

A. FURTHER INFORMATION ABOUT THE COMPANY AND THE SUBSIDIARIES**1. Incorporation of the Company**

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law on 10 February 2011.

The Company has been registered in Hong Kong under Part XI of the Companies Ordinance as a non-Hong Kong company and its principal place of business in Hong Kong is at Shop No. 46, Ground Floor, Ho Shun Tai Building, No. 10 Sai Ching Street, Yuen Long, New Territories, Hong Kong. In compliance with the requirements of the Companies Ordinance, Ms. Lau LY of Flat 2, 11/F, Block B, Spring Seaview Terrace, 33 Castle Peak Road, Tuen Mun, New Territories, Hong Kong and Mr. Wong Tin King, Richard of Room 1, 32/F, Block C, Beverly Hill, 6 Broadwood Road, Happy Valley, Hong Kong have been appointed as the authorised representatives of the Company for the acceptance of service of process and any notice required to be served on the Company in Hong Kong.

As the Company was incorporated in the Cayman Islands, it operates subject to the relevant laws and regulations of the Cayman Islands and its constitution which comprises the Memorandum and the Articles. A summary of certain relevant aspects of Companies Law and certain relevant parts of the Company's constitution is set out in Appendix IV to this prospectus.

2. Changes in share capital of the Company**(a) Changes in share capital**

As at the date of incorporation of the Company on 10 February 2011, the authorised share capital of the Company was HK\$380,000 divided into 38,000,000 Shares of HK\$0.01 par value each. On the same date, one Share was subscribed, nil-paid, by a nominee company which was an Independent Third Party. On the same date, the said one nil-paid Share held by the nominee company was transferred to 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, 37,999,999 Shares, credited as fully paid, were issued to KMW as referred to in paragraph 4 below.

On 25 June 2011, 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 referred to in paragraph 3 below and subject to the conditions contained therein.

Immediately following the completion of the Placing and the Capitalisation Issue, the authorised share capital of the Company will be HK\$10,000,000 divided

into 1,000,000,000 Shares, of which 320,000,000 Shares will be in issue and fully paid or credited as fully paid, and 680,000,000 Shares will remain unissued. The Company does not have any present intention to issue any of the authorised but unissued share capital of the Company and, without the prior approval of the Shareholders in general meeting, no issue of Shares will be made which would effectively alter the control of the Company.

(b) Founder shares

The Company has no founder shares, management shares or deferred shares.

Save as disclosed in this paragraph and in paragraphs headed “Incorporation of the Company”, “Resolutions in writing passed by the sole Shareholder on 25 June 2011” and “Corporate reorganisation” of this Appendix and in the section headed “History and Development” in this prospectus, there have been no alterations in the share capital of the Company since its incorporation.

3. Resolutions in writing passed by the sole Shareholder on 25 June 2011

By resolutions in writing passed by the sole Shareholder on 25 June 2011, among other things:

- (a) the Company approved and adopted the Memorandum and Articles;
- (b) the authorised share capital of the Company was increased from HK\$380,000, divided into 38,000,000 Shares, to HK\$10,000,000, divided into 1,000,000,000 Shares by the creation of additional 962,000,000 Shares, which rank *pari passu* in all respects with the Shares in issue as at the date of such resolutions;
- (c) conditional on (i) the Listing Division granting the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus; (ii) the Placing Price having been duly determined and the execution and delivery of the Underwriting Agreement on the date as specified in this prospectus; and (iii) the obligations of the Underwriters under the Underwriting Agreement becoming unconditional (including the waiver of any condition(s) by the Lead Manager (for itself and on behalf of the Underwriters) and not being terminated in accordance with the terms of such agreement (or any conditions as specified in this prospectus), in each case on or before the dates and times specified in the Underwriting Agreement (unless and to the extent such conditions are validly waived before such dates and times) and in any event not later than the date falling 30 days after the date of this prospectus:
 - (i) the Placing was approved and the Directors were authorised to allot and issue the Placing Shares;

