TASTY CONCEPTS HOLDING LIMITED
賞之味控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8096)

FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 30 JUNE 2019

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

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

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

*This announcement, for which the directors (the "**Directors**") of Tasty Concepts Holding Limited (the "**Company**", together with its subsidiaries, the "**Group**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the "**GEM Listing Rules**") of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this announcement misleading.*

Financial Highlights

- The Group's revenue for the three months ended 30 June 2019 was approximately HK$23.4 million, representing an decrease of approximately 10.6% when compared with that of the corresponding period in 2018.

- Loss for the period attributable to owners of the Company for the three months ended 30 June 2019 was approximately HK$1.5 million, representing an increase in loss of approximately 88.0% when compared with that of the corresponding period in 2018.

- The Board did not recommend payment of any dividend for the three months ended 30 June 2019 (2018: Nil).

FIRST QUARTERLY RESULTS FOR THE THREE MONTHS ENDED 30 JUNE 2019 (UNAUDITED)

The board of Directors (the "**Board**") announces the unaudited condensed consolidated results of the Group for the three months ended 30 June 2019, together with the unaudited comparative figures for the corresponding period in 2018 as set out below.

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 30 June 2019

	Notes	For the three months ended 30 June 2019 HK$'000 (Unaudited)	2018 HK$'000 (Unaudited)
Revenue	*4*	**23,372**	26,154
Cost of inventories		**(5,412)**	(5,350)
Other income	*5*	**43**	4
Other gains and losses	*5*	**(7)**	4
Staff costs		**(8,811)**	(7,346)
Rental and related expenses	*3*	**(1,321)**	(4,629)
Depreciation and amortisation	*3*	**(4,592)**	(1,279)
Other expenses		**(4,203)**	(3,281)
Listing expenses		**—**	(4,542)
Finance costs	*6*	**(345)**	(37)
Loss before taxation		**(1,276)**	(302)
Taxation	*8*	**(198)**	(482)
Loss for the period		**(1,474)**	(784)
Other comprehensive income (expense) for the period			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on the translation of foreign operation		**64**	(576)
Total comprehensive expense for the period		**(1,410)**	(1,360)
Loss per share			
Basic (HK cents)	*10*	**(0.29)**	(0.21)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the three months ended 30 June 2019

	Share capital HK$'000	Share premium HK$'000	Other reserve HK$'000	Statutory reserve HK$'000	Translation reserve HK$'000	Accumulated profits HK$'000	Total HK$'000
At 1 April 2018 (audited)	9	—	2,050	66	222	24,699	27,046
Loss for the period	—	—	—	—	—	(784)	(784)
Other comprehensive expense for the period	—	—	—	—	(576)	—	(576)
Total comprehensive expense for the period	—	—	—	—	(576)	(784)	(1,360)
Issue of shares *(Note (i))*	71	—	—	—	—	—	71
Issue of shares *(Note (ii))*	—*	—	—	—	—	—	—
Transfer upon Reorganisation *(as defined in Note 1)*	(9)	—	9	—	—	—	—
Transfer to statutory reserve	—	—	—	21	—	(21)	—
At 30 June 2018 (unaudited)	71	—	2,059	87	(354)	23,894	25,757
At 1 April 2019 (audited)	**5,000**	**64,646**	**9,107**	**109**	**(90)**	**12,395**	**91,167**
Loss for the period	**—**	**—**	**—**	**—**	**—**	**(1,474)**	**(1,474)**
Other comprehensive income for the period	**—**	**—**	**—**	**—**	**64**	**—**	**64**
Total comprehensive income (expense) for the period	**—**	**—**	**—**	**—**	**64**	**(1,474)**	**(1,410)**
At 30 June 2019 (unaudited)	**5,000**	**64,646**	**9,107**	**109**	**(26)**	**10,921**	**89,757**

* *Less than HK$1,000*

Notes:

(i) On 14 June 2018, Butao Global Limited ("**Butao Global**") was incorporated in the British Virgin Islands (the "**BVI**") as a limited liability company with an authorised share capital of 50,000 ordinary shares at a par value of United States Dollar 1 each. On the same day, 9,090 shares of Butao Global were allotted and issued to Brilliant Trade Enterprises Limited ("**Brilliant Trade**").

