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## **U BANQUET GROUP HOLDING LIMITED**

### **饗宴集團控股有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code on Main Board: 1483)**

**(Stock Code on GEM: 8107)**

## **TRANSFER OF LISTING FROM GEM TO MAIN BOARD**

### **Financial adviser to the Company**



On 15 April 2015, an application was made by the Company to the Stock Exchange for the transfer of listing from GEM to the Main Board.

The Company has applied for the listing of, and permission to deal in 465,000,000 Shares in issue on the Main Board by way of transfer of the listing of the Company from GEM to the Main Board.

The Board confirms that all pre-conditions for the Transfer of Listing as set out in Rule 9A.02 of the Main Board Listing Rules have been fulfilled in relation to the Company and its Shares as at the date of this announcement.

The approval-in-principle for the Transfer of Listing was granted by the Stock Exchange on 21 August 2015 for the Transfer of Listing.

The last day of dealings in the Shares on GEM (Stock Code: 8107) will be 28 August 2015. Dealing in the Shares on the Main Board (Stock Code: 1483) will commence at 9:00 a.m. on 31 August 2015.

Reference is made to the announcement issued by the Company dated 15 April 2015 in relation to the Transfer of Listing.

## **TRANSFER OF LISTING OF THE SHARES FROM GEM TO THE MAIN BOARD**

On 15 April 2015, an application was made by the Company to the Stock Exchange for the Transfer of Listing. The Company has applied for the listing of, and permission to deal in 465,000,000 Shares in issue on the Main Board by way of transfer of the listing of the Company from GEM to the Main Board.

The Board confirms that all pre-conditions for the Transfer of Listing as set out in Rule 9A.02 of the Main Board Listing Rules have been fulfilled in relation to the Company and its Shares as at the date of this announcement.

The approval-in-principle for the Transfer of Listing was granted by the Stock Exchange on 21 August 2015 for the Transfer of Listing.

## **REASONS FOR THE TRANSFER OF LISTING**

The Directors believe that the listing of the Shares on the Main Board will enhance the profile and public recognition of the Group as well as increasing the trading liquidity of the Shares. The Directors consider that the listing of the Shares on the Main Board will be beneficial to the future growth, financial flexibility and business development of the Group. No change in nature of business of the Group is contemplated by the Directors following the Transfer of Listing.

The Transfer of Listing will not involve the issue of new Shares by the Company.

## **BUSINESS OF THE GROUP**

The Group is principally engaged in (a) operation of full-services Chinese restaurants including provision of dining and wedding banquet services; (b) provision of wedding services; (c) distribution of goods consisting of fresh vegetables, fruits, seafood and frozen meat; and (d) franchising the use of “U Banquet” to a Chinese restaurant in Hong Kong.

### **Restaurants operation**

The restaurant business in Hong Kong has been the principal source of revenue of the Group. As at the date of this announcement, the Group operated a total of nine restaurants in Hong Kong providing dining and wedding banquet services, eight of which under “U Banquet (饗宴)” brand and one of which under “Hot Pot Cuisine (涮得棧)” brand. All eight “U Banquet (饗宴)” branded restaurants were wedding banquet-focussed restaurants while the “Hot Pot Cuisine (涮得棧)” branded restaurant was a non-wedding banquet-focussed restaurant.

### **Provision of wedding services**

The Group started to provide wedding services, including wedding gown sales and rentals, hair and makeup, photography and video, venue design and decoration, car rental, hotel booking, wedding invitation design and printing, wedding master of ceremonies, marriage celebrant service, “good luck woman” service (大妗姐服務) and cake catering service, under “U Weddings” brand in 2010. As at the date of this announcement, the Group operated two wedding shops to provide sales and rentals of wedding attire and accessories, hair and makeup services and photography and video services. For other wedding services, the Group sources them from third-party vendors and manage them for their customers.

## Distribution of goods

The Group started its distribution of goods business in late 2012, which consists of sourcing fresh vegetables, fruits, seafood and frozen meat for local restaurants and other food ingredient suppliers.

## Franchise of restaurants operation

On 10 July 2014, U Banquet Group Limited, an indirect wholly-owned subsidiary of the Company and the franchisee who is an independent third party entered into a two-year franchise agreement whereas the Company granted to the franchisee a non-exclusive right, license and franchise to open and operate a Chinese restaurant under the Company's trade name. The restaurant was opened in September 2014 and locates in Kowloon Bay.

## FINANCIAL INFORMATION

The table below sets forth the selected information of the Group's consolidated statement of comprehensive income for the three years ended 31 December 2014 and for the six months ended 30 June 2015:

	For the year ended 31 December			For the six months ended 30 June	
	2012 HK\$'000	2013 HK\$'000	2014 HK\$'000	2014 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)
Revenue					
— from Chinese restaurants operations	297,384	342,543	388,217	175,651	193,687
— from provision of wedding services	6,202	5,486	3,836	1,946	2,130
— from distribution of goods	578	13,742	4,777	2,129	2,234
— franchise income	—	—	1,238	—	1,601
	304,164	361,771	398,068	179,726	199,652
Profit for the year/period	23,583	10,137	22,752	127	3,943
Profit (loss) attributable to the Shareholders	22,231	8,358	21,429	(822)	3,943
Net profit margin (Note)	7.8%	2.8%	5.7%	0.1%	2.0%

Note: Being profit for the year/period divided by revenue.