- (ii) conditional on the share premium account of the Company being credited as a result of the Placing, the Directors were authorised to allot and issue a total of 202,000,000 Shares credited as fully paid at par to the holders of Shares whose names appear on the register of members of the Company at 4:00 p.m. on the date of such resolutions (or as they may direct) in proportion to their then existing respective shareholdings (save that no Shareholder shall be entitled to be allotted and issued any fraction of a Share) by way of capitalisation of the sum of HK\$2,020,000 standing to the credit of the share premium account of the Company, and the Shares be allotted and issued pursuant to this resolution shall rank *pari passu* in all respects with the existing issued Shares;
- (iii) a general unconditional mandate was given to the Directors to exercise all powers of the Company to allot, issue and deal with, otherwise than by way of rights issue or the exercise of the subscription rights granted under any share option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries or any other person of Shares or rights to acquire Shares or an issue of Shares as scrip dividends pursuant to the Memorandum and Articles, Shares with an aggregate nominal amount of not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue immediately following completion of the Placing and the Capitalisation Issue until whichever is the earliest of the conclusion of the next annual general meeting of the Company, or the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable law of the Cayman Islands to be held, or the revocation, variation or renewal of such general mandate by an ordinary resolution of the shareholders of the Company in general meeting;
- (iv) a general unconditional mandate was given to the Directors to exercise all powers of the Company to repurchase Shares on GEM or any other stock exchange on which the securities of the Company may be listed and which is recognised by the SFC and the Stock Exchange for this purpose, subject to and in accordance with all other applicable laws and/or the requirements of the GEM Listing Rules or of another stock exchange as amended from time to time in this regard, such number of Shares with an aggregate nominal amount of not exceeding 10% of the aggregate nominal amount of the share capital of the Company in issue immediately following completion of the Placing and the Capitalisation Issue; until whichever is the earliest of the conclusion of the next annual general meeting of the Company, or the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable law of the Cayman Islands to be held, or the revocation, variation or renewal of such general mandate by an ordinary resolution of the shareholders of the Company in general meeting;

- (v) the general mandate mentioned in sub-paragraph (iii) above was extended by the addition to the aggregate nominal amount of shares in the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate of an amount representing the aggregate nominal amount of the number of shares in the share capital of the Company that are repurchased by the Company under the general mandate mentioned in sub-paragraph (iv) above, provided that such extended amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue immediately following the completion of the Placing and the Capitalisation Issue; and
- (vi) the form and substance of the service agreement made between each of the executive Directors and the Company, and the form and substance of the appointment letter made between each of the independent non-executive Directors with the Company were approved and any Director (other than the Director to which the relevant service agreement/appointment letter relates) was authorised to execute the service agreements/appointment letters for and on behalf of the Company.

4. Corporate reorganisation

The companies comprising the Group underwent the Reorganisation to rationalise the Group's structure in preparation for the Placing and the Capitalisation Issue, which involved the following steps:

(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 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.

(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 of 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.

(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.

5. Changes in share capital of the subsidiaries of the Company

The subsidiaries of the Company are listed in the Accountant's Report set out in Appendix I to this prospectus.

Save as disclosed in the paragraph headed "Corporate reorganisation" of this Appendix and in the section headed "History and Development" in this prospectus, there have been no alterations in the share capital of the subsidiaries of the Company within the two years immediately preceding the date of this prospectus.

6. Repurchase by the Company of its own securities

This paragraph includes information required by the Stock Exchange to be included in this prospectus concerning the repurchase by the Shares.

(a) Relevant Legal and Regulatory Requirements

The GEM Listing Rules permit Shareholders to grant the Directors a general mandate to repurchase the Shares that are listed on GEM or any other stock exchange on which the securities of the Company may be listed.