(ii) On 27 June 2018, Butao Global acquired entire equity interests of Butao Ramen Limited ("**Butao Ramen**") from Brilliant Trade in consideration of issuing 10 shares of Butao Global to Brilliant Trade. Upon the completion of the transfer, Butao Ramen is the wholly-owned subsidiary of Butao Global.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2019

1. GENERAL

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 23 July 2018 under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The shares of the Company were listed on GEM of the Stock Exchange on 15 March 2019 (the "**Listing**"). The immediate holding company of the Company is Brilliant Trade, which was incorporated in the BVI, and 35%, 35%, 15% and 15% owned by Mr. Tang Chun Ho Chandler ("**Mr. C Tang**"), Mr. Tang Hing Chee ("**Mr. HC Tang**"), father of Mr. C Tang, Ms. Tai Shiu Bun, Mariana ("**Ms. Tai**"), mother of Mr. C Tang, and Ms. Tang Wing Shan, Ariel ("**Ms. A Tang**"), sister of Mr. C Tang (hereinafter Mr. C Tang, Mr. HC Tang, Ms. Tai and Ms. A Tang are collectively referred to as the "**Controlling Shareholders**"). The addresses of the registered office and the principal place of business of the Company are Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands and 6th Floor, Goldsland Building, 22-26 Minden Avenue, Tsim Sha Tsui, Kowloon, Hong Kong respectively.

The Company acts as an investment holding company and its subsidiaries are principally engaged in operation of Japanese ramen restaurants in Hong Kong and the People's Republic of China (the "**PRC**").

Pursuant to a group reorganisation to rationalise the structure of the Group in preparation for the Listing (the "**Reorganisation**"), the Company became the holding company of the Group since 21 February 2019. Details of the Reorganisation are set out in the section headed "History, Development and Reorganisation" in the prospectus of the Company dated 27 February 2019 (the "**Prospectus**").

The unaudited condensed consolidated financial statements for the three months ended 30 June 2019 are presented in Hong Kong Dollar ("**HK$**"), which is also the functional currency of the Company.

2. BASIS OF PREPARATION

These unaudited condensed consolidated financial statements for the three months ended 30 June 2019 have been prepared in accordance with the accounting principles generally accepted in Hong Kong and comply with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the applicable disclosure provisions of Chapter 18 of the GEM Listing Rules. The unaudited condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2019.

The accounting policies and methods of computation used in preparing the unaudited condensed consolidated financial statements for the three months ended 30 June 2019 are consistent with those used in the Group's annual financial statements for the year ended 31 March 2019 except as described below.

3. APPLICATION OF NEW AND REVISED HKFRSs

In the current period, the Group has adopted all the new and revised HKFRSs, including Hong Kong Accounting Standards ("**HKASs**") and Interpretations, issued by the HKICPA that are relevant to its operations and effective for its accounting period beginning on 1 April 2019. The adoption of these new and revised HKFRSs in the current period has no material effect on the amounts and/or disclosures reported set out in these unaudited condensed consolidated financial statements.

HKFRS 16 "Leases"

The Group has applied HKFRS 16 for the first time in the current period. HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees which superseded HKAS 17 "Leases" and the related interpretations.

Under HKFRS 16, distinctions of operating leases and finance leases are removed for lessee accounting and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others.

In contrast to lease accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

The Group has opted for the modified retrospective application permitted by HKFRS 16 upon adoption of the new standard. Accordingly, the standard has been applied for the period beginning on 1 April 2019 (i.e. the initial application period). Modified retrospective application requires the recognition of the cumulative impact of adoption of HKFRS 16 on all contracts as at 1 April 2019 in equity.

Modified retrospective application of HKFRS 16 also requires the Group to recognise a lease liability at the date of initial application for leases previously classified as an operating lease under the superseded HKAS 17 measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at the date of initial application. The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as lease applying HKAS 17 and HK(IFRIC) – Int 4 "Determining whether an Arrangement contains a Lease" and not apply this standard to contracts that were not previously identified as containing a lease applying HKAS 17 and HK(IFRIC) – Int 4. Therefore, the Group will not reassess whether the contracts are, or contain a lease which already existed prior to the date of initial application, i.e. 1 April 2019.

