Company's share capital as at 31 March 2024 are set out in note 26 to the financial statements.

SHARE OPTION SCHEMES

Pre-IPO Share Option Scheme

The Company adopted a pre-IPO share option scheme (the "**Pre-IPO Share Option Scheme**") on 5 November 2012 for the purpose of recognising the contribution of certain executives, employees and Directors (who were under full-time employment of the Group) to the growth of the Group and/or to the Listing by granting options to them as incentive or reward. Other than the options under the Pre-IPO Share Option Scheme granted to the grantees (the "**Grantee(s)**") on or before 7 November 2012, no further options have since been or will be granted under the Pre-IPO Share Option Scheme. The exercise price per Share was HK\$2.27, which was equivalent to the offer price of HK\$2.27 per offer Share of the Company's global offering completed in late November 2012.

Each Grantee was required to pay HK\$1.00 on acceptance of the options granted under the Pre-IPO Share Option Scheme.

On 25 November 2017, all the outstanding options lapsed due to the expiry of the exercise period and the respective share option reserve of HK\$9,421,000 was transferred to retained earnings.

There were no outstanding options under the Pre-IPO Share Option Scheme as at 31 March 2024.

REPORT OF DIRECTORS

SHARE OPTION SCHEMES *(Continued)*

Share Option Scheme

The Company adopted a share option scheme (the “**Share Option Scheme**”) on 5 November 2012 for the purposes of giving certain Eligible Persons (as defined therein) an opportunity to have a personal stake in the Company and motivating them to optimise their future performance and efficiency and/or rewarding them for their past contributions, as well as attracting and retaining, or otherwise maintaining on-going relationships with, such Eligible Persons (as defined below) who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group.

The Share Option Scheme shall be valid and effective for a period of 10 years from the Listing Date, after which no further options will be granted or offered but the provisions of the Share Option Scheme shall remain in force and effect in all other respects. All options granted prior to the termination of the Share Option Scheme and not then exercised shall continue to be valid and exercisable, subject to and in accordance with the terms of the Share Option Scheme. The Share Option Scheme expired on 25 November 2022, no options had been granted under the Share Option Scheme since its adoption and there were no options outstanding as at 31 March 2024.

Further details of the Share Option Scheme are set out in note 27 to the financial statements.

DIRECTORS

The Directors who held office during the Year and up to the date of this annual report are:

Executive Directors:

Mr. Lee (*Chairman*)

Mr. Kenji Lee (*Group CEO*)

Ms. Christy Lee

NEDs:

Mr. Cheng

Mr. Wong

INEDs:

Mr. Goh

Mr. Tang

Mr. Yim

Pursuant to article 84(1) of the Company's Articles of Association (the “**Articles of Association**”), one-third of the Directors will retire by rotation at each annual general meeting of the Company (“**AGM**”). In addition, code provision B.2.2 of Part 2 of the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Listing Rules stipulates that every Director should be subject to retirement by rotation at least once every three years.

REPORT OF DIRECTORS

DIRECTORS *(Continued)*

Pursuant to article 84(2) of the Articles of Association, the Directors to retire by rotation shall include (so far as necessary to ascertain the number of Directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation, who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

Pursuant to article 83(3) of the Articles of Association, any Director appointed by the Board to fill a casual vacancy or as an addition to the existing Board shall hold office until the first AGM after his/her appointment and be eligible for re-election at such meeting.

Accordingly, Mr. Kenji Lee, Mr. Cheng and Mr. Goh will retire by rotation and be eligible to offer themselves for re-election as Directors at the 2024 AGM to be held on Friday, 23 August 2024. Except for Mr. Goh, Mr. Kenji Lee and Mr. Cheng have offered themselves for re-election at the 2024 AGM.

The Company has received from each of the INEDs an annual written confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. As such, the Company notes that all the INEDs are independent.

BIOGRAPHIES OF DIRECTORS

The biographical details of the Directors are set out on pages 11 to 14 of this annual report.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2024, the interests and short positions of each Director and chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "**SFO**"), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO); or were required pursuant to Section 352 of the SFO to be entered in the register referred to therein; or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "**Model Code**"), were as follows:

REPORT OF DIRECTORS

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES *(Continued)*

Interest in the Shares

Name of Directors	Nature of interest	Number of issued Shares held	Approximate percentage of shareholding ⁽²⁾
Mr. Lee ⁽¹⁾	Interest in a controlled corporation	770,092,000 (L)	54.57%
Mr. Kenji Lee	Beneficial interest	136,000 (L)	0.01%
Mr. Wong	Beneficial interest	1,500,000 (L)	0.11%
Mr. Goh	Beneficial interest	1,500,000 (L)	0.11%
Mr. Tang	Beneficial interest	1,500,000 (L)	0.11%
Mr. Yim	Beneficial interest	1,500,000 (L)	0.11%

(L) denotes long position

Notes:

- The 770,092,000 Shares were held by Cui Fa Limited ("**Cui Fa**"). As at 31 March 2024, Cui Fa was held as to approximately 49.90%, 36.12% and 13.98% by Mr. Lee (the Chairman and an executive Director), Mr. Ho Ting Chi ("**Mr. Ho**") and Mr. Cheung Yu To, respectively. Mr. Lee was deemed to be interested in all the Shares held by Cui Fa under the SFO.
- These percentages are calculated on the basis of 1,411,226,450 Shares in issue as at 31 March 2024.

Interest in the shares of Cui Fa — the immediate and ultimate holding company of the Company

Name of Directors	Nature of interest	Number of issued ordinary shares	Approximate percentage
Mr. Lee	Beneficial interest	499,000	49.90%

Save as disclosed above, as at 31 March 2024, none of the Directors, chief executive of the Company or their respective associates (as defined in the Listing Rules) had any interest and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of the SFO); or were required pursuant to Section 352 of the SFO to be entered in the register referred to therein; or were required pursuant to the Model Code to be notified to the Company and the Stock Exchange.

REPORT OF DIRECTORS

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

At no time during the Year was the Company or any of its subsidiaries a party to any arrangements which enabled the Directors and the chief executives of the Company to acquire benefits by means of an acquisition of shares or debentures of the Company or any other body corporate; and none of the Directors, or their spouses or children under the age of 18, had any rights to subscribe for the securities of the Company, or had exercised any such right during the Year.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSON'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 March 2024, so far as the Directors or chief executive of the Company are aware, the following corporation and persons other than a Director or the chief executive of the Company had an interest or a short position in the Shares and underlying Shares, which were required to be disclosed pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein:

Name of Shareholders	Nature of interest	Number of issued Shares held	Approximate percentage of shareholding ⁽⁸⁾
Ms. Chan Choi Fung ⁽¹⁾	Interest of spouse	770,092,000 (L)	54.57%
Mr. Ho ⁽²⁾	Interests held jointly with other persons; interest in a controlled corporation	878,956,000 (L)	62.28%
Mr. Cheung Yu To ⁽²⁾	Interests held jointly with other persons; interest in a controlled corporation	878,956,000 (L)	62.28%
Mr. Cheung Yue Pui ⁽²⁾	Interests held jointly with other persons; interest in a controlled corporation	878,956,000 (L)	62.28%
Mr. Cheung Wai Keung (deceased) ⁽²⁾	Interests held jointly with other persons; interest in a controlled corporation	878,956,000 (L)	62.28%
Ms. Woo Chun Li ⁽³⁾	Interest of spouse	878,956,000 (L)	62.28%
Ms. Tai Ngan Har Talia ⁽⁴⁾	Interest of spouse	878,956,000 (L)	62.28%
Ms. Lam Hiu Man ⁽⁵⁾	Interest of spouse	878,956,000 (L)	62.28%
Ms. Lui Ning ⁽⁶⁾	Interest of spouse	878,956,000 (L)	62.28%
Cui Fa ⁽⁷⁾	Beneficial owner	770,092,000 (L)	54.57%

(L) denotes long position

REPORT OF DIRECTORS

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSON'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES *(Continued)*

Notes:

- (1) Ms. Chan Choi Fung is the wife of Mr. Lee.
- (2) Pursuant to a deed of confirmation dated 5 November 2012 and entered into amongst them (the "**Deed of Confirmation**"), Mr. Lee, Mr. Ho, Mr. Cheung Yue Pui, Mr. Cheung Yu To and the late Mr. Cheung Wai Keung have agreed to jointly control their respective interests in the Company and decisions as to the business and operations of the Group shall be made in accordance with the unanimous consent of all of them. Each of Mr. Lee, Mr. Ho, Mr. Cheung Yue Pui, Mr. Cheung Yu To and the late Mr. Cheung Wai Keung shall exercise their respective voting rights in the Company in the same way. Hence, each of Mr. Lee, Mr. Ho, Mr. Cheung Yue Pui, Mr. Cheung Yu To and the late Mr. Cheung Wai Keung is/was deemed to be interested in all the Shares held and deemed to be held by them in aggregate by virtue of the SFO.

However, on 25 November 2021, by filing a disclosure of interest form with the Stock Exchange, Mr. Lee declared that he was no longer deemed to be interested in the same parcel of Shares in which Mr. Ho, Mr. Cheung Yue Pui, Mr. Cheung Yu To and the late Mr. Cheung Wai Keung are interested under the Deed of Confirmation.
- (3) Ms. Woo Chun Li is the widow of the late Mr. Cheung Wai Keung. To the best knowledge of the Company, the late Mr. Cheung Wai Keung has sold 65,408,000 Shares beneficially owned by a corporation controlled by him.
- (4) Ms. Tai Ngan Har Talia is the wife of Mr. Ho.
- (5) Ms. Lam Hiu Man is the wife of Mr. Cheung Yue Pui. To the best knowledge of the Company, Mr. Cheung Yue Pui has sold 43,456,000 Shares beneficially owned by a corporation controlled by him.
- (6) Ms. Lui Ning is the wife of Mr. Cheung Yu To.
- (7) As at 31 March 2024, Cui Fa was held as to approximately 49.90%, 36.12% and 13.98% by Mr. Lee, Mr. Ho and Mr. Cheung Yu To, respectively.
- (8) These percentages are calculated on the basis of 1,411,226,450 Shares in issue as at 31 March 2024.

Save as disclosed above, as at 31 March 2024, so far as is known to the Directors or chief executive of the Company, there was no other corporation/person other than a Director or chief executive of the Company having an interest or a short position in the Shares and underlying Shares, which would be required to be disclosed to the Company pursuant to Part XV of the SFO or which were required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

DIRECTORS'/CONTROLLING SHAREHOLDERS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed on pages 40 to 42 of this annual report and note 33 to the financial statements, no transactions, arrangements or contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries or associates (as defined in the Listing Rules) was a party and in which any Director or controlling Shareholder (as defined in the Listing Rules) (the "**Controlling Shareholders**") had a material interest, whether directly or indirectly, subsisting at the end of the Year or at any time during the Year.

REPORT OF DIRECTORS

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors, namely Mr. Lee, Mr. Kenji Lee and Ms. Christy Lee has entered into a service agreement with the Company for a term of three years. Mr. Lee's service agreement, which commenced on 5 November 2018, had been renewed for a further three-year period commencing on 1 November 2021. Mr. Kenji Lee had entered into a new service agreement with (i) the Company for acting as an executive Director; and (ii) a subsidiary of the Company (the "**Subsidiary**") for acting as the Group CEO, both for three years commencing on 1 June 2019. Mr. Kenji Lee's above service agreements which expired on 31 May 2022 have been renewed for a further three-year period commencing on 1 June 2022. In addition Mr. Kenji Lee has entered into an employment agreement with Vista F&B Services Pte Ltd., a joint-venture company of the Company, as the F&B Director with effect from 1 September 2022. Ms. Christy Lee has entered into a new service agreement with (i) the Company for acting as an executive Director; and (ii) the Subsidiary for acting as the General Manager of the Supply Chain, both for a term of three years commencing on 1 June 2022.

Mr. Cheng and Mr. Wong were appointed as NEDs pursuant to their respective letters of appointment for an initial term of three years commencing on 1 November 2016. Each of them has entered into a letter of renewal of appointment with the Company for a further three-year term commencing on 1 November 2022. Such appointment letters may be terminated in accordance with the terms of their letters of appointment.

Mr. Yim and Mr. Goh were appointed as INEDs pursuant to their respective letters of appointment dated 5 November 2012, for an initial term of three years commencing on the Listing Date. Each of them has entered into a letter of renewal of appointment with the Company for a further three-year term commencing on 5 November 2021. Such appointments may be terminated in accordance with the terms of their letters of appointment.

Mr. Tang was appointed as an INED pursuant to his letter of appointment dated 1 November 2016 for a term of three years commencing on the same date. He has entered into a letter of renewal of appointment with the Company for a three-year term commencing on 1 November 2022. Such appointment letter may be terminated in accordance with the terms of the letter of appointment.

