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Business history

In October 2006, Mr. Wong KM founded the Group by establishing its first restaurant, Lam Tei Red Seasons, under *Red Seasons Aroma Restaurant* (季季紅風味酒家). To expand its market share and further promote the brand of *Red Seasons Aroma Restaurant* (季季紅風味酒家), the Group established another three restaurants under this brand in Tuen Mun, Shatin and Tsuen Wan in August 2009, January 2010 and June 2010, respectively. The restaurants under *Red Seasons Aroma Restaurant* (季季紅風味酒家) target customers desiring quality food at competitive prices and mainly focus on serving quality Cantonese dim sum and specialty Chinese cuisine, such as roast suckling pigs, fried lotus root cakes (香煎蓮藕餅) and pork ribs with plum sauce (冰淋醬烤骨). Among these restaurants, Lam Tei Red Seasons is renowned as a specialist in serving dishes cooked with charcoal stoves which the Directors believe are not common in Hong Kong nowadays.

In February 2007, the Group decided to broaden its scope of restaurant business into the provision of Chinese wedding banquet and dining services for large-scale events. In view of the new focus and market positioning strategy, the Group established its second restaurant, Plentiful Delight Banquet Restaurant, under *Plentiful Delight Banquet* (喜尚嘉喜宴會廳), which is the second brand established by the Group. The restaurant serves Cantonese dim sum, fresh seafood delicacies and specialty Chinese cuisine such as traditional walled village cuisine (圍村風味菜). It is equipped with banquet facilities and has a seating capacity of 100 12-seat banquet tables enabling it to serve up to 1,200 guests on a single occasion. The Directors believe that Plentiful Delight Banquet Restaurant came to build up a sustainable customer base and local reputation for serving quality food at competitive prices.

In December 2010, Lam Tei Red Seasons, one of the Group's restaurants, was awarded by the Michelin Guide Hong Kong Macau 2011 the Michelin Bib Gourmand, the Michelin Guide distinction awarded to those restaurants which are judged to be "wonderful restaurants with top-quality cuisine at highly affordable prices". The Michelin Guide was first published in 1900 and is currently published annually covering 23 countries, which the Directors believe to be one of the world's most well-known and influential restaurant guides to date.

In early 2011, encouraged by the success of the restaurants under *Red Seasons Aroma Restaurant* (季季紅風味酒家) and *Plentiful Delight Banquet* (喜尚嘉喜宴會廳) and the established reputation of the Group for providing Chinese wedding banquet and dining services for large-scale events, the Group decided to further develop its business and diversify its restaurant portfolio by adopting a new branding strategy. The major step will include the proposed opening of the Group's sixth restaurant in Yuen Long under *Red Royalty Banquet* (紅爵御宴) (i.e. Red Royalty Banquet Restaurant), which will become the third brand established by the Group, targeting customers looking for premium and deluxe Chinese wedding banquet and dining services. It is currently expected that Red Royalty Banquet Restaurant will launch in the fourth quarter of 2011. After the implementation of this branding strategy, the Group will operate six restaurants under three brands.

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Each of the Group's restaurants under *Red Seasons Aroma Restaurant* (季季紅風味酒家) has been accredited as an EatSmart Restaurant (有「營」食肆) by the Department of Health since April 2011, recognising the restaurants' commitment to offering healthy dishes with high nutritional value.

In March 2011, the U Favorite Food Award (我最喜愛的廣東菜館) was awarded to the Group's restaurants under *Red Seasons Aroma Restaurant* (季季紅風味酒家).

Corporate history

A summary of the corporate history of each existing member of the Group is set out below:

Tin Ho

On 14 December 1979, Tin Ho was incorporated in Hong Kong with limited liability and an authorised share capital of HK\$800,000 divided into 800 shares of HK\$1,000. It is principally engaged in the operation and management of Lam Tei Red Seasons.