The Group has applied a single discount rate to a portfolio of leases with reasonably similar characteristics for determination of present value of the remaining lease payments. The right-of-use assets have been recognised, on a lease-by-lease basis, and discounted using the Group's incremental borrowing rate at the date of initial application.

Based on the allowed practical expedients under HKFRS 16, the Group has elected not to apply the requirements of HKFRS 16 in respect of recognition of lease liability and right-of-use assets to leases for which the lease term ends within twelve months of the date of initial application.

The impacts of HKFRS 16 on the condensed consolidated statements of profit or loss of the Group are set out as below.

	For the three months ended 30 June 2019		
	As per HKAS 17	**As per HKFRS 16**	**Impact due to change**
	HK$'000	**HK$'000**	**HK$'000**
	(Unaudited)	**(Unaudited)**	**(Unaudited)**
Other income	32	43	11
Rental and related expenses	(5,192)	(1,321)	3,871
Depreciation and amortisation	(1,762)	(4,592)	(2,830)
Finance costs	(39)	(345)	(306)
Loss for the period	(2,220)	(1,474)	746

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

4. REVENUE AND SEGMENT INFORMATION

Revenue

Revenue represents the fair value of amounts received and receivable for services provided and goods sold and net of discount, during the period.

	For the three months ended 30 June	
	2019	**2018**
	HK$'000	**HK$'000**
	(Unaudited)	**(Unaudited)**
Recognised at a point in time:		
Operation of restaurants in Hong Kong	**18,796**	19,709
Operation of restaurants in the PRC	**3,247**	5,075
Sales of food and related products to a franchisee	**1,059**	1,095
Recognised over time:		
Royalty fee income from a franchisee *(Note i)*	**270**	275
License fee income from a licensee *(Note ii)*	**—**	—
	23,372	26,154

Notes:

(i) Royalty fee income is calculated with reference to the revenue of the restaurant run by the franchisee for a term of five years.

(ii) License fee income is calculated with reference to the production volume of the licensed products produced by the licensee for a term of two years.

Contract for royalty fee income is under 5-year non-cancellable term in which the Group bills at a fixed rate on the sales generated from the use of trademark by the franchisee. The Group elected to apply the practical expedient by recognising revenue in the amount to which the Group has the right to invoice. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied performance obligations is not disclosed.

Contract for license fee income is 2-year non-cancellable term in which the Group bills at a fixed amount for each licensing product produced by the licensee. The Group elected to apply the practical expedient by recognising revenue in the amount to which the Group has the right to invoice. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied performance obligations is not disclosed.

Segment information

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

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

Geographical information

The Group's current operations are mainly located in Hong Kong and the PRC. Information about the Group's revenue from external customers presented based on the location of the customers is detailed below:

	For the three months ended 30 June	
	2019	**2018**
	HK$'000	**HK$'000**
	(Unaudited)	**(Unaudited)**
Hong Kong	**18,796**	19,709
The PRC	**3,247**	5,075
Macau Special Administrative Region of the People's Republic of China ("**Macau**") *(Note)*	**1,329**	1,370
	23,372	26,154

Note: The revenue is derived from the sales of food and related products to and royalty fee income from a franchisee which is located in Macau.

5. OTHER INCOME/OTHER GAINS AND LOSSES

	For the three months ended 30 June	
	2019	**2018**
	HK$'000	**HK$'000**
	(Unaudited)	**(Unaudited)**
Other income:		
Bank interest income	**20**	2
Interest income on rental deposits paid	**11**	—
Others	**12**	2
	43	4
Other gains and losses:		
Net exchange (losses) gains	**(7)**	4

6. FINANCE COSTS

	For the three months ended 30 June	
	2019	**2018**
	HK$'000	**HK$'000**
	(Unaudited)	**(Unaudited)**
Interests on bank borrowings	**39**	37
Interests on lease liabilities	**306**	—
	345	37