(b) Shareholders' approval

All proposed repurchases of securities (which must be fully paid up in case of shares) must be approved in advance by an ordinary resolution of the Shareholders, either by way of general mandate or by specific approval of a particular transaction.

On 25 June 2011, the Directors were granted a general unconditional mandate ("**Repurchase Mandate**") to repurchase up to 10% of the aggregate nominal amount of the share capital of the Company in issue immediately following completion of the Placing and the Capitalisation Issue on GEM or on any other stock exchange on which the securities of the Company may be listed and which is recognised by the SFC and the Stock Exchange for this purpose. This general mandate will expire at the earliest of the conclusion of the next annual general meeting of the Company, or the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable law of the Cayman Islands to be held, or the revocation, variation or renewal of such general mandate by an ordinary resolution of the Shareholders in a general meeting.

(c) Source of funds

All repurchases must be funded out of funds legally available for such purpose in accordance with the Memorandum and Articles of Association and the applicable laws and regulations of the Cayman Islands and any other laws and regulations applicable to the Company. The Company may not repurchase its own securities on the Stock Exchange for consideration other than cash or for the settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

(d) Trading Restrictions

The Company may repurchase up to 10% of the issued share capital immediately after completion of the Placing and the Capitalisation Issue.

(e) Connected persons

A company is prohibited from knowingly repurchasing securities on the Stock Exchange from a “connected person”, that is, a director, chief executive or substantial shareholder of such company or any of its subsidiaries or any of their associates (as defined in the GEM Listing Rules) and a connected person shall not knowingly sell his securities to the Company on the Stock Exchange.

(f) Reasons for repurchases

The Directors believe that it is in the best interests of the Company and its Shareholders as a whole for the Directors to have general authority from its Shareholders to enable the Company to repurchase Shares on GEM or any other stock exchange on which the securities of the Company may be listed. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made if the Directors believe that such repurchases will benefit the Company and its Shareholders as a whole.

(g) General

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the GEM Listing Rules) has a present intention to sell any Shares to the Company.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Articles, the GEM Listing Rules and the applicable laws of the Cayman Islands.

If, as a result of the Company exercising its power to repurchase securities pursuant to the Repurchase Mandate, a Shareholder’s proportionate interest in the voting rights of the Company is increased, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning of the Takeovers Code) could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, the Directors are not aware of any consequences of any repurchases pursuant to the Repurchase Mandate which would arise under Rule 26 of the Takeovers Code.

No connected person (as defined in the GEM Listing Rules) of the Company has notified the Group that he has a present intention to sell any Shares to the Company, or has undertaken not to do so if the Repurchase Mandate is exercised.

7. Registration under Part XI of the Companies Ordinance

The Company has established its head office and principal place of business in Hong Kong for the purpose of registration under Part XI of the Companies Ordinance at Shop No. 46, Ground Floor, Ho Shun Tai Building, No. 10 Sai Ching Street, Yuen Long, New Territories, Hong Kong. The Company has been registered as a non-Hong Kong company under Part XI of the Companies Ordinance. Ms. Lau LY of Flat 2, 11/F, Block B, Spring Seaview Terrace, 33 Castle Peak Road, Tuen Mun, New Territories, Hong Kong and Mr. Wong Tin King, Richard of Room 1, 32/F, Block C, Beverly Hill, 6 Broadwood Road, Happy Valley, Hong Kong have been appointed as the authorised representatives of the Company for the acceptance of service of process and any notice required to be served on the Company in Hong Kong.