At the time of incorporation, the entire issued share capital of Tin Ho was owned as to 50% (represented by one share of Tin Ho) by an Independent Third Party and 50% (represented by one share of Tin Ho) by another Independent Third Party. From the date of incorporation and up to 30 September 2006, shares of Tin Ho had been allotted and issued and/or transferred to the aforesaid Independent Third Parties and other Independent Third Parties. By 30 September 2006, each of these Independent Third Parties (collectively the “**Past Shareholders**” and each a “**Past Shareholder**”) had disposed of all of its shareholding interests in Tin Ho and ceased to be a shareholder of Tin Ho. Save for being the passive investor of Tin Ho in 1998 and 1999 as described below, Mr. Wong KM had not been involved in the business operation of Tin Ho from its establishment in 1979 and up to 30 September 2006.

On 20 March 1998, Mr. Wong KM acquired 96 shares of Tin Ho from a Past Shareholder and 140 shares of Tin Ho from a Past Shareholder at an aggregate consideration of HK\$1.2 million, with reference to the then total investment cost of the restaurant, as a passive investor in envisioning the future growth of Tin Ho with respect to its restaurant operation in the region. After such acquisitions, Mr. Wong KM owned a total of 236 shares of Tin Ho. On 30 April 1999, Mr. Wong KM transferred 153 shares of Tin Ho to a Past Shareholder and 83 shares of Tin Ho to a Past Shareholder at an aggregate consideration of HK\$1.2 million, with reference to the original acquisition cost of the shares, to pursue other investment opportunities. Following such transfers of a total of 236 shares of Tin Ho and up to 28 July 2009, Mr. Wong KM ceased to hold any direct shareholding interests in Tin Ho.

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On 30 September 2006, Queenmax acquired 324 shares of Tin Ho from a Past Shareholder at a consideration of HK\$283,500 and 156 shares of Tin Ho from a Past Shareholder at a consideration of HK\$136,500 with reference to the then total investment cost of the restaurant in the anticipation of improving the operation and management of Tin Ho after gaining controlling interest. After such acquisitions, Queenmax owned a total of 480 shares of Tin Ho. On 28 July 2009, Queenmax transferred all its shares of Tin Ho to Mr. Wong KM, the sole shareholder of Queenmax at a consideration of HK\$1.00. Following such transfer, Mr. Wong KM became the owner of 480 shares of Tin Ho, representing 60% of its entire issued share capital.

On 30 September 2006, (a) Mr. Chan Mau Kam acquired 160 shares of Tin Ho, representing 20% of its entire issued share capital, from a Past Shareholder at a consideration of HK\$140,000; (b) Mr. Chan Wai Kam acquired a total of 80 shares of Tin Ho, representing 10% of its entire issued share capital, from certain Past Shareholders at a total consideration of HK\$70,000; and (c) Mr. Chan Chu Hung acquired 80 shares of Tin Ho, representing 10% of its entire issued share capital, from a Past Shareholder at a consideration of HK\$70,000 with reference to the then total investment cost of the restaurant. Mr. Chan Mau Kam and Mr. Chan Wai Kam became acquainted with Mr. Wong KM as they were practitioner in the same industry. Apart from being a minority shareholder of each of Sencas and Tin Ho, Mr. Chan Mau Kam has been employed as a consultant of Lam Tei Red Seasons in the Group during the Track Record Period. Mr. Chan Chu Hung had been a customer of Wong Yuen Hing and was involved in the restaurant operation of Tin Ho at the time when Mr. Wong KM was a shareholder of Tin Ho in 1998 and 1999.

Save as disclosed above, Mr. Chan Mau Kam, Mr. Chan Wai Kam and Mr. Chan Chu Hung do not have any past or present relationship with the Group, its Directors, its Shareholders, member of senior management and their respective associates, and each of them is an Independent Third Party.