7. LOSS BEFORE TAXATION

	For the three months ended 30 June	
	2019	**2018**
	HK$'000	**HK$'000**
	(Unaudited)	**(Unaudited)**
Loss before taxation has been arrived at after charging:		
Auditor's remuneration	**237**	59
Directors' remuneration	**545**	247
Other staff costs:		
– salaries, bonuses and allowances	**7,811**	6,760
– retirement benefits schemes contributions	**455**	339
Total staff costs	**8,811**	7,346
Depreciation of property and equipment	**1,756**	1,273
Depreciation of right-of-use assets	**2,830**	—
Amortisation of intangible assets	**6**	6
Operating leases rentals under HKAS 17/short-term leases or leases with low-value underlying assets under HKFRS 16 in respect of rented premises for:		
– minimum lease payments	**1,126**	4,169
– contingent rents *(Note)*	**143**	164
	1,269	4,333

Note: The operating lease rentals for restaurants are determined as the higher of fixed rentals or pre-determined percentages on revenue of the restaurants pursuant to the terms and conditions that are set out in the rental agreements.

8. TAXATION

	For the three months ended 30 June	
	2019	**2018**
	HK$'000	**HK$'000**
	(Unaudited)	**(Unaudited)**
The taxation comprises:		
Hong Kong Profits Tax charge for the period	**184**	451
PRC Enterprise Income Tax ("**EIT**") charge for the period	**34**	38
Deferred tax credit	**(20)**	(7)
	198	482

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "**Bill**") which introduced the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day.

Under the two-tiered profits tax rates regime, the first HK$2,000,000 of profits of qualifying corporations will be taxed at 8.25%, and profits above HK$2,000,000 will be taxed at 16.5%. The profits of corporations not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

For the three months ended 30 June 2018 and 2019, Hong Kong Profits Tax is calculated at 8.25% on the first HK$2,000,000 of the estimated assessable profits of one of the subsidiaries of the Company and at 16.5% on the estimated assessable profits above HK$2,000,000 of that subsidiary. The profits of corporations not qualified for the two-tier profits tax regime will continue to be taxed at a flat rate of 16.5%.

Under the Law of the PRC on EIT (the "**EIT Law**") and Implementation Regulations of the EIT Law, the tax rate of the PRC subsidiaries is 25% for the three months ended 30 June 2018 and 2019.

9. DIVIDENDS

The Board did not recommend the payment of any dividend for the three months ended 30 June 2019 (2018: Nil).

10. LOSS PER SHARE

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

	For the three months ended 30 June	
	2019	**2018**
	HK$'000	**HK$'000**
	(Unaudited)	**(Unaudited)**
Loss		
Loss for the period attributable to owners of the Company for the purpose of basic loss per share	**(1,474)**	(784)

	For the three months ended 30 June	
	2019	**2018**
	(Unaudited)	**(Unaudited)**
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	**500,000,000**	375,000,000

The weighted average number of ordinary shares for the purpose of calculating basic loss per share has been determined on the assumption that the Reorganisation and the capitalisation issue had been effective on 1 April 2018.

No separate diluted loss per share information has been presented as there were no potential ordinary shares outstanding issued for the three months ended 30 June 2018 and 2019.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the three months ended 30 June 2019 and up to the date of this announcement, the Group has been principally engaged in operating ramen restaurants in Hong Kong and the PRC, generating revenue from provision of catering services. Besides, the Group also generates revenue from (i) franchising the own brand to a franchisee to operate a ramen restaurant in Macau and receive royalty fee income and income from sales of food and accessories products to the franchisee; (ii) granting an exclusive licence to a licensee to use the Group's trademarks on licensed products, license fee income is charged based on the production volume.

As at 30 June 2019 and up to the date of this announcement, the Group operated 10 ramen restaurants in Hong Kong and the PRC.

FINANCIAL REVIEW

REVENUE

The revenue of the Group decreased by approximately 10.6% from approximately HK$26.2 million for the three months ended 30 June 2018 to approximately HK$23.4 million for the three months ended 30 June 2019. The drop is mainly attributed to the gloomy economy in Hong Kong and the PRC affected by uncertainty of economic impacts triggered by China-US trade war, weakening consumers' spending sentiment. Moreover, intense competition as well as food safety concerns from the customers in regards to consuming pork related products resulting from the outbreaks of African swine fever during the early half of year 2019 also formed challenges to the Group's business.