B. FURTHER INFORMATION ABOUT THE BUSINESS OF THE COMPANY

8. Summary of material contracts

The following contracts (not being contracts entered into in the ordinary course of business of the Group) were entered into by the Company or any of its subsidiaries within the two years immediately preceding the date of this prospectus and are or may be material:

- (a) an agreement for the sale and purchase of shares dated 3 June 2011 and made between Mr. Wong KM and Ms. Lau LY, as the vendors, and GR Holdings, as the purchaser, in respect of the acquisition of 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 in consideration of the allotment and issue of a total of 49 shares of US\$1 each in GR Holdings, credited as fully paid, to Mr. Wong KM and 49 shares of US\$1 each in GR Holdings, credited as fully paid, to Ms. Lau LY;
- (b) an agreement for the sale and purchase of shares dated 25 June 2011 and made between Mr. Wong KM and Ms. Lau LY, as the vendors, the Company, as the purchaser, and KMW in respect of the acquisition of all the shares owned by Mr. Wong KM and Ms. Lau LY in GR Holdings in consideration of (a) the allotment and issue of one share of US\$1 in KMW, credited as fully paid, to Mr. Wong KM and one share of US\$1 in KMW, credited as fully paid, to Ms. Lau LY; and (b) the allotment and issue of 37,999,999 Shares, credited as fully paid, to KMW;

- (c) the Deed of Non-competition;
- (d) a deed of indemnity dated 25 June 2011 and entered into by Mr. Wong KM, Ms. Lau LY and the Company pursuant to which Mr. Wong KM and Ms. Lau LY have agreed to give certain indemnities in favour of the Company (for itself and as trustee for its subsidiaries), particulars of which are set out in the paragraph headed “Estate duty, tax and other indemnity” of this Appendix; and
- (e) the Underwriting Agreement.

9. Intellectual property rights of the Company

(a) Trademarks



(i) Registered trademark owned by the Group

As at the Latest Practicable Date, the Group was the registered owner of the following trademarks:

Trademark	Registration number	Class	Validity period	Registrant	Place of registration
季季紅	301564056	43	16 March 2010 – 15 March 2020	GR Holdings	Hong Kong
喜尚	301778798	29, 30, 43	2 December 2010 – 1 December 2020	GR Holdings	Hong Kong
喜尚嘉喜	301773900	29, 30, 43	26 November 2010 – 25 November 2020	GR Holdings	Hong Kong
紅爵	301772604	29, 30, 43	25 November 2010 – 24 November 2020	GR Holdings	Hong Kong

(ii) Application for registration of trademarks

As at the Latest Practicable Date, the Group had applied for registration of the following trademarks, the registration of each of which has not yet been granted:

Trademark	Application number	Class	Date of application	Applicant	Place of application
季季紅	301780083	29, 30	3 December 2010	GR Holdings	Hong Kong
	301778815	29, 30, 43	2 December 2010	GR Holdings	Hong Kong
	301776349	43	30 November 2010	GR Holdings	Hong Kong
蝦禾米乳香豬	301845432	29, 43	1 March 2011	GR Holdings	Hong Kong
有米豬	301845441	29, 43	1 March 2011	GR Holdings	Hong Kong
又一餐	301872793	29, 30, 43	29 March 2011	GR Holdings	Hong Kong

(b) Domain name

As at the Latest Practicable Date, the Group had registered the following domain names:

Domain name	Registrant	Date of registration	Expiry date
www.gayety.com.hk	Gayety	9 March 2010	9 March 2012
www.redseasons.com.hk	RS Corporation	24 January 2010	2 February 2012

Save as aforesaid, there are no other trademarks, patents or other intellectual or industrial property rights which are material in relation to the Group's business.

10. Connected transactions and related party transactions

Save as disclosed in this prospectus and in note 27 to the Accountant's Report, the text of which is set out in Appendix I to this prospectus, during the two years immediately preceding the date of this prospectus, the Company did not engage in any other material connected transactions or related party transactions.

C. FURTHER INFORMATION ABOUT DIRECTORS AND SHAREHOLDERS**11. Directors****(a) Disclosure of interests of Directors**

- (i) Mr. Wong KM and Ms. Lau LY are interested in the Reorganisation.
- (ii) Save as disclosed in this prospectus, none of the Directors or their respective associates was engaged in any dealings with the Group during the two years preceding the date of this prospectus.