No Director proposed for re-election at the forthcoming 2024 AGM has a service contract with the Company or any member of the Group that is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

MANAGEMENT CONTRACTS

No contracts, other than a contract of service with any executive Director or any person engaged under the full-time employment of the Company, concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Year.

REPORT OF DIRECTORS

DIRECTORS' REMUNERATION

The remuneration packages of Executive Directors and Non-Executive Directors are determined by the Board upon the recommendation of the remuneration committee of the Company (the "**Remuneration Committee**") while those of the INEDs are determined by the Board.

In determining the Directors' emoluments, the Board and the Remuneration Committee take into consideration factors such as the Directors' qualifications, experience, time commitment, duties and responsibilities, performance, contribution and remuneration for the previous years, the Company's performance and profitability, the emoluments paid by comparable companies and the employment conditions elsewhere in the Group. Due regard is also given to the relevant legal requirements, as well as the provisions, guidelines and recommendations of related regulatory bodies.

The Company has a remuneration policy (the "**Remuneration Policy**") which aims to provide fair market level of remuneration to motivate, attract and retain high quality Directors to maximize the Shareholders value, through a set of formal and transparent procedures. The Remuneration Committee is responsible for developing, monitoring and regularly reviewing the Remuneration Policy to ensure its effectiveness, and will make recommendation(s) on amendment to the Remuneration Policy for the Board's consideration and approval, if necessary. No Director or any of his/her associates (as defined in the Listing Rules) shall be involved in deciding his/her own remuneration.

Details of the Directors' remuneration are set out in note 9 to the financial statements.

SHARE AWARD SCHEME

The Company has adopted a share award scheme (the "**Share Award Scheme**"), which is subject to the provisions of Chapter 17 of the Listing Rules. The Share Award Scheme was adopted by the Board on 9 August 2018 (the "**Adoption Date**").

Purposes of the Share Award Scheme

The purposes of the Share Award Scheme are to recognise and motivate the contribution of certain employees, directors, agents and consultants of the Group (the "**Participants**"), to provide incentives and help the Company in retaining its existing Participants and recruiting additional Participants and to provide them with a direct economic interest incentives in attaining the long-term business objectives of the Company.

Maximum Number of Shares to be Granted

The aggregate number of Shares underlying all grants made pursuant to the Share Award Scheme (excluding the awarded Shares which have been forfeited in accordance with the Share Award Scheme) will not exceed 10% of the total number of issued Shares as at the Adoption Date (i.e. 1,411,226,450), being 141,122,645 Shares.

Maximum Entitlement of Each Participant

The maximum number of Shares which may be granted to a selected Participant at any one time or in aggregate may not exceed one per cent. (1%) of the issued share capital of the Company as at the Adoption Date.

Total Number of Shares Available for Issue/Award

The total number of Shares available for issue/award under the Share Award Scheme was 131,122,645, representing approximately 9.29% of the issued share capital of the Company as at the date of this annual report.

Vesting of Awards

The Board may from time to time while the Share Award Scheme is in force and subject to all applicable laws, determine such vesting criteria and conditions or periods for the reward to be vested.

REPORT OF DIRECTORS

SHARE AWARD SCHEME *(Continued)*

Amount Payable on Acceptance of Award

No consideration is required to be given by each of the grantees for the awarded Shares.

Life

The Share Award Scheme shall be valid until the business day immediately prior to the 10th anniversary of the Adoption Date. As at 31 March 2024, the remaining life of the Share Award Scheme was approximately 4 years and 1 month.

Movements in the Share Award Scheme

During the Year, no awarded Shares were granted to any Participants. As at the date of this annual report, an aggregate of 4,000,000 Shares remained unvested to those Directors named below.

Grantee	Date of grant	Number of Shares granted	Vesting period	Number of Shares				Not yet vested as at 31 March 2024	Closing price of the Shares immediately before the date of grant (HK\$)	Weighted average closing price of the Shares immediately before the dates of grant
				Not yet vested as at 1 April 2023	Vested during the Year	Lapsed	Cancelled			
Directors										
Mr. James Wong	28 September 2022	2,500,000	Notes	1,750,000	750,000	-	-	1,000,000	0.184	N/A
Mr. Jeff Goh	ditto	2,500,000	Notes	1,750,000	750,000	-	-	1,000,000	0.184	N/A
Mr. Duncan Tang	ditto	2,500,000	Notes	1,750,000	750,000	-	-	1,000,000	0.184	N/A
Mr. Freeman Yim	ditto	2,500,000	Notes	1,750,000	750,000	-	-	1,000,000	0.184	N/A

Notes:

- (1) There was no vesting period for the first batch of 750,000 Shares granted to each of the grantees;
- (2) The second batch of 750,000 Shares were vested to each of the grantees upon the 1st anniversary of the date of grant; and
- (3) The third batch of 1,000,000 Shares will be vested to each of the grantees upon the 2nd anniversary of the date of grant.
- (4) N/A means not applicable.

During the Year, the aggregate fair value of the awarded Shares granted to the Directors on 28 September 2022 under the Share Award Scheme was HK\$1,800,000. As at 31 March 2024, there were 42,736,000 issued Shares in the Share Award Scheme.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the Year, the Company did not redeem any of its Shares listed on the Stock Exchange nor did the Company or any of its subsidiaries purchase or sell any of such Shares.

PRE-EMPTIVE RIGHTS

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

REPORT OF DIRECTORS

EQUITY-LINKED AGREEMENTS

No equity-linked agreements that (a) will or may result in the Company issuing Shares or (b) require the Company to enter into any agreements that will or may result in the Company issuing Shares were entered into by the Company during the Year or existed at the end of such Year.

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association and subject to the applicable laws and regulations, every Director shall be indemnified and secured harmless out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain in or about the execution of their duty in their offices. Such permitted indemnity provision has been in force throughout the Year. The Company has arranged for appropriate directors' and officers' liability insurance coverage for the Directors and officers of the Group.

MAJOR CUSTOMERS AND SUPPLIERS

For the Year, the aggregate sales attributable to the Group's five largest customers were under 30%. The aggregate purchases attributable to the Group's five largest suppliers during the Year were 5.85%, 4.19%, 4.15%, 3.29% and 3.17%, respectively. None of the Directors, their respective associates (as defined in the Listing Rules) or any Shareholders, which to the best knowledge of the Directors, owns more than 5% of the Company's issued share capital, has any interests in the share capital of any of the above five largest customers or suppliers of the Group.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this annual report, the Company has maintained a sufficient public float for the issued Shares (i.e. at least 25% of the issued Shares being held by the public) as required under the Listing Rules.

NON-COMPETITION UNDERTAKING

Certain of the Controlling Shareholders has/have confirmed to the Company of his/her/its/their compliance with the non-competition undertakings provided to the Company.

RETIREMENT BENEFIT SCHEMES

Details of the Group's retirement benefit schemes are set out in note 3.1 to the financial statements.

RELATED PARTY TRANSACTIONS

Details of the related party transactions were set out in note 33 to the consolidated financial statements. These related party transactions constituted continuing connected transactions or connected transactions exempted from the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. In the opinion of the Directors (including the INEDs), the related party transactions were carried out in the ordinary and usual course of business and on normal commercial terms negotiated between the Group and the respective related parties, which are fair and reasonable and in the interest of the Company and the Shareholders.

CONNECTED TRANSACTIONS

The Directors confirm that save as disclosed in the section headed "Related Party Transactions" above, none of the related party transactions constituted connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules that is required to be disclosed. Save as disclosed in note 33 to the consolidated financial statements, the Group had not entered into any connected transactions or continuing connected transactions which are required to be disclosed in this annual report pursuant to the Listing Rules during the Year.

REPORT OF DIRECTORS

USE OF PROCEEDS FROM THE LISTING

The net proceeds from the Listing (the “**Net Proceeds**”) were approximately HK\$794.4 million (after deducting underwriting fees and related expenses). The use of the Net Proceeds during the Year and up to 31 March 2024 was approximately as follows:

Use of Net Proceeds	Percentage of Net Proceeds	Net Proceeds (in HK\$ million)	Aggregate amount utilised up to 31 March 2023 (in HK\$ million)	Amount utilised during the Year (in HK\$ million)	Aggregate amount utilised up to 31 March 2024 (in HK\$ million)	Amount remaining as at 31 March 2024 (in HK\$ million)
			2023 (in HK\$ million)	Year (in HK\$ million)	2024 (in HK\$ million)	2024 (in HK\$ million)
Opening new restaurants and delivery centres and launch of catering service in Hong Kong	20%	158.9	158.9	–	158.9	–
Opening new restaurants in Mainland China	35%	278.0	278.0	–	278.0	–
Construction of new central kitchen in Hong Kong	10%	79.4	79.4	–	79.4	–
Construction of new central kitchens in Shanghai and Southern China	20%	158.9	108.3	–	108.3	50.6
Upgrading information technology systems	5%	39.8	37.8	2.0	39.8	–
Additional working capital and other general corporate purposes	10%	79.4	79.4	–	79.4	–
Total	100%	794.4	741.8	2.0	743.8	50.6

The unused Net Proceeds were mainly intended to be applied to construction of new central kitchens in Shanghai and Southern China (the “**Unmaterialised Plan**”). However, given the unfavourable factors and adverse impact as a result of the COVID-19 pandemic, the Board will reassess the timing for the Unmaterialised Plan given the subsiding of the COVID-19 pandemic as soon as practicable. It is expected that the Unmaterialised Plan would be fully utilised by December 2026.

DONATIONS

During the year, the Group made donations for charitable and other purpose of approximately HK\$523,000.

CHANGES IN DIRECTORS’ INFORMATION

Since the publication date of the 2023/2024 interim report of the Company, there have been changes to the emoluments of the Directors with effect from 1 April 2024, which are required to be disclosed pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules as follows:

- the director’s fee of each of the Directors (except for one of the NEDs) has been increased from HK\$15,000 to HK\$20,000 per month;
- the monthly salary of each of the executive Directors has been increased based on the accumulated annual inflation rates from the year in which he/she first became an executive Director or first assumed a management position of the Group (excluding the inflation rates during the years of the COVID-19); and
- the monthly salary of the NED mentioned in (a) above has been increased.

REPORT OF DIRECTORS

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

The audit committee of the Company (the “**Audit Committee**”) was established on 5 November 2012 with specific written terms of reference (the “**TORs**”) in compliance with Rule 3.22 of the Listing Rules and code provision D.3 of Part 2 of the CG Code. Such written TORs were revised on 31 March 2016 and 1 January 2019 to conform with the requirements under the Listing Rules and the CG Code. The Audit Committee is responsible for making recommendations to the Board on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors, and any issues regarding the resignation or dismissal of the Company’s independent auditors (the “**Independent Auditors**”).

The Audit Committee also monitors the integrity of financial statements, annual reports and accounts, interim reports and quarterly reports (if prepared for publication), and reviews material financial reporting judgments therein, as well as reviews the financing control, internal control and risk management systems. The Audit Committee has reviewed the accounting principles and practices adopted by the Group with senior management and discussed the auditing, internal control and financial reporting matters, including the review of the draft audited consolidated financial statements of the Group for the Year. The financial statements of the Group for the Year have been audited by the Independent Auditors.

CORPORATE GOVERNANCE

The principal corporate governance practices as adopted by the Company are set out in the “Corporate Governance Report” on pages 15 to 31 of this annual report.

RELIEF OF TAXATION

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

INDEPENDENT AUDITORS

KPMG, the Independent Auditors, will retire at the conclusion of the 2024 AGM and being eligible, offer themselves for re-appointment. A resolution will be submitted to the 2024 AGM to be held on Friday, 23 August 2024 to seek Shareholders’ approval on the re-appointment of KPMG as the Independent Auditors until the conclusion of the next AGM and to authorise the Board to fix their remuneration.

EVENT(S) AFTER THE YEAR

There was no material event occurred after the end of the Year and up to the date of this annual report.

By order of the Board

Lee Yuen Hong

Chairman

Hong Kong, 27 June 2024

INDEPENDENT AUDITOR'S REPORT



To the shareholders of Tsui Wah Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Tsui Wah Holdings Limited and its subsidiaries ("**the Group**") set out on pages 51 to 116, which comprise the consolidated statement of financial position as at 31 March 2024, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

KEY AUDIT MATTER

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTER *(Continued)*

Assessing impairment of property, plant and equipment and right-of-use assets

Refer to accounting policies at note 3.1, and notes 14 and 16 to the consolidated financial statements

The Key Audit Matter

At 31 March 2024, the net book value of the Group's property, plant and equipment and right-of-use assets, amounted to HK\$356,439,000, related to the Group's provision of food catering services.