Following such acquisitions, Mr. Chan Mau Kam, Mr. Chan Wai Kam and Mr. Chan Chu Hung became the owners of a total of 320 shares of Tin Ho, representing 40% of its entire issued share capital. Their shareholding interests in Tin Ho remained as such up to the Latest Practicable Date.

On 17 June 2011, Tin Ho was owned as to 60% by GR Holdings when it acquired all the shares of Tin Ho owned by Mr. Wong KM as described in the paragraph headed “Reorganisation” in this section.

Jubilant

On 8 August 2006, Jubilant was incorporated in Hong Kong with limited liability and an authorised share capital of HK\$10,000 divided into 10,000 shares of HK\$1.00. It is the previous holder of the general restaurant licence of Plentiful Delight Banquet Restaurant. After the transfer of such licence to Gayety in March 2011, Jubilant is principally engaged in the Group’s central procurement operations.

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At the time of incorporation, the entire issued share capital of Jubilant was wholly owned (represented by one share of Jubilant) by Ms. Lau LY.

On 17 June 2011, Jubilant became a wholly-owned subsidiary of GR Holdings when GR Holdings acquired the one share of Jubilant owned by Ms. Lau LY as described in the paragraph headed “Reorganisation” in this section.

Gayety

On 19 August 2006, Gayety was incorporated in Hong Kong with limited liability and an authorised share capital of HK\$10,000 divided into 10,000 shares of HK\$1.00 par value each. It is principally engaged in the operation and management of Plentiful Delight Banquet Restaurant.

At the time of incorporation, the entire issued share capital of Gayety was wholly owned (represented by one share of Gayety) by Ms. Lau LY.

On 17 June 2011, Gayety became a wholly-owned subsidiary of GR Holdings when GR Holdings acquired the one share of Gayety owned by Ms. Lau LY as described in the paragraph headed “Reorganisation” in this section.

Sencas

On 11 September 2006, Sencas was incorporated in Hong Kong with limited liability and an authorised share capital of HK\$10,000 divided into 10,000 shares of HK\$1.00 par value each. It had operated Lam Tei Red Seasons until 1 January 2011 on which all business operations of Lam Tei Red Seasons were transferred to Tin Ho on 1 January 2011. After the completion of such transfer of business operations, Sencas is principally engaged in the provision of staff training for the Group.

At the time of incorporation, the entire issued share capital of Sencas was wholly owned (represented by one share of Sencas) by an Independent Third Party.

On 20 October 2006, Queenmax was allotted and issued 5,999 shares of Sencas at a consideration of HK\$5,999. On 23 October 2006, Queenmax acquired one share of Sencas from the aforementioned Independent Third Party at a consideration of HK\$1.00. Following such allotment and acquisition, Queenmax owned a total of 6,000 shares of Sencas. On 27 May 2009, Queenmax transferred its entire shareholding interests in Sencas to Mr. Wong KM at a consideration of HK\$6,000. The consideration of such transfer was based on the nominal value of the transferred shares. Following such transfer, Mr. Wong KM became the owner of 6,000 shares of Sencas, representing 60% of its entire issued share capital.

On 20 October 2006, (a) Mr. Chan Mau Kam was allotted and issued 2,000 shares of Sencas at a consideration of HK\$2,000, representing 20% of its entire issued share capital; (b) Mr. Chan Wai Kam was allotted and issued 1,000 shares of Sencas at a

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consideration of HK\$1,000, representing 10% of its entire issued share capital; and (c) Mr. Chan Chu Hung was allotted and issued 1,000 shares of Sencas at a consideration of HK\$1,000, representing 10% of its entire issued share capital. The consideration of such allotments were based on the nominal value of the allotted shares. Following such allotments, Mr. Chan Mau Kam, Mr. Chan Wai Kam and Mr. Chan Chu Hung became the owner of a total of 4,000 shares of Sencas, representing 40% of its entire issued share capital. Their shareholding interests in Sencas remained as such up to the Latest Practicable Date.