Information about the Group's revenue from external customers presented based on the location of the customers is detailed below:

	For the three months ended 30 June	
	2019	**2018**
	HK$'000	**HK$'000**
	(Unaudited)	**(Unaudited)**
Hong Kong	**18,796**	19,709
The PRC	**3,247**	5,075
Macau *(Note)*	**1,329**	1,370
	23,372	26,154

Note: The revenue is derived from the sales of food and related products to and royalty fee income from a franchisee which is located in Macau.

COST OF INVENTORIES

Cost of inventories remained stable and amounted to approximately HK$5.4 million for both the three months ended 30 June 2018 and 2019. The cost of inventories sold amounted to approximately 20.5% and 23.2% of the Group's total revenue for the three months ended 30 June 2018 and 2019, respectively. The ratio slightly increased as compared to corresponding period in 2018, which is mainly attributable to the increasing food costs given to the decrease in supply of the main ingredients, e.g. pork, triggered by the outbreaks of African swine fever in Hong Kong and the PRC during the early half of year 2019.

OTHER INCOME

Other income mainly comprised of the bank interest income, interest income from rental deposits paid and other miscellaneous income. It amounted to approximately HK$4,000 and HK$43,000 for the three months ended 30 June 2018 and 2019 respectively. The increase in amount is mainly due to more bank interest income received owing to the increment of average bank balance level during the three months ended 30 June 2019 when compared to corresponding period in 2018.

OTHER GAINS AND LOSSES

Other gains and losses mainly represented the net exchange (loss) gains.

STAFF COSTS

The staff costs increased by approximately 19.9% from approximately HK$7.3 million for the three months ended 30 June 2018 to approximately HK$8.8 million for the three months ended 30 June 2019, which was mainly attributable to the additional manpower employed for the newly operated restaurant and addition staff costs paid to Directors and senior management after Listing. Staff costs were taken up the most significant portion of the operating costs, as a percentage of revenue, staff costs amounted to approximately 28.1% for the three months ended 30 June 2018 and approximately 37.7% for the three months ended 30 June 2019, which is mainly due to an increase in compensation levels of the staffs.

The Group understands the importance of recruiting the skilled personnel and retaining experienced staff in the highly competitive labour market in order to properly manage the Group's restaurants and interact with the customers, which is critical to maintaining the quality and consistency of the Group's services as well as the brand reputation.

RENTAL AND RELATED EXPENSES

Due to the adoption of HKFRS 16 “Leases” effective from the annual periods beginning on 1 April 2019, rental and related expenses decreased significantly by approximately HK$3.3 million or 71.5%, instead, the Group has recorded depreciation of right-of-use assets amounted to approximately HK$2.8 million for the three months ended 30 June 2019 (2018: Nil). Rental and related expenses for the three months ended 30 June 2019 represents (i) building management fee, (ii) government rent and rates, (iii) rental for machineries and (iv) other leases for which the lease term ends within twelve months or leases of which the underlying assets are of low value from the lease commencement date or of the date of initial application of HKFRS 16, i.e. 1 April 2019.

DEPRECIATION AND AMORTISATION

Depreciation and amortisation for the three months ended 30 June 2019 represents depreciation charge for (i) leasehold improvements, (ii) fixtures and equipment, (iii) amortisation of intangible assets and (iv) depreciation of right-of-use assets of the Group upon initial application of HKFRS 16 for annual period beginning on 1 April 2019. For the three months ended 30 June 2019, the Group has recorded depreciation of right-of-use assets amounted to approximately HK$2.8 million (2018: Nil) and depreciation charges for property and equipment and amortisation expenses of intangible assets amounted to approximately HK$1.8 million (2018: approximately HK$1.3 million). The increase of depreciation charges for property and equipment and amortisation expenses amounted to approximately HK$0.5 million or 37.8% owing to additional leasehold improvements acquired for newly opened restaurant and replacement of outmoded machineries in central kitchen.

OTHER EXPENSES

Other expenses mainly consist of water, electricity, gas and other utilities expenses, repair and maintenance fee, audit and professional fees, business and product development expenses, cleaning expenses and motor vehicle and logistics expenses. Other expenses increased from approximately HK$3.3 million to approximately HK$4.2 million from the three months ended 30 June 2018 to 2019, representing an increase of approximately 28.1%. The increase in amount is mainly attributed to the increase in utilities and consumable expenses resulted from new restaurant commenced business as well as the increase in expenses paid to professional parties after Listing.