At the end of each reporting period, the items of property, plant and equipment and right-of-use assets are allocated to cash generating units ("**CGUs**"). Where indicators of impairment of a CGU are identified, management performs an impairment assessment of each identifiable CGU by comparing its carrying value with its recoverable amount, which is the higher of fair value less costs of disposal and value in use based on discounted cash flow forecasts. Based on the impairment assessments performed by management, impairment losses of HK\$44,809,000 were recognised for the year ended 31 March 2024.

We identified the assessment of impairment of property, plant and equipment and right-of-use assets as a key audit matter because of the significance of the carrying value of such assets to the consolidated financial statements and because the preparation of discounted cash flow forecasts for the purpose of impairment assessments involves significant degree of judgement and could be subject to management bias.

How the matter was addressed in our audit

Our audit procedures to assess impairment of property, plant and equipment and right-of-use assets included the following:

- understanding and evaluating the design and implementation of key internal controls over the impairment assessment;
- evaluating management's identification of CGUs and the allocation of property, plant and equipment and right-of-use assets to each CGU with reference to the requirements of the prevailing accounting standards;
- assessing and challenging management's impairment assessment models, which included evaluating the impairment indicators identified by management and with the assistance of our internal valuation specialist, assessing the impairment assessment methodology adopted with reference to the requirements of the prevailing accounting standards;
- challenging the key assumptions and estimates adopted by management in the discounted cash flow forecasts by comparing the significant inputs, with historical performance and available industry information;
- with the assistance of our internal valuation specialists, assessing the discount rates used in the cash flow forecasts by benchmarking against those of other companies in the same industry;

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTER *(Continued)*

Assessing potential impairment of property, plant and equipment and right-of-use assets

Refer to accounting policies at note 3.1, and notes 14 and 16 to the consolidated financial statements

The Key Audit Matter

How the matter was addressed in our audit

- comparing the key assumptions included in the discounted cash flows forecasts prepared by management in the prior year with the current year's performance to assess the accuracy of the prior year's forecast, making enquiries of management as to the reasons for any significant variations identified and whether these had been considered in the current year discounted cash flow forecasts and considering if there was any indication of management bias; and
- assessing the reasonableness of the disclosures in the consolidated financial statements with reference to the requirements of the prevailing accounting standards.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Chan Tak Kei.

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
27 June 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2024

	Notes	2024 HK\$'000	2023 HK\$'000
REVENUE	5	954,128	845,797
Other income and other gains	5	38,141	95,997
Gain on disposal of assets held for sale	6	–	84,244
Cost of inventories sold		(246,127)	(230,825)
Staff costs		(314,761)	(295,778)
Depreciation and amortisation		(134,691)	(174,960)
Property rentals and related expenses		(54,122)	(26,683)
Fuel and utility expenses		(39,992)	(43,563)
Selling and distribution expenses		(44,064)	(46,141)
Other operating expenses		(151,258)	(140,902)
Finance costs	7	(10,544)	(14,493)
Share of profits of joint ventures	18	38,037	9,162
PROFIT BEFORE TAX	8	34,747	61,855
Income tax expense	11	(1,777)	(5,975)
PROFIT FOR THE YEAR		32,970	55,880
Attributable to:			
Equity shareholders of the Company		39,087	60,578
Non-controlling interests		(6,117)	(4,698)
		32,970	55,880
EARNINGS PER SHARE	13		
Basic		HK2.86 cents	HK4.41 cents
Diluted		HK2.85 cents	HK4.38 cents

The notes on pages 58 to 116 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in note 12.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2024

	2024 HK\$'000	2023 HK\$'000
PROFIT FOR THE YEAR	32,970	55,880
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of financial statements of operations outside Hong Kong	(14,146)	(25,886)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	18,824	29,994
Attributable to:		
Equity shareholders of the Company	24,941	34,692
Non-controlling interests	(6,117)	(4,698)
	18,824	29,994

The notes on pages 58 to 116 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2024

	Notes	2024 HK\$'000	2023 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment	14	157,879	175,735
Investment properties	15	91,214	98,967
Right-of-use assets	16	198,560	258,877
Intangible assets	17	2,158	2,835
Investments in joint ventures	18	75,853	37,816
Prepayments and deposits paid in advance for purchase of property, plant and equipment and intangible assets		819	13,227
Non-current deposits and other receivables	21	53,939	66,258
Total non-current assets		580,422	653,715
CURRENT ASSETS			
Inventories	19	9,214	8,695
Trade receivables	20	2,636	4,162
Prepayments, deposits and other receivables	21	60,335	83,936
Tax recoverable		204	216
Restricted cash	22	2,500	2,500
Non-pledged time deposits	22	–	100,000
Cash and cash equivalents	22	235,013	186,395
Total current assets		309,902	385,904
CURRENT LIABILITIES			
Trade payables	23	37,107	28,170
Other payables and accruals	24	94,586	119,603
Lease liabilities	16	97,127	126,992
Tax payable		13,663	14,732
Total current liabilities		242,483	289,497
NET CURRENT ASSETS		67,419	96,407
TOTAL ASSETS LESS CURRENT LIABILITIES		647,841	750,122

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2024

	<i>Notes</i>	2024 HK\$'000	2023 HK\$'000
NON-CURRENT LIABILITIES			
Other payables and accruals	24	12,816	10,142
Lease liabilities	16	147,455	204,636
Deferred tax liabilities	25	2,256	1,184
Total non-current liabilities		162,527	215,962
Net assets		485,314	534,160
CAPITAL AND RESERVES			
Equity attributable to equity shareholders of the Company			
Issued capital	26	14,112	14,112
Reserves	28	493,169	535,898
		507,281	550,010
Non-controlling interests		(21,967)	(15,850)
Total equity		485,314	534,160

Lee Yuen Hong

Director

Lee Kun Lun Kenji

Director

The notes on pages 58 to 116 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2024

	Attributable to equity shareholders of the Company										
	Issued capital	Share premium account	Share-based compensation reserve	Shares	Statutory reserve	Merger reserve	Exchange fluctuation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
				held for the share award scheme							
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
At 1 April 2022	14,112	855,973	-	(27,730)	22,678	(7,329)	(5,240)	(334,191)	518,273	(11,152)	507,121
Profit/(loss) for the year	-	-	-	-	-	-	-	60,578	60,578	(4,698)	55,880
Other comprehensive income for the year:											
Exchange differences on translation of financial statements of operations outside Hong Kong	-	-	-	-	-	-	(25,886)	-	(25,886)	-	(25,886)
Total comprehensive income for the year	-	-	-	-	-	-	(25,886)	60,578	34,692	(4,698)	29,994
Shares purchased under share award scheme (Note 28(iii))	-	-	-	(4,076)	-	-	-	-	(4,076)	-	(4,076)
Vesting of shares of share award scheme (Note 28(iii))	-	-	(1,971)	1,971	-	-	-	-	-	-	-
Share-based compensation benefit (Note 28(iv))	-	-	1,121	-	-	-	-	-	1,121	-	1,121
At 31 March 2023	14,112	855,973*	(850)*	(29,835)*	22,678*	(7,329)*	(31,126)*	(273,613)*	550,010	(15,850)	534,160
At 1 April 2023	14,112	855,973	(850)	(29,835)	22,678	(7,329)	(31,126)	(273,613)	550,010	(15,850)	534,160
Profit/(loss) for the year	-	-	-	-	-	-	-	39,087	39,087	(6,117)	32,970
Other comprehensive income for the year:											
Exchange differences on translation of financial statements of operations outside Hong Kong	-	-	-	-	-	-	(14,146)	-	(14,146)	-	(14,146)
Total comprehensive income for the year	-	-	-	-	-	-	(14,146)	39,087	24,941	(6,117)	18,824
Dividend paid (Note 12)	-	-	-	-	-	-	-	(68,305)	(68,305)	-	(68,305)
Vesting of shares of share award scheme (Note 28(iii))	-	-	(1,971)	1,971	-	-	-	-	-	-	-
Share-based compensation benefit (Note 28(iv))	-	-	635	-	-	-	-	-	635	-	635
At 31 March 2024	14,112	855,973*	(2,186)*	(27,864)*	22,678*	(7,329)*	(45,272)*	(302,831)*	507,281	(21,967)	485,314

* These reserve accounts comprise the consolidated reserves of HK\$493,169,000 (2023: HK\$535,898,000) in the consolidated statement of financial position.

The notes on pages 58 to 116 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2024

	Notes	2024 HK\$'000	2023 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		34,747	61,855
Adjustments for:			
Bank interest income	5	(7,917)	(1,278)
Finance costs	7	10,544	14,493
Share of profits of joint ventures		(38,037)	(9,162)
Depreciation of property, plant and equipment and right-of-use assets	8	130,871	170,848
Depreciation of investment properties	8	3,129	3,302
Amortisation of intangible assets	8	691	810
Write-off of property, plant and equipment	8	1,639	1,415
Impairment of property, plant and equipment	8	18,928	12,079
Impairment of right-of-use assets	8	25,881	32,948
Loss on disposal of property, plant and equipment	8	-	612
Gain on early termination of leases	5	(17,551)	(405)
Gain on lease modification	5	-	(62,427)
COVID-19-related rent concessions received	16(iii)	-	(15,335)
Gain on disposal of assets held for sale		-	(84,244)
Share award benefit		635	1,121
		163,560	126,632
Changes in working capital:			
(Increase)/decrease in inventories		(519)	5,315
Decrease in trade receivables		1,526	1,547
Decrease/(increase) in prepayments, deposits and other receivables	29(a)	35,920	(3,153)
Increase in trade payables		8,937	859
Decrease in other payables and accruals	29(a)	(31,035)	(6,491)
Cash generated from operations		178,389	124,709
Interest received		7,917	1,278
Interest paid		(13)	(385)
Hong Kong Profits Tax refunded		-	3,313
PRC tax paid		(2,363)	-
Net cash flows from operating activities		183,930	128,915
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	14, 29(a)	(32,575)	(21,329)
Proceeds from disposal of property, plant and equipment		-	5,762
Proceeds from disposal of assets held for sale	6	-	264,045
Purchase of intangible assets	17	(14)	(440)
Dividends received from joint ventures	18	-	6,750
Decrease in pledged time deposits		-	569
Decrease/(increase) in non-pledged time deposits		100,000	(100,000)
Decrease in restricted cash		-	13,420
Net cash flows from investing activities		67,411	168,777

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2024

	Notes	2024 HK\$'000	2023 HK\$'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of bank loans	29(b)	–	(66,465)
Principal portion of lease payments	29(b)	(121,641)	(120,427)
Interest element of lease payments	29(b)	(10,531)	(14,108)
Shares purchased under share award scheme		–	(4,076)
Dividends paid	12	(68,305)	–
Net cash flows used in financing activities		(200,477)	(205,076)
NET INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		186,395	103,261
Effect of foreign exchange rate changes, net		(2,246)	(9,482)
CASH AND CASH EQUIVALENTS AT END OF YEAR	22	235,013	186,395

The notes on pages 58 to 116 form part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

31 March 2024

1. CORPORATE AND GROUP INFORMATION

Tsui Wah Holdings Limited was incorporated in the Cayman Islands on 29 May 2012 as an exempted company with limited liability under the Companies Act (As Revised) of the Cayman Islands. The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

During the Year, the Company acted as an investment holding company and the Company's subsidiaries were principally engaged in the provision of food catering services in the Hong Kong Special Administrative Region ("**Hong Kong**") of the People's Republic of China (the "**PRC**", the "**Mainland**" or the "**Mainland China**"), the Macau Special Administrative Region of the PRC ("**Macau**") and the Republic of Singapore ("**Singapore**").