On 17 June 2011, Sencas was owned as to 60% by GR Holdings when it acquired all the shares of Sencas owned by Mr. Wong KM as described in the paragraph headed “Reorganisation” in this section.

Red Seasons

On 13 August 2009, Red Seasons was incorporated in Hong Kong with limited liability and an authorised share capital of HK\$10,000 divided into 10,000 shares of HK\$1.00. It is principally engaged in the operation and management of Tuen Mun Red Seasons.

At the time of incorporation, the entire issued share capital of Red Seasons was wholly owned (represented by one share of Red Seasons) by Mr. Wong KM.

On 17 November 2009, Mr. Sin was allotted and issued one share of Red Seasons at a consideration of HK\$1.00 based on its nominal value. On the same day, he executed the Deed of Trust, pursuant to which the said share was held by Mr. Sin on trust for Ms. Lau LY. Mr. Sin is an employee of the Group who is well-trusted by Ms. Lau LY. As such, Mr. Sin has been appointed as a director of Red Seasons and has been assisting Ms. Lau LY in managing the leasing matters of Tuen Mun Red Seasons. As it was required by the landlord of Tuen Mun Red Seasons that a guarantee be given by a major shareholder and director, it was decided that Mr. Sin would give the guarantee. To satisfy the requirements in relation to the guarantee, Mr. Sin held one share of Red Seasons on trust for Ms. Lau LY pursuant to the Deed of Trust. The Company’s Hong Kong legal advisers are of the view that the trust arrangement as between Mr. Sin and Ms. Lau LY is legal and valid.

Following such allotment and execution of the Deed of Trust, Red Seasons was owned as to 50% (represented by one share of Red Seasons) by Mr. Wong KM and 50% (represented by one share of Red Seasons) by Mr. Sin on trust for Ms. Lau LY.

On 3 June 2011, pursuant to the Reorganisation, Ms. Lau LY and Mr. Sin executed a deed for the release and termination of the Deed of Trust and an instrument of transfer for the transfer back of the legal title of the one share of Red Seasons from Mr. Sin to Ms. Lau LY at nil consideration, pursuant to which Ms. Lau LY became the legal and beneficial owner of one share of Red Seasons. Following such transfer of share, Red Seasons was owned as to 50% (represented by one share of Red Seasons) by Mr. Wong KM and 50% (represented by one share of Red Seasons) by Ms. Lau LY.

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On 17 June 2011, Red Seasons became a wholly-owned subsidiary of GR Holdings when GR Holdings acquired all the shares of Red Seasons owned by Mr. Wong KM and Ms. Lau LY, respectively, as described in the paragraph headed “Reorganisation” in this section.

RS Corporation

On 15 December 2009, RS Corporation was incorporated in Hong Kong with limited liability and an authorised share capital of HK\$10,000 divided into 10,000 shares of HK\$1.00 par value each. It is principally engaged in the operation and management of Shatin Red Seasons.

At the time of incorporation, RS Corporation was owned as to 50% (represented by one share of RS Corporation) by Mr. Wong KM and 50% (represented by one share of RS Corporation) by Ms. Lau LY.

On 17 June 2011, RS Corporation became a wholly-owned subsidiary of GR Holdings when GR Holdings acquired all the shares of RS Corporation owned by Mr. Wong KM and Ms. Lau LY, respectively, as described in the paragraph headed “Reorganisation” in this section.

RS Catering

On 26 January 2010, RS Catering was incorporated in Hong Kong with limited liability and an authorised share capital of HK\$10,000 divided into 10,000 shares of HK\$1.00 par value each. It is principally engaged in the operation and management of Tsuen Wan Red Seasons.

At the time of incorporation, RS Catering was owned as to 50% (represented by one share of RS Catering) by Mr. Wong KM and 50% (represented by one share of RS Catering) by Ms. Lau LY.

On 17 June 2011, RS Catering became a wholly-owned subsidiary of GR Holdings when GR Holdings acquired all the shares of RS Catering owned by Mr. Wong KM and Ms. Lau LY, respectively, as described in the paragraph headed “Reorganisation” in this section.