(b) Particulars of Directors' service agreements**(i) Executive Directors**

Each of the executive Directors has entered into a service agreement with the Company pursuant to which he or she has agreed to act as an executive Director for a fixed term of one year with effect from the Listing Date and will not receive any remuneration for holding his or her office as an executive Director. The term of service shall be renewed and extended automatically by one year on the expiry of such initial term and on the expiry of every successive period of one year thereafter, unless either party has given at least one month's written notice of non-renewal before the expiry of the then existing term.

(ii) Independent non-executive Directors

Each of the independent non-executive Directors has been appointed for a fixed term of one year commencing from the Listing Date and is entitled to an annual director's fee of HK\$60,000. Save for directors' fees, none of the independent non-executive Directors is expected to receive any other remuneration for holding his or her office as an independent non-executive Director.

Save as disclosed above, none of the Directors has or is proposed to have a service contract with the Company or any of its subsidiaries (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

(c) Remuneration of Directors

- (i) No emoluments has been paid by the Group to the Directors in respect of the years ended 31 December 2009 and 2010.
- (ii) Under the arrangements currently in force, the aggregate emoluments payable by the Group to the Directors (including the independent non-executive Directors) for the year ending 31 December 2011, are expected to be approximately HK\$90,000.

(iii) None of the Directors or any past directors of any members of the Group has been paid any sum of money for each of the two years ended 31 December 2010 as (i) an inducement to join or upon joining the Company; or (ii) for loss of office as a director of any member of the Group or of any other office in connection with the management of the affairs of any members of the Group.

(iv) There has been no arrangement under which a Director has waived or agreed to waive any emoluments for each of the two years ended 31 December 2010.

(d) Interests and short positions of the Directors in the Shares, underlying shares or debentures of the Company and associated corporations following the Placing and the Capitalisation Issue

Immediately following completion of the Placing and the Capitalisation Issue, the interests or short positions of the Directors in the Shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which will have 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 they are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or which will be required to notify the Company and the Stock Exchange pursuant to Rules 5.46 to Rule 5.67 of the GEM Listing Rules relating to securities transactions by Directors to be notified to the Company and the Stock Exchange, will be as follows:

Long Positions in the Company

Name of Director	Capacity/ nature of interest	Total number of ordinary Shares	Approximate percentage of interest
Mr. Wong KM <i>(Note 1)</i>	Interest in controlled corporation	240,000,000	75%
Ms. Lau LY <i>(Note 2)</i>	Interest in controlled corporation	240,000,000	75%

Notes:

- (1) Mr. Wong KM is deemed to be interested in all the Shares held by KMW by virtue of the SFO.
- (2) Ms. Lau LY is deemed to be interested in all the Shares held by KMW by virtue of the SFO.

12. Interest of substantial shareholders discloseable under the SFO

So far as the Directors are aware, immediately following the completion of the Placing and the Capitalisation Issue, other than a Director or chief executive of the Company whose interests or short positions are disclosed under the sub-paragraph headed “Interests and short positions of the Directors in the Shares, underlying shares or debentures of the Company and associated corporations following the Placing and the Capitalisation Issue” in this Appendix, the following person will have an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and who are expected, directly or indirectly, to be interested 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.

Name of Shareholder	Capacity/ nature of interest	Total number of ordinary Shares	Approximate percentage of interest
KMW (<i>Note</i>)	Beneficial owner	240,000,000	75%

Note:

The entire issued share capital of KMW is owned as to 50% by Mr. Wong KM and 50% by Ms. Lau LY.