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Company name	Place of incorporation/ registration/ and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Kang Wang Holdings Limited ("Kang Wang") 康旺控股有限公司	British Virgin Islands (" BVI ")/ Hong Kong	HK\$1,000,000	100	–	Investment holding
Cui Xin Holdings Limited (" Cui Xin ") 翠新控股有限公司	BVI/Hong Kong	HK\$1,000,000	100	–	Investment holding
Winner Spotlight Limited 怡百有限公司	Hong Kong	HK\$10,000	–	100	Investment holding
Lucky Joy International Holdings Limited [®] 喜祥國際集團有限公司	Hong Kong	HK\$10,000	–	65	Investment holding
Wealthy Strong Corporation Limited [®] 康強有限公司	Hong Kong	HK\$100	–	65	Investment holding
Famous China Enterprise Limited 采華企業有限公司	Hong Kong	HK\$10	–	100	Owner of trademarks
Tsui Wah International Patent Limited 翠華國際品牌有限公司	BVI/Hong Kong	US\$8	–	100	Owner of trademarks
Tsui Wah Patent (Hong Kong) Limited 翠華品牌(香港)有限公司	Hong Kong	HK\$10,000	–	100	Owner of trademarks
Tsui Wah Efford Management Limited 翠華怡富管理有限公司	Hong Kong	HK\$10	–	100	Management services
Green Skytop Limited 天翠有限公司	Hong Kong	HK\$10,000	–	75	Catering services

NOTES TO FINANCIAL STATEMENTS

31 March 2024

1. CORPORATE AND GROUP INFORMATION *(Continued)*

Information about subsidiaries *(Continued)*

Particulars of the Company's principal subsidiaries are as follows: *(Continued)*

Company name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Green Treasure Limited 樂翠有限公司	Hong Kong	HK\$10,000	–	100	Restaurant operation
Ever Million Rich Limited 永萬富有限公司	Hong Kong	HK\$10	–	100	Restaurant operation
Green Luck Limited 祥翠有限公司	Hong Kong	HK\$10,000	–	100	Restaurant operation
Green Wave Limited 綠波有限公司	Hong Kong	HK\$10,000	–	100	Restaurant operation
Happy Billions Limited 逸億有限公司	Hong Kong	HK\$10	–	100	Restaurant operation
Kenglory Limited 維勤有限公司	Hong Kong	HK\$9,000	–	100	Restaurant operation
Key Decision Limited 智心有限公司	Hong Kong	HK\$10,000	–	100	Restaurant operation
Mark Lucky Limited 曼新有限公司	Hong Kong	HK\$10,000	–	100	Restaurant operation
Marvellous Mark Limited 潤贊有限公司	Hong Kong	HK\$10,000	–	100	Restaurant operation
New Top Star Limited 新富星有限公司	Hong Kong	HK\$10,000	–	100	Restaurant operation
Sky Oasis (HK) Limited 天澤(香港)有限公司	Hong Kong	HK\$8	–	100	Restaurant operation
Special Wise Limited 特維有限公司	Hong Kong	HK\$10	–	100	Restaurant operation

NOTES TO FINANCIAL STATEMENTS

31 March 2024

1. CORPORATE AND GROUP INFORMATION *(Continued)*

Information about subsidiaries *(Continued)*

Particulars of the Company's principal subsidiaries are as follows: *(Continued)*

Company name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Time Great Limited 騰嶺有限公司	Hong Kong	HK\$10,000	–	100	Restaurant operation
Wholly Win Limited 加賀有限公司	Hong Kong	HK\$10,000	–	100	Restaurant operation
Big Wealthy Corporation Limited [®] 鉅康有限公司	Hong Kong	HK\$100	–	65	Restaurant operation
Crown Grace Limited [®] 優冠有限公司	Hong Kong	HK\$10,000	–	65	Restaurant operation
Crown Luck Enterprise Limited [®] 冠福企業有限公司	Hong Kong	HK\$100	–	65	Restaurant operation
Fast Grace Corporation Limited [®] 快采有限公司	Hong Kong	HK\$10,000	–	65	Restaurant operation
Fast Wealth Corporation Limited [®] 通財有限公司	Hong Kong	HK\$10,000	–	65	Restaurant operation
Fine Chain Limited [®] 曉順有限公司	Hong Kong	HK\$46	–	65	Restaurant operation
Fine Fame Corporation Limited [®] 亮榮有限公司	Hong Kong	HK\$10,000	–	65	Restaurant operation
Fortune Sun Corporation Limited [®] 福陽有限公司	Hong Kong	HK\$10,000	–	65	Restaurant operation
Great Good Limited [®] 善英有限公司	Hong Kong	HK\$100	–	65	Restaurant operation
Luck Kingdom Limited [®] 幸領有限公司	Hong Kong	HK\$10,000	–	65	Restaurant operation
More Chain Limited [®] 展多有限公司	Hong Kong	HK\$10,000	–	65	Restaurant operation

NOTES TO FINANCIAL STATEMENTS

31 March 2024

1. CORPORATE AND GROUP INFORMATION *(Continued)*

Information about subsidiaries *(Continued)*

Particulars of the Company's principal subsidiaries are as follows: *(Continued)*

Company name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Nice Standard International Limited [®] 優準國際有限公司	Hong Kong	HK\$5,400,000	–	65	Restaurant operation
Success Management Limited [®] 管理有限公司	Hong Kong	HK\$10,000	–	65	Restaurant operation
Win Will Corporation Limited [®] 圖勝有限公司	Hong Kong	HK\$10,000	–	65	Restaurant operation
Wise Express Corporation Limited [®] 順惠有限公司	Hong Kong	HK\$100	–	65	Restaurant operation
Joint Sunny Corporation Limited [®] 曉群有限公司	Hong Kong	HK\$10,000	–	65	Restaurant operation
Ging Sun Ho Group Limited [®] 堅信號集團有限公司	Hong Kong	HK\$10,000	–	65	Management services
Hong Tai Catering Limited 康堤飲食有限公司	Hong Kong	HK\$100	–	51	Restaurant operation
Guangzhou Cai Hua Restaurants Management Company Limited ^{**®} 廣州采華餐飲管理有限公司	PRC	Renminbi ("RMB") 50,000,000	–	100	Restaurant operation
Haikou Cai Hua Restaurants Management Company Limited ^{***®} 海口采華餐飲管理有限公司	PRC	RMB2,000,000	–	100	Restaurant operation
Shanghai Cai Hua Restaurants Management Company Limited ^{**®} 上海采華餐飲管理有限公司	PRC	HK\$70,000,000	–	100	Restaurant operation
Shanghai Cui Sheng Restaurants Company Limited ^{**®} 上海翠盛餐飲有限公司	PRC	HK\$23,000,000	–	100	Restaurant operation
Shanghai Hongkou Cui Sheng Restaurants Company Limited ^{***®} 上海虹口翠盛餐飲有限公司	PRC	RMB2,000,000	–	100	Restaurant operation

NOTES TO FINANCIAL STATEMENTS

31 March 2024

1. CORPORATE AND GROUP INFORMATION (Continued)

Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries are as follows: (Continued)

Company name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Shanghai Pudong Cui Sheng Restaurants Company Limited ^{***@} 上海浦東翠盛餐飲有限公司	PRC	RMB2,000,000	–	100	Restaurant operation
Guangzhou Nansha Cui Sheng Restaurants Management Company Limited ^{***@} 廣州南沙翠盛餐飲管理有限公司	PRC	RMB2,000,000	–	100	Restaurant operation
Cherish Moments Limited	Hong Kong	HK\$10,000	–	70	Bakery factory
Dragonsea Limited 游龍有限公司	Hong Kong	HK\$10	–	100	Food factory
Shanghai He Fa Restaurants Company Limited ^{**@} 上海合發餐飲有限公司	PRC	RMB52,000,000	–	100	Food factory
Corporate Winner Limited 洲永有限公司	Hong Kong	HK\$10,000	–	100	Property holding
Enrich Sources Limited 彩沃有限公司	Hong Kong	HK\$10,000	–	100	Property holding
Guangzhou Cui Yi Enterprise Management Company Limited ^{***@} 廣州翠逸企業管理有限公司	PRC	RMB36,500,000	–	100	Property holding
Tsui Wah (Guangzhou) Enterprise Management Company Limited ^{***@} 翠華(廣州)企業管理有限公司	PRC	RMB4,200,000	–	100	Trading

* Registered as wholly-foreign-owned enterprises under the laws of the PRC

** Registered as limited liability companies under the laws of the PRC

The English names of these companies represent the best effort made by the management of the Company to directly translate their Chinese names as they do not register any official English names.

@ Not audited by KPMG, Hong Kong or another member firm of the KPMG global network

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

NOTES TO FINANCIAL STATEMENTS

31 March 2024

2.1 BASIS OF PREPARATION

The consolidated financial statements comprise the Group and its investments in joint ventures.

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (the “**HKFRSs**”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (the “**HKASs**”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). They have been prepared under the historical cost convention. These financial statements are presented in Hong Kong dollars (“**HK\$**”) and all values are rounded to the nearest thousand except when otherwise indicated.

The Group have prepared the financial statements on the basis that the Group will continue to operate as a going concern.

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 March 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date on which such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

NOTES TO FINANCIAL STATEMENTS

31 March 2024

2.1 BASIS OF PREPARATION *(Continued)*

Basis of consolidation *(Continued)*

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The HKICPA has issued a number of new and amended HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. None of these amendments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented.

The HKICPA has also issued a new HKICPA guidance on the accounting implication of the mandatory provident fund and long service payment ("**LSP**") offsetting mechanism in July 2023. To better reflect the substance of the abolition of the offsetting mechanism, the Group has changed its accounting policy in connection with its LSP liability and has applied the above HKICPA guidance. There is no material impact to the Group's consolidated financial statements.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

NOTES TO FINANCIAL STATEMENTS

31 March 2024

2.3 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, which are not yet effective for the Year and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKAS 1, <i>Presentation of financial statements: Classification of liabilities as current or non-current</i>	1 January 2024
Amendments to HKAS 1, <i>Presentation of financial statements: Non-current liabilities with covenants</i>	1 January 2024
Amendments to HKFRS 16, <i>Leases: Lease liability in a sale and leaseback</i>	1 January 2024
Amendments to HKAS 7, <i>Statement of cash flows</i> and HKFRS 7, <i>Financial Instruments: Disclosures: Supplier finance arrangements</i>	1 January 2024
Amendments to HKAS 21, <i>The effects of changes in foreign exchange rates: Lack of exchangeability</i>	1 January 2025

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far, it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

NOTES TO FINANCIAL STATEMENTS

31 March 2024

3.1 SUMMARY OF MATERIAL ACCOUNTING POLICIES

Investments in joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

The Group's share of the post-acquisition results and other comprehensive income of joint ventures is included in the consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its joint ventures are eliminated to the extent of the Group's investments in the joint ventures, except where unrealised losses provide evidence of an impairment of the asset transferred. Goodwill arising from the acquisition of joint ventures is included as part of the Group's investments in joint ventures.

If an investment in a joint venture becomes an investment in an associate or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

NOTES TO FINANCIAL STATEMENTS

31 March 2024

3.1 SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 March. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

NOTES TO FINANCIAL STATEMENTS

31 March 2024

3.1 SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

Fair value measurement

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

NOTES TO FINANCIAL STATEMENTS

31 March 2024

3.1 SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

Related parties

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

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

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

NOTES TO FINANCIAL STATEMENTS

31 March 2024

3.1 SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	2% to 3.3%
Leasehold improvements	12.5% to 50%
Furniture and fixtures	20% to 30%
Catering and other equipment	10% to 30%
Motor vehicles	25% to 30%

Where parts of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

Property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents property, plant and equipment under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Investment properties

Investment properties are interests in land and buildings (including the leasehold property held as right-of-use assets which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and any impairment losses.

NOTES TO FINANCIAL STATEMENTS

31 March 2024

3.1 SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

Investment properties *(Continued)*

The Group's investment property is rented out under an operating lease. The above investment property is depreciated on a straight-line basis at the following rates per annum:

Leasehold land	Over the lease term
Buildings	2% to 3.3%

Any gains or losses on the retirement or disposal of investment properties are recognised in the statement of profit or loss in the year of the retirement or disposal.

Non-current assets held for sale

A non-current asset is classified as held for sale if it is highly probable that its carrying amount will be recovered through a sale transaction rather than through continuing use and the asset is available for sale in its present condition.

Immediately before classification as held for sale, the measurement of the non-current assets is brought up-to-date in accordance with the accounting policies before the classification. Then, on initial classification as held for sale and until disposal, the non-current assets are recognised at the lower of their carrying amount and fair value less costs to sell.

Impairment losses on initial classification as held for sale, and on subsequent remeasurement while held for sale, are recognised in profit or loss. As long as a non-current asset is classified as held for sale, the non-current asset is not depreciated or amortised.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Computer software

Computer software is stated at cost less accumulated amortisation and any impairment losses and is amortised on the straight-line basis over its estimated useful life of five years.