GR Holdings

On 30 September 2010, GR Holdings was incorporated in Samoa with limited liability and an authorised share capital of US\$1,000,000 divided into 1,000,000 shares of US\$1.00 par value each. It is an investment holding company.

At the time of incorporation, one share of GR Holdings was subscribed by a nominee company which was an Independent Third Party at the consideration of US\$1.00. On 30 September 2010, the said one Share held by the nominee company was transferred to Mr.

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Wong KM at the consideration of US\$1.00 and one share was allotted and issued to Ms. Lau LY at the consideration of US\$1.00. Following such transfer and allotment, the entire issued share capital of GR Holdings was owned as to 50% (represented by one share of GR Holdings) by Mr. Wong KM and 50% (represented by one share of GR Holdings) by Ms. Lau LY.

On 3 June 2011, a total of 49 shares of GR Holdings, credited as fully paid, and a total of 49 shares of GR Holdings, credited as fully paid, were allotted and issued to Mr. Wong KM and Ms. Lau LY respectively, as described in the paragraph headed “Reorganisation” in this section. Following such allotment and issue of shares, the entire issued share capital of GR Holdings remained owned as to 50% (represented by 50 shares of GR Holdings) by Mr. Wong KM and 50% (represented by 50 shares of GR Holdings) by Mr. Lau LY.

On 25 June 2011, GR Holdings became a wholly-owned subsidiary of the Company when the Company acquired the entire issued share capital of GR Holdings owned by Mr. Wong KM and Ms. Lau LY respectively, as described in the paragraph headed “Reorganisation” in this section.

The Company

On 10 February 2011, the Company was incorporated in the Cayman Islands with limited liability and an authorised share capital of HK\$380,000 divided into 38,000,000 Shares of HK\$0.01 par value each.

At the time of incorporation, one Share was subscribed by a nominee company which was an Independent Third Party as nil paid Share.

On 10 February 2011, the said one nil paid Share held by the nominee company was transferred to KMW. Following such transfer, the entire issued share capital (represented by one nil paid Share) of the Company was owned by KMW. On 24 June 2011, the said one nil paid Share was fully paid up by KMW and such nil paid Share was credited as one fully paid Share of HK\$0.01 par value.

On 25 June 2011, the Company allotted and issued 37,999,999 Shares, credited as fully paid, to KMW as described in the paragraph headed “Reorganisation” in this section. Following such allotment and issue of Shares, the entire issued share capital of the Company remained wholly-owned by KMW (represented by 38,000,000 Shares).

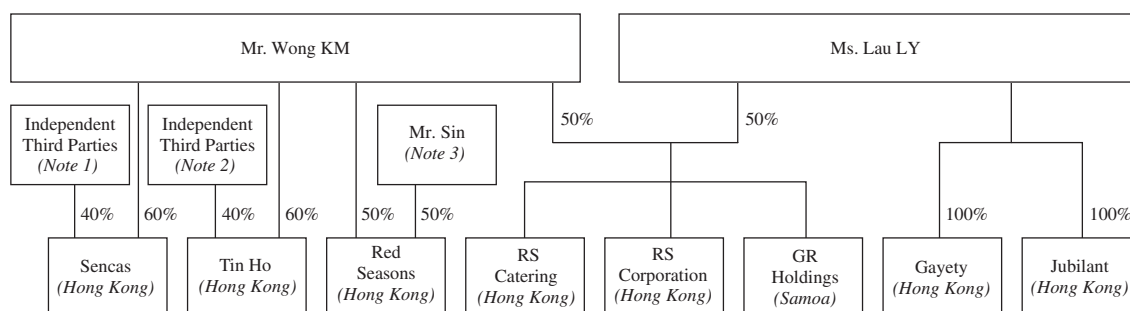
On 25 June 2011, the authorized share capital of the Company was increased from HK\$380,000 to HK\$10,000,000 by the creation of 962,000,000 new Shares.