LISTING EXPENSES

For the three months ended 30 June 2018, the non-recurring listing expenses of approximately HK$4.5 million have been incurred and recognised in profit or loss.

FINANCE COSTS

Finance costs for the three months ended 30 June 2019 represents (i) interests on bank borrowings amounted to approximately HK$39,000 (2018: approximately HK$37,000) and (ii) interests on lease liabilities recognised upon initial application of HKFRS 16 for annual period beginning on 1 April 2019 amounted to approximately HK$0.3 million (2018: Nil).

TAXATION

The income tax expenses decreased by approximately 58.9% from approximately HK$0.5 million for the three months ended 30 June 2018 to approximately HK$0.2 million for the three months ended 30 June 2019, which is mainly because a loss was recorded for the three months ended 30 June 2019 whereas profits were recorded (excluding listing expenses, which is non-deductible expenses for tax purpose) in corresponding period in 2018.

LOSS FOR THE PERIOD

The Group recorded a loss of approximately HK$0.8 million and HK$1.5 million for the three months ended 30 June 2018 and 2019, respectively, which was primarily due to the decrease in gross profits, additional professional expenses paid after Listing as well as start-up operating cost incurred for new restaurant during the three months ended 30 June 2019.

OUTLOOK

The Group‘s objective is to provide premium quality “Hakata-Style” Japanese ramen and unforgettable excellent service to the customers. The Group always strive for every possible opportunity to enhance the operation efficiency and profitability of its business.

To implement the business plan detailed in the Prospectus, the Group actively locate potential areas to expand the Group’s restaurant network as well as the central kitchen. New restaurant located in Tseung Kwan O is expected to commence business in September 2019 and leasehold improvement construction in central kitchen is expected to kick off in August 2019. With new outlets opened in high pedestrian flow areas and the enhancement in capacity of the central kitchen, the management believes this can bring in favourable impacts to the Group’s business as a whole.

Apart from expanding the Group’s restaurant network by establishing outlets located strategically in Hong Kong by taking advantage of better geographical coverage. The Group also plan to launch a series of marketing and promotion events in the second half of year 2019 not only to repay the Group’s loyalty customers’ continuous supports, but also to make awareness to attract new customers.

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

OTHER INFORMATION

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

As at 30 June 2019, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Long position in the shares

Name	Capacity/Nature	Number of Shares held/ interested	Percentage of shareholding
Mr. Tang Chun Ho Chandler *(Note)*	Interested in a controlled corporation	341,250,000	68.25%
Mr. Tang Hing Chee *(Note)*	Interested in a controlled corporation/Interest of spouse	341,250,000	68.25%

Note:

Brilliant Trade is owned as to 35% and 35% by Mr. C Tang and Mr. HC Tang, each of whom by virtue of the SFO is deemed to be interested in 68.25% of the issued share capital of the Company in which Brilliant Trade is interested in.

Save as disclosed above, as at 30 June 2019, none of the Directors and chief executive of the Company has any interest or short position 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 notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to Rules 5.46 to 5.67 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2019, the following person/entity (other than the Directors and chief executives of the Company) had or were deemed to have an interest or a short position in the shares or the underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under Section 336 of the SFO, or who were directly or indirectly, to be interests in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group:

Long position in the shares

Name	Capacity/Nature	Number of Shares held/ interested	Percentage of shareholding
Brilliant Trade	Beneficial owner	341,250,000	68.25%
Ms. Tai Shiu Bun Mariana *(Note 1)*	Interest of spouse	341,250,000	68.25%
Ms. Lee Wai Yu Giselle *(Note 2)*	Interest of spouse	341,250,000	68.25%

Notes:

(1) Ms. Tai Shiu Bun Mariana is the spouse of Mr. HC Tang. Accordingly, Ms. Tai Shiu Bun Mariana is deemed, or taken to be, interested in the shares in which Mr. HC Tang is interested for the purpose of the SFO.