Trademark

Purchased trademark is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 8.5 years.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

NOTES TO FINANCIAL STATEMENTS

31 March 2024

3.1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

Leases (Continued)

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	over the lease terms
Buildings	over the lease terms
Motor vehicles	over the lease terms

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset. The only exceptions are rent concessions that occurred as a direct consequence of the COVID-19 pandemic and met satisfied the conditions set out in paragraph 46B of HKFRS 16 Leases. In such cases, the Group has taken advantage of the practical expedient not to assess whether the rent concessions are lease modifications, and recognised the change in consideration as negative variable lease payments in profit or loss in the period in which the event or condition that triggers the rent concessions occurred.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

NOTES TO FINANCIAL STATEMENTS

31 March 2024

3.1 SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

Leases *(Continued)*

Group as a lessee *(Continued)*

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of buildings (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment and laptop computers that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, are accounted for as finance leases.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

NOTES TO FINANCIAL STATEMENTS

31 March 2024

3.1 SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

Investments and other financial assets *(Continued)*

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

NOTES TO FINANCIAL STATEMENTS

31 March 2024

3.1 SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("**ECLs**") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECLs). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECLs).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

- | | | |
|---------|---|--|
| Stage 1 | — | Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs |
| Stage 2 | — | Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs |
| Stage 3 | — | Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs |

NOTES TO FINANCIAL STATEMENTS

31 March 2024

3.1 SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

Impairment of financial assets *(Continued)*

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For trade receivables, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

Financial liabilities at amortised cost (loans and borrowings)

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, certain accruals, finance lease payables, interest-bearing bank borrowings and lease liabilities.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Loans and borrowings

After initial recognition, interest-bearing bank borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

NOTES TO FINANCIAL STATEMENTS

31 March 2024

3.1 SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

NOTES TO FINANCIAL STATEMENTS

31 March 2024

3.1 SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

Income tax *(Continued)*

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

Non-monetary government grants are recognised at fair value when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

NOTES TO FINANCIAL STATEMENTS

31 March 2024

3.1 SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financing benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

Revenue from restaurant operation is recognised at the point in time when the catering services to the customers are completed.

Revenue from the sale of food is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the food.

Rental from other sources

Rental income is recognised on a time proportion basis over the lease terms.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

NOTES TO FINANCIAL STATEMENTS

31 March 2024

3.1 SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

Share-based payments

The Company operates share option schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("**equity-settled transactions**").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined using the Black-Scholes option pricing model, further details of which are given in note 28 to the financial statements.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

NOTES TO FINANCIAL STATEMENTS

31 March 2024

3.1 SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

Share-based payments *(Continued)*

Shares held for the Share Award Scheme

Where shares are acquired by the Share Award Scheme from the market or by electing for scrip in lieu of cash dividends, the total consideration of shares acquired from the market (including any directly attributable incremental costs) or under the scrip dividend scheme is presented as shares held for the Share Award Scheme and deducted from total equity.

Upon vesting, the related costs of the vested awarded shares purchased from the market and shares acquired under the scrip dividend scheme (dividend shares) are credited to shares held for the Share Award Scheme, with a corresponding decrease in the share-based compensation reserve for awarded shares and a decrease in retained earnings for dividend shares.

Other employee benefits

Retirement benefit schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the “MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance for all of its Hong Kong employees. Contributions are made based on a percentage of the employees’ basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group’s subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. The subsidiaries operating in Mainland China are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividend is disclosed in the notes to the financial statements.

Interim dividends are simultaneously proposed and declared, because the Company’s memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

NOTES TO FINANCIAL STATEMENTS

31 March 2024

3.1 SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of each reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the dates when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation differences on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries and joint ventures are currencies other than the Hong Kong dollars. As at the end of the reporting period, the assets and liabilities of these entities are translated into Hong Kong dollars at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into Hong Kong dollars at the weighted average exchange rates for the year. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates prevailing at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

NOTES TO FINANCIAL STATEMENTS

31 March 2024

3.2 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Estimation uncertainty

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

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

In accordance with the Group's accounting policy (note 3.1), management estimates the recoverable amounts of property, plant and equipment and right-of-use assets when an indication of impairment exists. This requires an estimation of the value in use and fair value less costs of disposal of the cash-generating units. Estimating the value in use requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Changing the assumptions selected by management to determine the level of impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test. The carrying amount of property, plant and equipment and right-of-use assets at 31 March 2024 was HK\$157,879,000 (2023: HK\$175,735,000) and HK\$198,560,000 (2023: HK\$258,877,000), respectively. Impairment loss of HK\$18,928,000 (2023: HK\$12,079,000) and HK\$25,881,000 (2023: HK\$32,948,000), were recognised for certain property, plant and equipment and right-of-use assets, respectively. The impairment loss was estimated based on the recoverable amount of each individual restaurant cash-generating unit and determined based on a value in use calculation using cash flow projections based on financial budgets covering a period of the remaining lease term plus the anticipated renewal period approved by senior management. Further details are contained in notes 14 and 16 to the financial statements.

NOTES TO FINANCIAL STATEMENTS

31 March 2024

4. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the provision of food catering services. 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.

Geographical information

The following tables present revenue from external customers for the Year and certain non-current assets' information as at 31 March 2024 by geographical area.

(a) Revenue from external customers

	2024 HK\$'000	2023 HK\$'000
Hong Kong	505,713	471,503
Mainland China	431,348	367,587
Others*	17,067	6,707
	954,128	845,797

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

As no revenue derived from sales to a single customer of the Group accounted for 10% or more of the Group's total revenue during the Year (2023: Nil), no information about major customers is presented.

* Mainly represents revenue derived from the sale of food to joint ventures of the Group.

(b) Non-current assets

	2024 HK\$'000	2023 HK\$'000
Hong Kong	169,029	226,297
Mainland China	281,601	323,344
Others	75,853	37,816
	526,483	587,457

The non-current assets' information above is based on the locations of the assets and excludes non-current deposits and other receivables.

NOTES TO FINANCIAL STATEMENTS

31 March 2024

5. REVENUE AND OTHER INCOME AND OTHER GAINS

An analysis of revenue is as follows:

	2024 HK\$'000	2023 HK\$'000
Revenue from contracts with customers (within the scope of HKFRS 15)		
Income from restaurant operations transferred at a point in time	934,692	830,075
Sale of food transferred at a point in time	19,436	15,722
	954,128	845,797

Performance obligation

The performance obligation of income from restaurant operations is satisfied upon completion of the service.

The performance obligation of sale of food is satisfied upon delivery of the food and payment is generally due from immediate to 60 days from delivery.

An analysis of other income and other gains is as follows:

	2024 HK\$'000	2023 HK\$'000
Other income		
Bank interest income	7,917	1,278
Rental income (note (a))	4,797	5,172
Government grants (note (b))	210	20,557
Compensation income	612	358
Others	7,054	5,800
	20,590	33,165
Other gains		
Gain on early termination of leases	17,551	405
Gain on lease modification	-	62,427
	17,551	62,832
	38,141	95,997

Notes:

- (a) Rental income from investment properties less direct outgoings of HK\$1,575,000 (2023: HK\$1,436,000) amounted to HK\$3,222,000 (2023: HK\$3,736,000).
- (b) These mainly represented subsidies granted by the Hong Kong Government under the Anti-epidemic Fund and Employment Support Scheme of HK\$210,000 (2023: HK\$20,557,000). There were no unfulfilled conditions or other contingencies attaching to the subsidies and the government grant that had been recognised by the Group.

NOTES TO FINANCIAL STATEMENTS

31 March 2024

6. GAIN ON DISPOSAL OF ASSETS HELD FOR SALE

On 14 April 2022, the Group entered into a sale and purchase agreement with an independent third party to dispose of its properties, namely (i) Units Nos. 1601, 1602, 1603, 1604, 1605, 1606, 1607 and 1608 on the 16th Floor of Riley House, No. 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong; and (ii) Units Nos. 1701, 1702, 1703 and 1704 on the 17th Floor of Riley House, No. 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong (Lot No. 937 in D.D. 450) at a total consideration of HK\$264,044,650, and the transaction was completed on 14 July 2022 (the "**Completion**"). Following the Completion, the Group had recognised a gain on disposal of assets held for sale of approximately HK\$84,244,000.

7. FINANCE COSTS

	2024 HK\$'000	2023 HK\$'000
Interest on bank loans	13	385
Interest on lease liabilities	10,531	14,108
	10,544	14,493

8. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	2024 HK\$'000	2023 HK\$'000
Cost of inventories sold	246,127	230,825
Depreciation of property, plant and equipment	43,596	45,927
Depreciation of right-of-use assets	87,275	124,921
Depreciation of investment properties	3,129	3,302
Amortisation of intangible assets	691	810
Write-off of property, plant and equipment	1,639	1,415
Impairment of property, plant and equipment	18,928	12,079
Impairment of right-of-use assets	25,881	32,948
Foreign exchange differences, net	1,071	241
Lease payments not included in the measurement of lease liabilities	5,421	5,359
Variable lease payment not included in the measurement of lease liabilities	22,424	1,298
	27,845	6,657
Employee benefit expenses (excluding Directors' and chief executive's remuneration):		
Wages and salaries	282,324	260,863
Retirement benefit scheme contributions	26,844	27,519
	309,168	288,382
Loss on disposal of property, plant and equipment	–	612
Auditor's remuneration		
— audit services	2,956	2,298
— other services	180	247
	3,136	2,545

NOTES TO FINANCIAL STATEMENTS

31 March 2024

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2024 HK\$'000	2023 HK\$'000
Fees	2,160	1,939
Other emoluments:		
Salaries, allowances and benefits in kind	3,397	8,577
Retirement benefit scheme contributions	36	58
	5,593	10,574

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	Fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Share award benefits HK\$'000	Total remuneration HK\$'000
Year ended 31 March 2024				
Independent non-executive directors:				
Mr. Yim Kwok Man	180	–	142	322
Mr. Goh Choo Hwee	180	–	142	322
Mr. Tang Man Tsz	180	–	142	322
	540	–	426	966

	Fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Share award benefits HK\$'000	Total remuneration HK\$'000
Year ended 31 March 2023				
Independent non-executive directors:				
Mr. Yim Kwok Man	169	700	280	1,149
Mr. Goh Choo Hwee	169	–	280	449
Mr. Tang Man Tsz	169	700	280	1,149
	507	1,400	840	2,747

There were no other emoluments payable to the independent non-executive directors during the year (2023: Nil).

NOTES TO FINANCIAL STATEMENTS

31 March 2024

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

(b) Executive directors, non-executive directors and the chief executive

	Fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Retirement benefit scheme contributions HK\$'000	Share award benefits HK\$'000	Total remuneration HK\$'000
Year ended 31 March 2024					
Executive directors:					
Mr. Lee Yuen Hong	180	1,260	-	-	1,440
Mr. Lee Kun Lun Kenji (Group Chief Executive Officer)	180	369	18	-	567
Ms. Lee Yi Fang	180	1,200	18	-	1,398
	540	2,829	36	-	3,405
Non-executive directors:					
Mr. Wong Chi Kin	900	-	-	142	1,042
Mr. Cheng Chung Fan	180	-	-	-	180
	1,620	2,829	36	142	4,627

NOTES TO FINANCIAL STATEMENTS

31 March 2024

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

(b) Executive directors, non-executive directors and the chief executive (Continued)

	Fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Retirement benefit scheme contributions HK\$'000	Share award benefits HK\$'000	Total remuneration HK\$'000
Year ended 31 March 2023					
Executive directors:					
Mr. Lee Yuen Hong	–	1,350	–	–	1,350
Mr. Lee Kun Lun Kenji (Group Chief Executive Officer)	180	1,985	20	–	2,185
Ms. Lee Yi Fang	180	945	20	–	1,145
	360	4,280	40	–	4,680
Non-executive directors:					
Mr. Wong Chi Kin	844	1,200	–	280	2,324
Mr. Cheng Chung Fan	169	–	–	–	169
Mr. Yang Dong John (retired on 19 August 2022)	59	–	–	–	59
	1,072	1,200	–	280	2,552
Chief executive:					
Mr. Pang Kwing Ho	–	577	18	–	595
	1,432	6,057	58	280	7,827

NOTES TO FINANCIAL STATEMENTS

31 March 2024

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three directors (2023: four directors), details of whose remuneration are set out in note 9 above. Details of the remuneration of the remaining two (2023: one) highest paid employees for the year who are neither a director nor chief executive of the Company are as follows:

	2024 HK\$'000	2023 HK\$'000
Salaries, allowances and benefits in kind	3,480	2,491
Retirement benefit scheme contributions	124	105
	3,604	2,596

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	2024	2023
Nil to HK\$1,000,000	-	-
HK\$1,000,001 to HK\$1,500,000	1	-
HK\$1,500,001 to HK\$2,000,000	-	-
HK\$2,000,001 to HK\$2,500,000	-	-
HK\$2,500,001 to HK\$3,000,000	1	1
	2	1

During the current and prior years, no share options were granted to the non-director and non-chief executive highest paid employees in respect of their services to the Group, further details of which are included in the disclosures in note 27 to the financial statements.

During the year, no emoluments were paid by the Group to the five highest paid individuals, Directors or the chief executive as an inducement to join or upon joining the Group or as compensation for loss of office (2023: Nil).

NOTES TO FINANCIAL STATEMENTS

31 March 2024

11. INCOME TAX EXPENSE

Hong Kong profits tax has been provided on the estimated assessable profits arising in Hong Kong at a rate of 16.5% (2023: 16.5%) during the Year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the locations in which the Group operates.