In preparation for the Listing, the Company became the holding company of the Group pursuant to the Reorganisation.

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CORPORATE STRUCTURE IMMEDIATELY PRIOR TO REORGANISATION

The following diagram illustrates the shareholding structure of the Group immediately prior to the Reorganisation:



Notes:

- (1) The Independent Third Parties are Mr. Chan Mau Kam, Mr. Chan Wai Kam and Mr. Chan Chu Hung, holding 20%, 10% and 10% of the entire issued share capital of Sencas respectively.
- (2) The Independent Third Parties are Mr. Chan Mau Kam, Mr. Chan Wai Kam and Mr. Chan Chu Hung, holding 20%, 10% and 10% of the entire issued share capital of Tin Ho respectively.
- (3) 50% of the entire issued share capital of Red Seasons was held by Mr. Sin on trust for Ms. Lau LY under the Deed of Trust.

REORGANISATION

The companies comprising the Group underwent the Reorganisation in preparation for the Listing. The principal steps involved in the Reorganisation are summarised below:

(1) Termination of the Deed of Trust

On 3 June 2011, Ms. Lau LY and Mr. Sin executed a deed for the release and termination of the Deed of Trust and an instrument of transfer for the transfer back of the legal title of the one share of Red Seasons from Mr. Sin to Ms. Lau LY at nil consideration, pursuant to which Ms. Lau LY became the legal and beneficial owner of one share of Red Seasons, representing 50% of the entire issued share capital of Red Seasons.

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(2) Acquisition of Tin Ho, Jubilant, Gayety, Sencas, Red Seasons, RS Corporation and RS Catering by GR Holdings

On 3 June 2011, GR Holdings as the purchaser, and, Mr. Wong KM and Ms. Lau LY as the vendors, executed a share acquisition agreement and relevant instruments of transfer and bought and sold notes for acquiring all the shares owned by Mr. Wong KM and Ms. Lau LY in each of Tin Ho, Jubilant, Gayety, Sencas, Red Seasons, RS Corporation and RS Catering by GR Holdings (collectively, the “Acquisitions”). In consideration of and in exchange for which, GR Holdings allotted and issued a total of 49 shares of GR Holdings, credited as fully paid, to Mr. Wong KM and a total of 49 shares of GR Holdings, credited as fully paid, to Ms. Lau LY.

Upon the completion under the said share acquisition agreement, which took place on its date of execution, the entire issued share capital of GR Holdings was owned as to 50% (represented by 50 shares of GR Holdings) by Mr. Wong KM and 50% (represented by 50 shares of GR Holdings) by Mr. Lau LY.

Upon the completion under the said share acquisition agreement, which took place on its date of execution, and the stamping of the instruments of transfer and bought and sold notes in respect of the Acquisitions, which took place on 17 June 2011, (a) GR Holdings became the sole legal and beneficial owner of the entire issued share capital of each of Jubilant, Gayety, Red Seasons, RS Corporation and RS Catering, and (b) each of Tin Ho and Sencas was owned as to 60% (represented by 480 shares of Tin Ho and 6,000 shares of Sencas respectively) by GR Holdings.

(3) Incorporation of the Company

On 10 February 2011, the Company was incorporated in the Cayman Islands with limited liability and an authorised share capital of HK\$380,000 divided into 38,000,000 Shares of HK\$0.01 par value each.

At the time of incorporation, one Share was subscribed by a nominee company which was an Independent Third Party as nil paid Share.

On 10 February 2011, the said one nil paid Share held by the nominee company was transferred to KMW. Following such transfer, the entire issued share capital (represented by one nil paid Share) of the Company was owned by KMW.