13. Disclaimers

Save as disclosed in this prospectus:

- (a) the Directors are not aware of any person (not being a Director or chief executive of the Company) who will, immediately after completion of the Placing and the Capitalisation Issue, have an interest or a short position in Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who will, directly or indirectly, be interested 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;
- (b) none of the Directors has any interest or short position in any of the shares, underlying shares or debentures of the Company or any associated corporations within the meaning of Part XV of the SFO, which will have 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 any of them is deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which will be required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors to be notified to the Company and the Stock Exchange, in each case once the Shares are listed;

- (c) none of the Directors nor any of the parties listed in the sub-paragraph headed “Qualifications of experts” of the paragraph headed “Other information” in this Appendix has been interested in the promotion of, or has any direct or indirect interest in any assets which have been, within the two years immediately preceding the date of this prospectus, acquired or disposed of by or leased to the Company or any of any other member of the Group, or are proposed to be acquired or disposed of by or leased to the Company or any other member of the Group nor will any Director apply for the Placing Shares either in his own name or in the name of a nominee;
- (d) none of the Directors nor any of the parties listed in the sub-paragraph headed “Qualifications of experts” of the paragraph headed “Other information” in this Appendix is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to business of the Group;
- (e) save in connection with the Underwriting Agreement, none of the parties listed in the sub-paragraph headed “Qualifications of experts” of the paragraph headed “Other information” in this Appendix:
 - (i) is interested legally or beneficially in any securities of any member of the Group; or
 - (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

D. OTHER INFORMATION**14. Estate duty, tax and other indemnity**

Mr. Wong KM and Ms. Lau LY (collectively the “**Indemnifiers**”) have entered into a deed of indemnity (being a material contract referred to in paragraph 8(d) of this Appendix) with and in favour of the Company (for itself and as trustee for each of its present subsidiaries) to provide indemnities, subject to the Placing becoming unconditional, on a joint and several basis in favour of the Group against (a) any costs, expenses, claims, liabilities, penalties, losses or damages incurred or suffered by the Group arising from or in connection with; (i) any failure to obtain mortgagee’s consent in respect of the office in Yuen Long as described in the sub-paragraph headed “Property” in the section headed “Business” in this prospectus; (ii) the Group’s restaurants operating without a general restaurant licence, water pollution licence or liquor licence including the Group’s carrying on of restaurant business by a company who is not the named licensee of the relevant restaurant licence as discussed in the sub-paragraph headed “Compliance” of the paragraph headed “Licences and approvals” in the section headed “Business” in this prospectus prior to Listing; and (iii) any non-compliance with the Companies Ordinance by any member of the Group prior to Listing; and (b) any taxation which might be payable by any member of the Group on or before the date on which the Placing becomes unconditional. The Directors have been advised that no material liability for estate duty is likely to fall on the Company or any of its subsidiaries in the Cayman Islands.

The Indemnifiers shall be under no liability under the deed of indemnity in respect of any taxation:

- (a) to the extent that provision has been made for such taxation in the audited accounts of the Company or any of its subsidiaries up to 31 December 2010; or
- (b) falling on any member of the Group in respect of their accounting period commencing on or after 1 January 2011 unless liability for such taxation would not have arisen but for some act or omission of, or transaction voluntarily effected by, any member of the Group (whether alone or in conjunction with some other act, omission or transaction, whenever occurring) with the prior written consent or agreement of the Indemnifiers other than any such act, omission or transaction:
 - (i) carried out or effected in the ordinary course of business or in the ordinary course of acquiring and disposing of capital assets on or before 31 December 2010; or
 - (ii) carried out, made or entered into pursuant to a legally binding commitment created on or before 31 December 2010 or pursuant to any statement of intention made in this prospectus; or

- (c) to the extent that such taxation claim arises or is incurred as a result of the imposition of taxation as a consequence of any retrospective change in the law or the interpretation or practice thereof by the Inland Revenue Department of Hong Kong or any other relevant authority coming into force after the date on which the Placing becomes unconditional or to the extent such taxation claim arises or is increased by an increase in rates of taxation after such date of the deed of indemnity with retrospective effect; or
- (d) to the extent of any provisions or reserve made for taxation in the audited accounts of any member of the Group up to 31 December 2010 which is finally established to be an over-provision or an excessive reserve provided that the amount of any such provision or reserve applied pursuant to the deed of indemnity to reduce the Indemnifiers' liability in respect of taxation shall not be available in respect of any such liability arising thereafter.