	2024 HK\$'000	2023 HK\$'000
Current — Hong Kong		
Charge for the year	538	3,023
Underprovision/(Overprovision) in prior years	366	(135)
Current — Elsewhere		
Charge for the year	3,189	1,181
Underprovision in prior years	–	5,031
Deferred tax	(2,316)	(3,125)
Total tax charge for the year	1,777	5,975

A reconciliation of the tax expense applicable to profit before tax at the statutory rates for the locations in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable rates (i.e., the statutory tax rates) to the effective tax rates, are as follows:

	2024 HK\$'000	2023 HK\$'000
Profit before tax	34,747	61,855
Tax at the statutory tax rates	8,779	6,542
Adjustment in respect of current tax of previous periods	366	4,896
Income not subject to tax	(1,920)	(15,719)
Expenses not deductible for tax	8,335	14,259
Temporary differences not recognised	3,360	5,473
Utilisation of temporary difference not previously recognised	(10,628)	(28,857)
Tax losses not recognised	13,224	25,653
Utilisation of tax losses	(13,467)	(4,763)
Profits attributable to joint ventures	(6,272)	(1,509)
Tax charge at the Group's effective rates	1,777	5,975

NOTES TO FINANCIAL STATEMENTS

31 March 2024

12. DIVIDENDS

Dividends payable to equity shareholders of the Company attributable to the year

	2024 HK\$'000	2023 HK\$'000
Special dividend proposed after the end of the reporting period of nil (2023: HK4 cents) per ordinary share	–	54,620
First interim dividend declared and paid of HK1.0 cent (2023: nil) per ordinary share	13,685	–
Second interim dividend proposed after the end of the reporting period of HK2.5 cents (2023: nil) per ordinary share	35,280	–
	48,965	54,620

The second interim dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

	2024 HK\$'000	2023 HK\$'000
Special dividend in respect of the previous financial year, approved and paid of HK4 cents (2023: nil) per ordinary share	54,620	–

On 26 June 2023, a special dividend of HK4.0 cents per share for Year 2023 had been declared by the Directors and it was paid in cash to the shareholders of the Company (the **"Shareholders"**) on 21 July 2023 (2022: Nil).

The first interim dividend of HK1.0 cent per share in respect of the Year (the **"First Interim Dividend"**) (2023: Nil), amounting to approximately HK\$13,685,000 (2023: Nil), was paid in cash to the Shareholders on 22 December 2023.

The Board has resolved to declare the payment of the second interim dividend of HK2.5 cents per share for the Year (the **"Second Interim Dividend"**) (2023: Nil), amounting to approximately HK\$35,280,000 (2023: Nil), to those Shareholders whose names will appear in the Company's register of members (the **"Register of Members"**) on Wednesday, 17 July 2024. It is expected that the Second Interim Dividend will be paid in cash on or about Wednesday, 31 July 2024.

Together with the First Interim Dividend, the total dividends for the Year will be HK3.5 cents per share (2023: Nil).

NOTES TO FINANCIAL STATEMENTS

31 March 2024

13. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is as follows:

(a) Basic earnings per share

	2024	2023
Profit attributable to ordinary equity shareholders of the Company (HK\$'000)	39,087	60,578
Weighted average number of ordinary shares in issue	1,411,226,450	1,411,226,450
Less: Weighted average number of ordinary shares held under the share award scheme	(44,220,652)	(37,400,115)
Weighted average number of ordinary shares used in calculating basic earnings per share	1,367,005,798	1,373,826,335
Basic earnings per share	HK2.86 cents	HK4.41 cents

(b) Diluted earnings per share

	2024	2023
Profit attributable to ordinary equity shareholders of the Company (HK\$'000)	39,087	60,578
Weighted average number of ordinary shares used in calculating basic earnings per share	1,367,005,798	1,373,826,335
Effect of shares granted under the share award scheme	4,000,000	7,000,000
Weighted average number of ordinary shares used in calculating diluted earnings per share	1,371,005,798	1,380,826,335
Diluted earnings per share	HK2.85 cents	HK4.38 cents

NOTES TO FINANCIAL STATEMENTS

31 March 2024

14. PROPERTY, PLANT AND EQUIPMENT

	Buildings HK\$'000	Leasehold improvements HK\$'000	Furniture and fixtures HK\$'000	Catering and other equipment HK\$'000	Motor vehicles HK\$'000	Construction in progress HK\$'000	Total HK\$'000
31 March 2024							
At 1 April 2023:							
Cost	111,725	189,718	66,571	90,516	4,215	120	462,865
Accumulated depreciation and impairment	(23,306)	(141,704)	(34,105)	(84,340)	(3,675)	-	(287,130)
Net carrying amount	88,419	48,014	32,466	6,176	540	120	175,735
At 1 April 2023, net of accumulated depreciation and impairment	88,419	48,014	32,466	6,176	540	120	175,735
Additions	231	33,411	1,829	18,204	-	-	53,675
Write-off (note 8)	-	(1,160)	(101)	(378)	-	-	(1,639)
Reclassification to investment properties	(328)	-	-	-	-	-	(328)
Depreciation provided during the year (note 8)	(3,909)	(22,521)	(2,736)	(14,214)	(216)	-	(43,596)
Impairment (note 8)	-	(11,923)	(256)	(6,635)	-	(114)	(18,928)
Exchange realignment	(4,936)	(987)	(1,583)	474	(2)	(6)	(7,040)
At 31 March 2024, net of accumulated depreciation and impairment	79,477	44,834	29,619	3,627	322	-	157,879
At 31 March 2024:							
Cost	104,991	180,247	57,506	83,834	3,754	-	430,332
Accumulated depreciation and impairment	(25,514)	(135,413)	(27,887)	(80,207)	(3,432)	-	(272,453)
Net carrying amount	79,477	44,834	29,619	3,627	322	-	157,879

NOTES TO FINANCIAL STATEMENTS

31 March 2024

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Buildings HK\$'000	Leasehold improvements HK\$'000	Furniture and fixtures HK\$'000	Catering and other equipment HK\$'000	Motor vehicles HK\$'000	Construction in progress HK\$'000	Total HK\$'000
31 March 2023							
At 1 April 2022:							
Cost	120,435	234,674	76,843	124,069	3,835	129	559,985
Accumulated depreciation and impairment	(20,705)	(164,563)	(38,533)	(100,604)	(3,672)	-	(328,077)
Net carrying amount	99,730	70,111	38,310	23,465	163	129	231,908
At 1 April 2022, net of accumulated depreciation and impairment							
	99,730	70,111	38,310	23,465	163	129	231,908
Additions	5,235	6,573	1,644	6,224	548	-	20,224
Write-off (note 8)	-	(851)	(190)	(338)	(36)	-	(1,415)
Disposal	(5,150)	-	-	-	-	-	(5,150)
Depreciation provided during the year (note 8)							
	(4,149)	(22,731)	(2,932)	(15,993)	(122)	-	(45,927)
Impairment (note 8)	-	(3,107)	(1,899)	(7,073)	-	-	(12,079)
Exchange realignment	(7,247)	(1,981)	(2,467)	(109)	(13)	(9)	(11,826)
At 31 March 2023, net of accumulated depreciation and impairment							
	88,419	48,014	32,466	6,176	540	120	175,735
At 31 March 2023:							
Cost	111,725	189,718	66,571	90,516	4,215	120	462,865
Accumulated depreciation and impairment	(23,306)	(141,704)	(34,105)	(84,340)	(3,675)	-	(287,130)
Net carrying amount	88,419	48,014	32,466	6,176	540	120	175,735

The Group's buildings with net carrying amount of Nil (2023: HK\$343,000) and HK\$79,477,000 (2023: HK\$88,076,000) are situated in Hong Kong and Mainland China, respectively. The ownership interests in buildings situated in Hong Kong and Mainland China are typically lasted for an initial period of 99 years and 50 years, respectively.

As at 31 March 2024, the Group's management identified certain cash-generating units, by restaurants, which continued to underperform and estimated the corresponding recoverable amounts. Based on these estimates, an impairment loss of HK\$18,928,000 (2023: HK\$12,079,000) was recognised under other operating expenses to write down the carrying amounts of respective property, plant and equipment to their recoverable amounts of HK\$604,000 (2023: HK\$227,000) as at 31 March 2024. The recoverable amount is determined based on a value in use calculation using cash flow projections based on financial budgets covering a period of the remaining non-cancellable lease terms plus the anticipated renewal period. The pre-tax discount rates applied for the cash flow projection are ranging from 10.53% to 12% (2023: 12%).

NOTES TO FINANCIAL STATEMENTS

31 March 2024

15. INVESTMENT PROPERTIES

	Note	HK\$'000
31 March 2024		
At 1 April 2023		
Cost		128,612
Accumulated depreciation and impairment		(29,645)
Net carrying amount		98,967
Reclassification		899
Depreciation provided during the year	8	(3,129)
Exchange realignment		(5,523)
At 31 March 2024, net of accumulated depreciation and impairment		91,214
At 31 March 2024		
Cost		122,800
Accumulated depreciation and impairment		(31,586)
Net carrying amount		91,214

NOTES TO FINANCIAL STATEMENTS

31 March 2024

15. INVESTMENT PROPERTIES (Continued)

	Note	HK\$'000
31 March 2023		
At 1 April 2022		
Cost		135,144
Accumulated depreciation and impairment		(24,815)
Net carrying amount		110,329
Depreciation provided during the year	8	(3,302)
Exchange realignment		(8,060)
At 31 March 2023, net of accumulated depreciation and impairment		98,967
At 31 March 2023		
Cost		128,612
Accumulated depreciation and impairment		(29,645)
Net carrying amount		98,967

Further particulars of the Group's investment properties are included on page 117.

The Group's investment properties consist of one commercial property and one industrial property in the PRC and one residential property in Hong Kong. The directors of the Company have determined that the investment properties consist of three classes of asset, i.e., commercial, industrial and residential, based on nature, characteristics and risks of each property.

The investment properties were stated at cost and the aggregate fair value of the Group's investment properties at 31 March 2024 was HK\$131,195,000 (2023: HK\$144,609,000) mainly based on a valuation carried out by Flagship Appraisals and Consulting Limited, an independent qualified professional valuer not connected with the Group, using market comparable approach that reflects recent transaction prices for similar properties, adjusted for differences in the nature, location and conditions of the properties under review. Each year, the Group appoints an external valuer to conduct valuation on the Group's properties, and the selection criteria include market knowledge, reputation, independence and maintenance of professional standards. The Group has adopted the cost model under HKAS 40 to account for its investment properties, and accordingly, the carrying amounts of the investment properties were not adjusted to the revalued amount at the year end.

The investment properties are leased to third parties under operating leases, further summary details of which are included in note 16.

NOTES TO FINANCIAL STATEMENTS

31 March 2024

15. INVESTMENT PROPERTIES (Continued)

Details of the Group's investment properties and information about the fair value hierarchy as at 31 March 2024 and 2023 are as follows:

	Fair value measurement as at 31 March 2024 using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Industrial property	-	-	77,044	77,044
Commercial property	-	-	50,334	50,334
Residential property	-	-	3,817	3,817
	-	-	131,195	131,195

	Fair value measurement as at 31 March 2023 using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Industrial property	-	-	85,098	85,098
Commercial property	-	-	59,511	59,511
	-	-	144,609	144,609

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2023: Nil).

Below is a summary of the valuation techniques used and the key inputs to the valuation of investment properties:

	Valuation technique	Significant unobservable inputs
Commercial property	Market comparison method	Adjusted unit price (per square foot)
Industrial property	Market comparison method	Adjusted unit price (per square foot)
Residential property	Market comparison method	Adjusted unit price (per square foot)

NOTES TO FINANCIAL STATEMENTS

31 March 2024

16. LEASES

The Group as a lessee

The Group has lease contracts for properties used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods between 28 years and 41 years, and no ongoing payments will be made under the terms of these land leases. Leases of properties generally have lease terms between 3 years and 9 years. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

(i) Right-of-use assets

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

	Prepaid land lease payments HK\$'000	Land and buildings HK\$'000	Total HK\$'000
As at 1 April 2022	23,100	379,792	402,892
Additions	–	86,384	86,384
Depreciation	(689)	(124,232)	(124,921)
Impairment	–	(32,948)	(32,948)
Disposal	–	(4,389)	(4,389)
Lease modification	–	(53,851)	(53,851)
Exchange realignment	(1,688)	(12,602)	(14,290)
As at 31 March 2023 and 1 April 2023	20,723	238,154	258,877
Additions	–	55,804	55,804
Depreciation	(649)	(86,626)	(87,275)
Impairment	–	(25,881)	(25,881)
Disposal	–	(6,725)	(6,725)
Lease modification	–	9,592	9,592
Reclassification to investment properties	–	(571)	(571)
Exchange realignment	(1,159)	(4,102)	(5,261)
As at 31 March 2024	18,915	179,645	198,560

At 31 March 2024, the Group's leasehold land (included in land and buildings) and prepaid land lease payments with net carrying amount of HK\$Nil and HK\$18,915,000 (2023: HK\$571,000 and HK\$20,723,000) are situated in Hong Kong and Mainland China, respectively. The ownership interests in leasehold land and prepaid land lease payments held are typically lasted for an initial period of 99 years and 50 years, respectively.