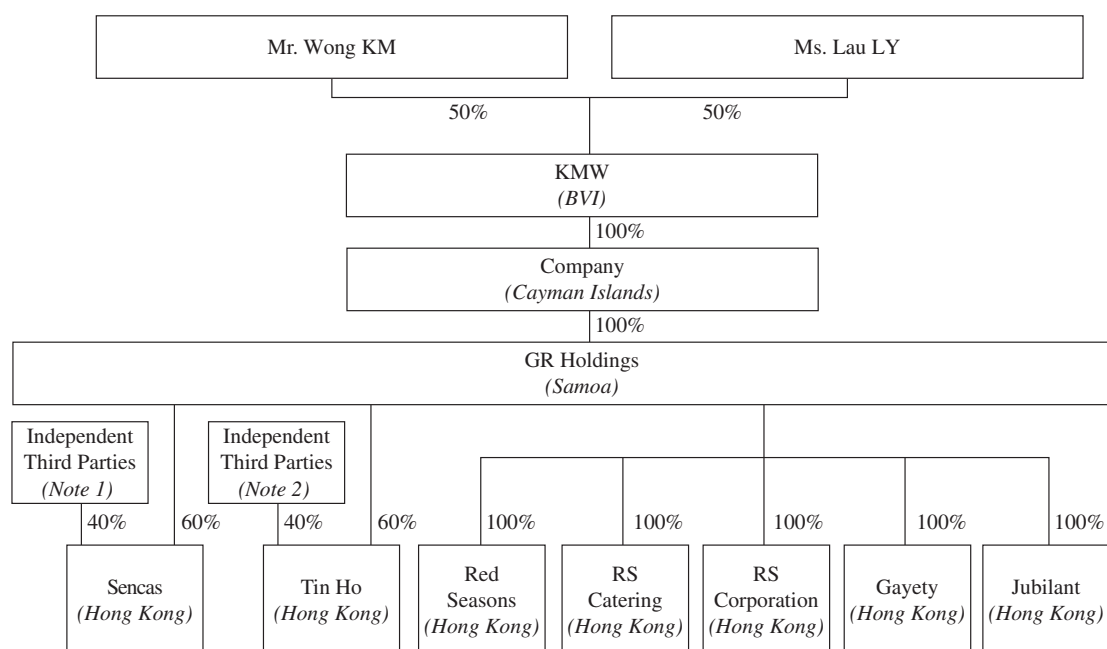
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(4) Acquisition of GR Holdings by the Company

On 25 June 2011, the Company as the purchaser, Mr. Wong KM and Ms. Lau LY as the vendors, and KMW executed a share acquisition agreement and relevant instruments of transfer for acquiring all the shares owned by Mr. Wong KM and Ms. Lau LY in GR Holdings by the Company. In consideration of and in exchange for which, (a) the Company procured KMW to allot and issue one share of US\$1.00 par value of KMW, credited as fully paid, to Mr. Wong KM and one share of US\$1.00 par value of KMW, credited as fully paid, to Ms. Lau LY; and (b) the Company allotted and issued 37,999,999 Shares, credited as fully paid, to KMW.

Upon the completion under the said share acquisition agreement, which took place on its date of execution, (a) the entire issued share capital of KMW remained owned as to 50% (represented by two shares of KMW) by Mr. Wong KM and 50% (represented by two shares of KMW) by Ms. Lau LY; (b) the entire issued share capital (represented by 38,000,000 Shares) of the Company remained wholly-owned by KMW; and (c) the Company became the sole legal and beneficial owner of the entire issued share capital (represented by 100 shares of GR Holdings) of GR Holdings.