(2) Ms. Lee Wai Yu Giselle is the spouse of Mr. C Tang. Accordingly, Ms. Lee Wai Yu Giselle is deemed, or taken to be, interested in the shares in which Mr. C Tang is interested for the purpose of the SFO.

Save as disclosed above, as at 30 June 2019, none of the substantial or significant shareholders or other persons, other than the Directors and chief executives of the Company whose interests are set out in the section "Other information – Directors' and chief executives' interests and short positions in shares, underlying shares and debentures" above, had or were deemed to have an interest or a short position in the shares or the underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under Section 336 of the SFO, or who were directly or indirectly, to be interests in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the shares during the three months ended 30 June 2019.

COMPETITION AND CONFLICT OF INTERESTS

None of the Directors, the Controlling Shareholders or substantial shareholders of the Company or any of its respective close associates (as defined under the GEM Listing Rules) has engaged in any business that competes or may compete, either directly or indirectly, with the businesses of the Group or has any other conflict of interests with Group during the three months ended 30 June 2019.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings, as set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for securities transactions by the Directors in respect of the shares of the Company. Having made specific enquiry of all Directors, all Directors have confirmed that they have complied with the required standard of dealings and the code of conduct for securities transactions by the Directors during the three months ended 30 June 2019.

SHARE OPTION SCHEME

The Company adopted a share option scheme on 21 February 2019 (the "**Share Option Scheme**"). The purpose of the Share Option Scheme is to enable the Company to grant options to selected participants as incentives or rewards for their contribution to it. The Directors consider the Share Option Scheme, with its broadened basis of participation, will enable the Group to reward the employees, the Directors and other selected participants for their contributions to the Group. Further details of the Share Option Scheme are set in the section headed "E. Share Option Scheme" in Appendix IV to the Prospectus.

For the three months ended 30 June 2019, no share option was granted, exercised, expired or lapsed and there is no outstanding share option under the Share Option Scheme.

INTERESTS OF THE COMPLIANCE ADVISER

As confirmed by the Company's compliance adviser, Frontpage Capital Limited (the "**Compliance Adviser**"), save as the compliance adviser agreement entered into between the Company and the Compliance Adviser, none of the Compliance Adviser or its directors, employees or associates (as defined under the GEM Listing Rules) had any interest in the Group or in the share capital of any member of the Group which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

CORPORATE GOVERNANCE PRACTICE

The Directors are committed to the maintenance of good corporate governance practices and procedures. The Company believes that good corporate governance provides a framework that is essential for effective management, a healthy corporate culture, successful business growth and enhancing shareholders' value. The corporate governance principles of the Company emphasise a quality Board, sound internal controls, and transparency and accountability to all shareholders. The Company has applied the principles and complied with all code provisions of Corporate Governance Code and Corporate Governance Report in Appendix 15 to the GEM Listing Rules (the "**CG Code**").

To the best knowledge of the Board, the Company has complied with the code provisions in the CG Code during the three months ended 30 June 2019 and up to the date of this announcement.

AUDIT COMMITTEE

Pursuant to Rule 5.28 of the GEM Listing Rules, the Company established an audit committee (the "**Audit Committee**") with written terms of reference aligned with the provision of the code provisions set out in Appendix 15 of the GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control procedures of the Group. As at the date of this announcement, the Audit Committee comprises Mr. Lee Koon Tak (the chairman of the Audit Committee), Mr. Ho Chun Yin Steven and Mr. Ho Lai Chuen, all of whom are independent non-executive Directors.

The Audit Committee has reviewed with management of the Company on the accounting principles and practices adopted by the Group in preparation of this first quarterly results announcement of the Group for the three months ended 30 June 2019. The condensed consolidated financial results for three months ended 30 June 2019 are unaudited, but have been reviewed by the Audit Committee. Such results comply with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

By order of the Board
Tasty Concepts Holding Limited
Tang Chun Ho Chandler
Executive Director

Hong Kong, 6 August 2019

As at the date of this announcement, the Board comprises Mr. Tang Chun Ho Chandler as executive Director; Mr. Tang Hing Chee as non-executive Director; and Mr. Ho Chun Yin Steven, Mr. Ho Lai Chuen and Mr. Lee Koon Tak as independent non-executive Directors.