As at 31 March 2024, the Group's management identified certain cash-generating units, by restaurants, which continued to underperform and estimated the corresponding recoverable amounts. Based on these estimates, an impairment loss of HK\$25,881,000 (2023: HK\$32,948,000) was recognised under operating expenses to write down the carrying amounts of respective right-of-use assets to their recoverable amounts of HK\$9,250,000 (2023: HK\$23,109,000) as at 31 March 2024. The recoverable amount is determined based on a value in use calculation using cash flow projections based on financial budgets covering a period of the remaining non-cancellable lease terms plus the anticipated renewal period. The pre-tax discount rates applied for the cash flow projection are ranging from 10.53% to 12% (2023: 12%).

NOTES TO FINANCIAL STATEMENTS

31 March 2024

16. LEASES (Continued)

The Group as a lessee (Continued)

(ii) Leases liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	HK\$'000	
Carrying amount at 1 April 2022		514,046
New leases		86,384
Accretion of interest recognised during the year (note 7)		14,108
Payments		(149,870)
Disposal		(4,794)
Lease modification		(116,278)
Exchange realignment		(11,968)
Carrying amount at 31 March 2023 and 1 April 2023		331,628
New leases		55,804
Accretion of interest recognised during the year (note 7)		10,531
Payments		(132,172)
Lease modification		9,592
Termination of lease		(24,276)
Exchange realignment		(6,525)
Carrying amount at 31 March 2024		244,582
	2024	2023
	HK\$'000	HK\$'000
Analysed into:		
Current portion	97,127	126,992
Non-current portion	147,455	204,636
	244,582	331,628

The maturity analysis of lease liabilities is disclosed in note 36 to the financial statements.

NOTES TO FINANCIAL STATEMENTS

31 March 2024

16. LEASES (Continued)

The Group as a lessee (Continued)

(iii) The amounts recognised in profit or loss in relation to leases are as follows:

	2024 HK\$'000	2023 HK\$'000
Interest on lease liabilities (note 7)	10,531	14,108
Depreciation of right-of-use assets (note 8)	87,275	124,921
Lease payments not included in the measurement of lease liabilities (note 8)	5,421	5,359
Variable lease payments not included in the measurement of lease liabilities (note 8)	22,424	1,298
Impairment of right-of-use assets (note 8)	25,881	32,948
Gain on early termination of leases (note 5)	(17,551)	(405)
Gain on lease modification (note 5)	–	(62,427)
COVID-19-related rent concessions received	–	(15,335)
Total amount recognised in profit or loss	133,981	100,467

During the year, the Group did not received any rent concessions (2023: HK\$15,335,000) in the form of a discount on fixed payments during the period of severe social distancing and travel restriction measures introduced to contain the spread of COVID-19. The Group has adopted the amendment to HKFRS 16 in prior year and applies the practical expedient introduced by the amendment to all eligible rent concessions received by the Group during the year.

The Group leases certain of its warehouses and staff quarters under operating lease arrangements. Leases for these properties are negotiated for terms of one year.

As at 31 March 2024, the Group had total future minimum lease payments under non-cancellable operating leases falling due within one year of HK\$3,305,000 (2023: HK\$2,036,000).

The Group as a lessor

The Group leases its one commercial property, one industrial property in the PRC and one residential property in Hong Kong (note 15) under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

At 31 March 2024, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	2024 HK\$'000	2023 HK\$'000
Within one year	5,940	4,601
After one year but within two years	6,461	4,639
	12,401	9,240

NOTES TO FINANCIAL STATEMENTS

31 March 2024

17. INTANGIBLE ASSETS

	<i>Note</i>	Trademark HK\$'000	Computer software HK\$'000	Total HK\$'000
31 March 2024				
Cost at 1 April 2023, net of accumulated amortisation		1,776	1,059	2,835
Additions		–	14	14
Amortisation provided during the year	8	(410)	(281)	(691)
At 31 March 2024		1,366	792	2,158
At 31 March 2024:				
Cost		3,519	29,929	33,448
Accumulated amortisation and impairment		(2,153)	(29,137)	(31,290)
Net carrying amount		1,366	792	2,158
31 March 2023				
Cost at 1 April 2022, net of accumulated amortisation		2,186	1,019	3,205
Additions		–	440	440
Amortisation provided during the year	8	(410)	(400)	(810)
At 31 March 2023		1,776	1,059	2,835
At 31 March 2023:				
Cost		3,519	29,915	33,434
Accumulated amortisation and impairment		(1,743)	(28,856)	(30,599)
Net carrying amount		1,776	1,059	2,835

NOTES TO FINANCIAL STATEMENTS

31 March 2024

18. INVESTMENTS IN JOINT VENTURES

	2024 HK\$'000	2023 HK\$'000
Share of net assets	75,853	37,816

A loan to a joint venture and the amounts due from joint ventures included in the Group's other receivables (note 21) as at 31 March 2024 totalling HK\$3,592,000 (2023: HK\$14,169,000) and HK\$9,864,000 (2023: HK\$9,514,000), respectively, were unsecured, interest-free and had no fixed terms of repayment.

The Group's trade receivable balances with the joint ventures as at 31 March 2024 totalling HK\$1,308,000 (2023: HK\$1,322,000) are disclosed in note 20 to the financial statements.

Particulars of the Group's material joint venture are as follows:

Name	Particulars of issued shares held	Place of incorporation and business	Percentage of ownership interest	Principal activities
Pak Tat Catering Management Company Limited 百達餐飲管理有限公司	One "quota" of MOP17,500	Macau	70	Restaurant operation

The above investment is indirectly held by the Company. This investment is a joint venture based on the composition of the board of director in the joint venture agreement.

Pak Tat Catering Management Company Limited, which is considered a material joint venture of the Group, operates restaurant business in Macau and is accounted for using the equity method.

NOTES TO FINANCIAL STATEMENTS

31 March 2024

18. INVESTMENTS IN JOINT VENTURES *(Continued)*

The following table illustrates the summarised financial information of Pak Tat Catering Management Company Limited, adjusted for any differences in accounting policies and reconciled to the carrying amount in the financial statements:

	2024 HK\$'000	2023 HK\$'000
Cash and cash equivalents	109,805	52,225
Other current assets	19,147	12,178
Total current assets	128,952	64,403
Non-current assets	11,080	13,061
Current liabilities	(26,732)	(14,291)
Non-current liabilities	(4,939)	(9,150)
Net assets	108,361	54,023
Reconciliation to the Group's investment in the joint venture:		
Proportion of the Group's ownership	70%	70%
Group's share of net assets of the joint venture	75,853	37,816
Carrying amount of the investment	75,853	37,816
Revenue	195,168	91,625
Tax charged	(6,926)	(1,375)
Profit for the year	54,338	13,088
Dividend received	-	6,750

19. INVENTORIES

	2024 HK\$'000	2023 HK\$'000
Food and beverage, and other operating items	9,214	8,695

20. TRADE RECEIVABLES

	2024 HK\$'000	2023 HK\$'000
Trade receivables	2,636	4,162

The Group's trading terms with its customers are mainly on cash and smart card settlement, except for well-established corporate customers for which the credit term is generally 60 days (2023: 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. They are stated net of loss allowance.

NOTES TO FINANCIAL STATEMENTS

31 March 2024

20. TRADE RECEIVABLES (Continued)

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

	2024 HK\$'000	2023 HK\$'000
Less than one month	1,624	1,567
One to two months	219	891
Two to three months	500	249
Over three months	293	1,455
	2,636	4,162

Generally, trade receivables are written off if past due for more than one year and not subject to enforcement activity. As at 31 March 2024 and 2023, the Group assessed that the loss allowance under the application of HKFRS 9 was minimal because the corporate customers have good background, reputation and history of repayment and the payment platforms have high credit rating and no past due history.

21. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2024 HK\$'000	2023 HK\$'000
Prepayments	17,317	16,572
Deposits	57,777	69,505
Other receivables	25,724	40,434
A loan to a joint venture (note 18)	3,592	14,169
Amounts due from joint ventures (note 18)	9,864	9,514
	114,274	150,194
Current portion included in prepayments, deposits and other receivables	(60,335)	(83,936)
Non-current portion included in non-current deposits and other receivables	53,939	66,258

As at 31 March 2024, other receivables mainly comprised value added tax recoverable of HK\$9,550,000 (2023: HK\$12,776,000).

Impairment of other receivables

The carrying amount of other receivables approximated to their fair value as at 31 March 2024 and 2023. Their recoverability was assessed with reference to the credit status of the debtors, and the expected credit loss as at 31 March 2024 and 2023 is considered to be minimal.

NOTES TO FINANCIAL STATEMENTS

31 March 2024

22. CASH AND CASH EQUIVALENTS, NON-PLEDGED TIME DEPOSITS AND RESTRICTED CASH

<i>Note</i>	2024 HK\$'000	2023 HK\$'000
Time deposits	94,093	135,000
Cash at bank and on hand	143,420	153,895
	237,513	288,895
Less: Non-pledged time deposits	–	(100,000)
Restricted cash	(2,500)	(2,500)
Cash and cash equivalents as stated in the consolidated financial position and consolidated statement of cash flows	235,013	186,395
Cash and cash equivalents as stated in the consolidated statement of cash flows are represented by Cash and cash equivalents denominated in:		
HK\$	145,719	105,701
RMB	71,258	73,812
USD	3	3
Singapore dollars	15,998	4,561
Japanese Yen	2,035	2,318
	235,013	186,395

RMB is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

As at 31 March 2024 and 2023, the Group has restricted cash of HK\$2,500,000 to secure for the Group's corporate credit card facility.

All the non-pledged time deposits and restricted cash are denominated in Hong Kong dollars.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

NOTES TO FINANCIAL STATEMENTS

31 March 2024

23. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting year, based on the invoice date, is as follows:

	2024 HK\$'000	2023 HK\$'000
Less than one month	18,979	20,544
One to two months	17,256	5,585
Over two months	872	2,041
	37,107	28,170

The trade payables are non-interest-bearing and generally have payment terms of 45 days (2023: 45 days).

24. OTHER PAYABLES AND ACCRUALS

	2024 HK\$'000	2023 HK\$'000
Other payables	36,471	43,576
Amount due to non-controlling shareholders of a subsidiary	13,488	13,974
Accruals	57,443	72,195
	107,402	129,745
Current portion included in other payables and accruals	(94,586)	(119,603)
Non-current portion included in non-current other payables and accruals	12,816	10,142

Other payables are non-interest-bearing and have average payment terms of one to three months.

The amount due to non-controlling shareholders of a subsidiary was unsecured, interest-free and had no fixed terms of repayment.

NOTES TO FINANCIAL STATEMENTS

31 March 2024

25. DEFERRED TAX

The movements in deferred tax assets and liabilities during the year are as follows:

Deferred tax liabilities

	Acquisition of subsidiaries HK\$'000	Depreciation allowance in excess of related depreciation HK\$'000	Others HK\$'000	Total HK\$'000
At 1 April 2022	360	3,615	56	4,031
Deferred tax credited to the consolidated statement of profit or loss during the year (note 11)	(68)	(3,057)	–	(3,125)
Exchange realignment	–	–	278	278
At 31 March 2023 and 1 April 2023	292	558	334	1,184
Deferred tax credited to the consolidated statement of profit or loss during the year (note 11)	(68)	(2,248)	–	(2,316)
Exchange realignment	–	3,388	–	3,388
At 31 March 2024	224	1,698	334	2,256

Certain subsidiaries of the Group had tax losses arising in Hong Kong of HK\$770,208,000 (2023: HK\$827,321,000) and in the PRC of HK\$76,773,000 (2023: HK\$96,724,000) as at 31 March 2024, that are available indefinitely and that will expire in five years, respectively, for offsetting against the future taxable profits of those companies in which the losses arose. At the end of the reporting period, the tax impacts of unrecognised tax losses in Hong Kong and the PRC at applicable tax rates at 31 March 2024 were approximately HK\$127,084,000 (2023: HK\$136,508,000) and HK\$19,193,000 (2023: HK\$24,181,000), respectively. In addition, the Group has not recognised deferred tax assets of HK\$21,340,000 (2023: HK\$28,343,000) in respect of temporary differences of HK\$122,716,000 (2023: HK\$160,278,000) for the year ended 31 March 2024. Deferred tax assets have not been recognised in respect of the tax losses and temporary differences as it is not considered probable that taxable profits will be available against which the tax losses and temporary differences can be utilised.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

NOTES TO FINANCIAL STATEMENTS

31 March 2024

25. DEFERRED TAX *(Continued)*

At 31 March 2024, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in the PRC (2023: Nil). In the opinion of the directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiaries in the PRC for which deferred tax liabilities have not been recognised totalled approximately HK\$101,677,000 at 31 March 2024 (2023: HK\$86,342,000).