The following diagram illustrates the shareholding structure of the Group immediately after the completion of the Reorganisation:



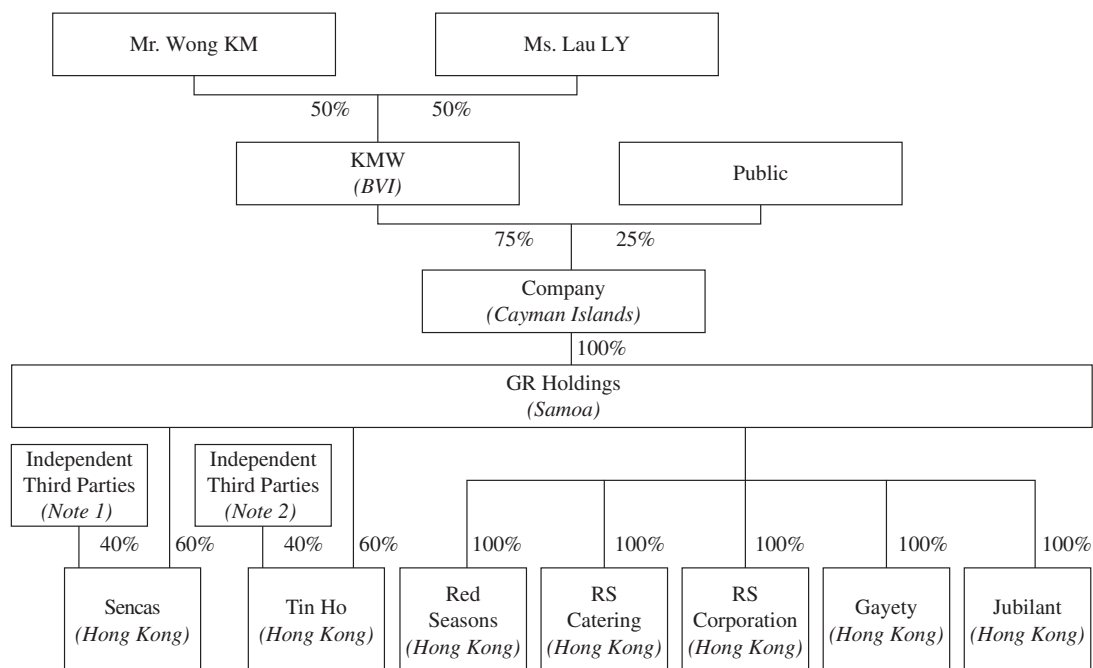
Notes:

- (1) The Independent Third Parties are Mr. Chan Mau Kam, Mr. Chan Wai Kam and Mr. Chan Chu Hung, holding 20%, 10% and 10% of the entire issued share capital of Sencas respectively.
- (2) The Independent Third Parties are Mr. Chan Mau Kam, Mr. Chan Wai Kam and Mr. Chan Chu Hung, holding 20%, 10% and 10% of the entire issued share capital of Tin Ho respectively.

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CORPORATE STRUCTURE FOLLOWING THE PLACING AND THE CAPITALISATION ISSUE

The following diagram illustrates the shareholding structure of the Group immediately following completion of the Placing and the Capitalisation Issue:



Notes:

- (1) The Independent Third Parties are Mr. Chan Mau Kam, Mr. Chan Wai Kam and Mr. Chan Chu Hung, holding 20%, 10% and 10% of the entire issued share capital of Sencas respectively.
- (2) The Independent Third Parties are Mr. Chan Mau Kam, Mr. Chan Wai Kam and Mr. Chan Chu Hung, holding 20%, 10% and 10% of the entire issued share capital of Tin Ho respectively.

CAPITALISATION ISSUE

Before the Placing, the authorised share capital of the Company was increased from HK\$380,000 to HK\$10,000,000 by the creation of 962,000,000 new Shares pursuant to a resolution passed by the sole Shareholder on 25 June 2011.

Conditional upon the share premium account of the Company being credited as a result of the Placing, an appropriate sum will be capitalised and applied in paying up in full such number of Shares in the Company to be allotted and issued to the Shareholders whose names appear on the register of members of the Company at 4:00 p.m. on 25 June 2011 in proportion to their then existing respective shareholdings so that the number of Shares so allotted and issued, when aggregated with the number of shares in the Company already owned by them, will constitute not more than 75% of the issued share capital of the Company.