15. Litigation

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened by or against the Company, that would have a material adverse effect on the Company's results of operations or financial condition of the Company.

16. Preliminary expenses

The estimated preliminary expenses relating to the incorporation of the Company are estimated to be approximately HK\$85,800 and are payable by the Company.

17. Promoters

The Company has no promoter.

18. Agency fees or commissions received

The Underwriters will receive a commission of 2.5% of the aggregate Placing Price in respect of all the Placing Shares. The Underwriters will pay any sub-underwriting commissions and selling concessions out of their commission. The Sponsor will also receive a documentation fee. Such commissions, selling concessions, documentation fees and expenses, together with the Stock Exchange listing fees, legal and other professional fees, and printing and other expenses relating to the Placing, which are estimated to amount in aggregate to approximately HK\$18 million, will be payable by the Company.

19. Sponsor

The Sponsor has made an application on behalf of the Company to the Stock Exchange for listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus. All necessary arrangements have been made to enable the securities to be admitted into CCASS.

20. Qualifications of experts

The following are the qualifications of the experts who have given opinions or advice which are contained in this prospectus:

Name	Qualification
Quam Capital Limited	A corporation licensed by the SFC to carry out type 6 (advising on corporate finance) regulated activities under the SFO
PricewaterhouseCoopers	Certified Public Accountants
ONC Lawyers	Hong Kong legal advisers to the Company
Conyers Dill & Pearman	Cayman Islands legal advisers
Ample Appraisal Limited	Professional property valuers

21. Consents of experts

Each of the Sponsor, PricewaterhouseCoopers, ONC Lawyers, Conyers Dill & Pearman and Ample Appraisal Limited has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of its report and/or letter and/or summary of valuations and/or legal opinion (as the case may be) and the references to its name or summaries of opinions included herein in the form and context in which they respectively appear.

None of the experts named in the sub-paragraph headed “Qualifications of experts” of the paragraph headed “Other information” in this Appendix has any shareholding interests in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group save for the Lead Manager, which is also one of the Underwriters and may be required to perform its underwriting obligation in respect of the Placing Shares.

22. Binding effect

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies Ordinance so far as applicable.

23. Taxation of holders of Shares

Dealings in the Shares registered in the Company's register of members will be subject to Hong Kong stamp duty. The duty is charged at the ad valorem rate of 0.1% of the consideration for, or (if greater) the value of, the Shares transferred on each of the seller and purchaser. In other words, a total of 0.2% is currently payable on a typical sale and purchase transaction of the Shares. In addition, a fixed duty of HK\$5 is charged on each instrument of transfer (if required).

Under current Cayman Islands law, transfers and other dispositions of the Shares are exempt from Cayman Islands stamp duty.

Profits from dealings in the Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax.

Intending holders of the Shares are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in the Shares. None of the Company, the Directors or the other parties involved in the Placing accepts responsibility for any tax effect on, or liabilities of, holders of the Shares resulting from their subscription for, purchase, holding or disposal of or dealing in the Shares.

24. No material adverse change

The Directors confirm that there has been no material adverse change in the financial or trading position or prospects of the Group since 31 December 2010 (being the date to which the latest audited combined financial statements of the Group were made up).

25. Miscellaneous

Save as disclosed in this prospectus:

- (a) within the two years preceding the date of this prospectus:
 - (i) no share or loan capital of the Company or of any of its subsidiaries has been issued, agreed to be issued or is proposed to be issued fully or partly paid either for cash or for a consideration other than cash;
 - (ii) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of the Company or any of its subsidiaries; and
 - (iii) no commission has been paid or payable for subscribing or agreeing to subscribe, or procuring or agreeing to procure the subscriptions, for any shares in the Company or any of its subsidiaries; and
- (b) no share or loan capital of the Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option.