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

26. ISSUED CAPITAL

	Number of ordinary shares of HK\$0.01 each	Nominal value of ordinary shares HK\$'000
Authorised:		
As at 31 March 2023 and 31 March 2024	10,000,000,000	100,000
Issued and fully paid:		
As at 1 April 2022, 31 March 2023, 1 April 2023 and 31 March 2024	1,411,226,450	14,112

27. SHARE OPTION SCHEME

The Company operates a share option scheme ("**Share Option Scheme**") for the purpose of motivating eligible persons to optimise their performance and efficiency for the benefit of the Group and to attract and retain or otherwise maintain ongoing relationships with such eligible persons whose contributions are/will be or are expected to be beneficial to the Group. The Share Option Scheme became effective on 5 November 2012 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date. The Share Option Scheme expired on 25 November 2022.

No share options have been granted under the Share Option Scheme since it became effective. Therefore, no share options were exercised or cancelled, or lapsed during the current year and no share options were outstanding under the Share Option Scheme as at 31 March 2024 and 2023.

NOTES TO FINANCIAL STATEMENTS

31 March 2024

28. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity of the financial statements.

i. Merger reserve

The merger reserve represents the reserve arising pursuant to the group reorganisation in 2012.

ii. Statutory reserve

Transfers from retained profits to the statutory reserve were made in accordance with the relevant PRC rules and regulations and the articles of association of the Company's subsidiaries established in the PRC, and were approved by the respective boards of directors.

iii. Shares held for the share award scheme

On 26 September 2018, the Company purchased 32,624,000 shares at HK\$0.85 each at the consideration of HK\$27,730,000 for the adoption of the share award scheme (the "**Scheme**"). The purposes of the Scheme is to recognise and incentivise certain employees, directors, agent and consultant (the "**Participants**") and to recruit additional Participants and to provide them with a direct economic interest in attaining the long term business objectives of the Company.

From October to December 2022, the Company purchased a total of 16,112,000 shares at the share prices ranging from HK0.19 to HK0.3566, with a total consideration of approximately HK\$4,076,000. Those shares are debited to the Shares held for the share award scheme under equity.

During the year ended 31 March 2023, the Company granted total 10,000,000 shares under the share award scheme to certain directors. 3,000,000 of these granted shares are vested on 16 September 2022. The remaining 3,000,000 and 4,000,000 shares will be vested on 16 September 2023 and 16 September 2024 respectively. Upon vesting, the related costs of the vested awarded shares purchased from the market of HK\$1,971,000 are credited to shares held for the share award scheme under equity, with a corresponding decrease in the share-based compensation reserve under equity.

iv. Share-based compensation reserve

The share-based compensation reserve comprises the portion of the granted share under share award scheme to directors that has been recognised in accordance with the accounting policy adopted for share-based payments in note 3.1.

NOTES TO FINANCIAL STATEMENTS

31 March 2024

29. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year, the Group recognised the estimated obligations, included in the Group's property, plant and equipment, of HK\$1,287,000 (2023: HK\$1,105,000) to dismantle, remove and restore certain property, plant and equipment in respect of the restaurants under operating leases.

During the year, the Group transferred prepayments and deposits paid in advance for purchase of property, plant and equipment and intangible assets of HK\$12,408,000 to property, plant and equipment (2023: HK\$5,744,000).

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of HK\$55,804,000 and HK\$55,804,000 (2023: HK\$86,384,000 and HK\$86,384,000), respectively, in respect of lease arrangements for plant and equipment.

(b) Changes in liabilities arising from financing activities:

	Interest-bearing bank borrowings HK\$'000	Lease liabilities HK\$'000
At 1 April 2022	66,465	514,046
COVID-19-related rent concessions received (<i>note 15(iii)</i>)	–	(15,335)
Changes from financing cash flows	(66,465)	(134,535)
New leases	–	86,384
Interest expense (<i>note 7</i>)	–	14,108
Termination of lease	–	(4,794)
Lease modification	–	(116,278)
Exchange realignment	–	(11,968)
At 31 March 2023 and 1 April 2023	–	331,628
Changes from financing cash flows	–	(132,172)
New leases	–	55,804
Interest expense (<i>note 7</i>)	–	10,531
Termination of lease	–	(24,276)
Lease modification	–	9,592
Exchange realignment	–	(6,525)
At 31 March 2024	–	244,582

NOTES TO FINANCIAL STATEMENTS

31 March 2024

30. CONTINGENT LIABILITIES

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

	2024 HK\$'000	2023 HK\$'000
Bank guarantees in favour of landlords in lieu of rental deposits (unsecured)	2,871	3,697
	2,871	3,697

31. PLEDGE OF ASSETS

There is no pledge of assets at 31 March 2024 and 2023.

32. COMMITMENTS

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

	2024 HK\$'000	2023 HK\$'000
Contracted, but not provided for:		
Leasehold improvements	7,406	14,884
Intangible assets	–	831
	7,406	15,715

33. RELATED PARTY TRANSACTIONS

- i. In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the year:

	<i>Notes</i>	2024 HK\$'000	2023 HK\$'000
Sales of food to joint ventures	(a)	17,067	6,707
Laundry service fee paid and payable to a related party	(b)	225	302

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

Notes:

- (a) The selling prices of food sold to joint ventures were mutually agreed between the parties, which was approximately the market rates.
- (b) The related party is controlled by a close family member of a director of the Company. The service fee was mutually agreed between the parties, which was approximately the market rate.

NOTES TO FINANCIAL STATEMENTS

31 March 2024

33. RELATED PARTY TRANSACTIONS *(Continued)*

- ii. Compensation of key management personnel of the Group, including directors' and the chief executive's remuneration as disclosed in note 9 to the financial statements, is as follows:

	2024 HK\$'000	2023 HK\$'000
Short term employee benefits	5,557	10,516
Post-employment benefits	36	58
	5,593	10,574

34. FINANCIAL INSTRUMENTS BY CATEGORY

As at 31 March 2024 and 2023, all the financial assets and liabilities of the Group were at amortised cost.

35. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of the Group's financial instruments reasonably approximate to fair values.

Management has assessed that the fair values of cash and cash equivalents, non-pledged time deposits, restricted cash, trade receivables, trade payables, financial assets included in deposits and other receivables, financial liabilities included in other payables and accruals and lease liabilities approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's corporate finance team is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The corporate finance team reports directly to the directors and the audit committee. At each reporting date, the corporate finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the directors. The valuation process and results are discussed with the directors twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amounts at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

NOTES TO FINANCIAL STATEMENTS

31 March 2024

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents. The Group has various other financial assets and liabilities such as trade receivables, deposits and other receivables, trade payables, lease liabilities, other payables and accruals and balances with joint ventures.

The main risk arising from the Group's financial instruments is liquidity risk. The directors review and agree policies for managing this risk and it is summarised below.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank borrowings. The Group regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, was as follows:

	Less than one year or on demand HK\$'000	Above one year HK\$'000	Total HK\$'000
31 March 2024			
Trade payables	37,107	–	37,107
Financial liabilities included in other payables and accruals	94,586	–	94,586
Lease liabilities	102,858	153,447	256,305
	234,551	153,447	387,998
31 March 2023			
Trade payables	28,170	–	28,170
Financial liabilities included in other payables and accruals	119,603	–	119,603
Lease liabilities	130,703	225,506	356,209
	278,476	225,506	503,982

As at 31 March 2024, the Group has cash and cash equivalents amounting to HK\$235,013,000 to fund the future operations.

Capital management

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

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to the shareholders, return capital to the shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2024 and 2023.

NOTES TO FINANCIAL STATEMENTS

31 March 2024

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Capital management *(Continued)*

The Group monitors capital using a gearing ratio, which is expressed as a percentage of interest-bearing bank borrowings over capital. Capital represents equity attributable to equity shareholders of the Company. The gearing ratios as at the end of the reporting periods were as follows:

	2024 HK\$'000	2023 HK\$'000
Interest-bearing bank borrowings	–	–
Equity attributable to equity shareholders of the Company	507,281	550,010
Gearing ratio	N/A	N/A

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2024 HK\$'000	2023 HK\$'000
NON-CURRENT ASSET		
Investments in subsidiaries	325,621	325,621
CURRENT ASSETS		
Prepayments, deposits and other receivables	4,648	5,337
Due from subsidiaries	146,734	142,752
Cash and bank balances	2,290	15,126
Total current assets	153,672	163,215
CURRENT LIABILITIES		
Other payables and accruals	2	3
Due to subsidiaries	108,669	49,280
Total current liabilities	108,671	49,283
NET CURRENT ASSETS	45,001	113,932
Net assets	370,622	439,553
EQUITY		
Share capital <i>(note 26)</i>	14,112	14,112
Reserves <i>(Note)</i>	356,510	425,441
Total equity	370,622	439,553

NOTES TO FINANCIAL STATEMENTS

31 March 2024

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note:

A summary of the Company's reserves is as follows:

	Share premium account HK\$'000	Contributed surplus HK\$'000	Share-based compensation reserve HK\$'000	Shares held for share award scheme HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 April 2022	855,973	1,200,754	-	(27,730)	(1,599,441)	429,556
Loss and total comprehensive loss for the year	-	-	-	-	(1,160)	(1,160)
Share purchased under share award scheme	-	-	-	(4,076)	-	(4,076)
Vesting of shares of share award scheme	-	-	(1,971)	1,971	-	-
Share-based compensation benefit	-	-	1,121	-	-	1,121
At 31 March 2023 and 1 April 2023	855,973	1,200,754	(850)	(29,835)	(1,600,601)	425,441
Loss and total comprehensive loss for the year	-	-	-	-	(1,261)	(1,261)
Dividend paid (note 12)	-	-	-	-	(68,305)	(68,305)
Vesting of shares of share award scheme	-	-	(1,971)	1,971	-	-
Share-based compensation benefit	-	-	635	-	-	635
At 31 March 2024	855,973	1,200,754	(2,186)	(27,864)	(1,670,167)	356,510

The Company's contributed surplus represents the excess of the fair value of the shares of the subsidiaries acquired pursuant to the reorganisation, over the nominal value of the Company's shares issued in exchange therefor.

38. NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in note 12 above, no other material events occurred after the reporting period and up to the date of issue of these financial statements.

39. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 27 June 2024.

PARTICULARS OF INVESTMENT PROPERTIES

31 March 2024

Investment Properties Location	Use	Tenure	Attributable interest of the Group
Rooms 2801, 2802, 2803 and 2805, No. 15 Dapu Road, Huangpu District, Shanghai, China	Office	Long-term lease	100%
Building No. 3, No. 4 (1 and 2/F), 518 Shu Hai Road, Songjiang District, Shanghai, China	Industrial	Long-term lease	100%
Flat L, 14/F, Maiahon Apartments, 509 Jaffe Road, Causeway Bay, Hong Kong	Residential	Long-term lease	100%

FIVE-YEAR FINANCIAL SUMMARY

A summary of the consolidated results of the Group for the five years ended 31 March 2020, 2021, 2022, 2023 and 2024 and the consolidated assets, liabilities and non-controlling interests of the Group as at 31 March 2020, 2021, 2022, 2023 and 2024 as extracted from the Company's published audited financial statements is set out as follows.

RESULTS

	Year ended 31 March				
	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000	2020 HK\$'000
REVENUE	954,128	845,797	993,324	956,382	1,381,479
PROFIT/(LOSS) BEFORE TAX	34,747	61,855	(117,400)	(117,777)	(300,708)
Income tax expense	(1,777)	(5,975)	(6,649)	(8,317)	(19,016)
PROFIT/(LOSS) FOR THE YEAR	32,970	55,880	(124,049)	(126,094)	(319,724)
Profit/(loss) attributable to:					
Equity shareholders of the Company	39,087	60,578	(118,254)	(124,114)	(317,389)
Non-controlling interests	(6,117)	(4,698)	(5,795)	(1,980)	(2,335)
	32,970	55,880	(124,049)	(126,094)	(319,724)

ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

	As at 31 March				
	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000	2020 HK\$'000
TOTAL ASSETS	890,324	1,039,619	1,267,918	1,552,238	1,637,712
TOTAL LIABILITIES	(405,010)	(505,459)	(760,797)	(935,630)	(934,660)
	485,314	534,160	507,121	616,608	703,052
EQUITY:					
Equity attributable to equity					
shareholders of the Company	507,281	550,010	518,273	617,053	701,517
Non-controlling interests	(21,967)	(15,850)	(11,152)	(445)	1,535
	485,314	534,160	507,121	616,608	703,052



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