## 2013 vs 2012

Revenue of the Group increased by approximately 18.9% from approximately HK\$304.2 million in 2012 to approximately HK\$361.8 million in 2013, mainly attributable to (a) the strong growth in comparable restaurant sales; (b) the contribution from the newly opened restaurants in Wong Tai Sin; and (c) the full-year contribution from the distribution business. During 2013, the Group opened three new restaurants, namely U Banquet (Wong Tai Sin), Hot Pot Cuisine Restaurant and U Banquet (Sino Plaza). The distribution business of the Group was operated for full year in 2013 while it was only operated for two months in 2012.

However, profit attributable to the Shareholders decreased by approximately 62.4% from approximately HK\$22.2 million in 2012 to approximately HK\$8.4 million in 2013 and net profit margin decreased from approximately 7.8% in 2012 to approximately 2.8% in 2013, primarily due to the one-off listing expenses of approximately HK\$17.0 million incurred in 2013. Without taking into account the effect of the one-off listing expenses, profit before tax would have increased by approximately 10% and net profit margin would have remained stable at approximately 7% in 2013. Such increase in profit was primarily attributable to the general increase in restaurant sales and the full-year contribution from the distribution business in 2013. For analysis of the Group's sales by restaurants in 2013, please refer to the section headed "Restaurant Sales" below.

## 2014 vs 2013

As the Chinese New Year (i.e. the low season) in 2013 started in mid-February whereas that in 2014 started in late January, the number of wedding banquet service contracts decreased in the first quarter of 2014 as compared to that in 2013. The proportion of revenue from wedding banquets to that from the operation of restaurants therefore decreased during the same period. As a result of (a) the decrease in the proportion of revenue from wedding banquets to that from operation of restaurants since wedding banquets normally generate a higher profit margin than dining services; (b) the increase in employee benefit expenses, operating lease payments and other expenses arising from the newly opened U Banquet (Wong Tai Sin) and Hot Pot Cuisine Restaurant in April 2013 and U Banquet (Sino Plaza) in November 2013; and (c) the consultancy service fees relating to corporate advisory services incurred by the Group during the period, profit attributable to the Shareholders decreased significantly from approximately HK\$11.1 million for the first quarter of 2013 to approximately HK\$1.0 million for the corresponding period in 2014 (excluding the effect of the one-off listing expenses in 2013), despite an increase in revenue by approximately 14.4% arising from the newly opened restaurants.

For the nine months ended 30 September 2014, revenue of the Group increased by approximately 13.6% as compared to the corresponding period in 2013, mainly attributable to the full-period contribution from U Banquet (Wong Tai Sin), Hot Pot Cuisine Restaurant and U Banquet (Sino Plaza) opened in 2013. Moreover, as the Chinese ghost festival (during which wedding banquets and dining services are generally less popular) in 2013 ended in early September whereas that in 2014 ended in late August, revenue from the operation of restaurants increased in the third quarter of 2014 as compared to that in 2013. Profit attributable to the Shareholders decreased by approximately 19.1% from approximately HK\$6.3 million for the nine months ended 30 September 2013 to approximately HK\$5.1 million for the corresponding period in 2014 (excluding the effect of the one-off listing expenses in 2013) for the same reasons as the first quarter of 2014 mentioned above. Taking into account the listing expenses of approximately HK\$8.1 million in 2013, the Group turned from a loss attributable to the Shareholders of approximately HK\$1.8 million for the nine months ended 30 September 2013 to a profit attributable to the Shareholders of approximately HK\$5.1 million for the corresponding period in 2014. The third quarterly results in 2014 compared favorably with the first quarterly results in the same year, partially because the restaurants in Wong Tai Sin and U Banquet (Sino Plaza) started to achieve a breakeven in August and September 2014, following their commencement of operation in April 2013 and November 2013, respectively.

The increase of revenue of the Group by approximately 10.0% from approximately HK\$361.8 million in 2013 to approximately HK\$398.1 million in 2014, mainly attributable to the strong growth in comparable restaurant sales, especially the full-year contribution from the newly opened restaurants in 2013. The significant decrease in revenue generated from distribution of goods was primarily due to the Group's cessation of business with one of its major customers in 2014.

As the Group could not reach a reasonable lease arrangement with any landlord, the Group did not enter into any lease agreement for a new restaurant in 2014. Instead, in July 2014, the Group entered into a two-year franchise agreement (the “**Franchise Agreement**”) with an independent third party (the “**Franchisee**”), pursuant to which the Group agreed to grant to the Franchisee a non-exclusive right, licence and franchise to open and operate a Chinese restaurant (the “**Business**”) under the Company's trade name. The Group will in return receive from the Franchisee a monthly franchise fee of HK\$125,000 and a management fee amounting to 10% of the monthly gross turnover of the franchised business. The restaurant was opened in September 2014 in Kowloon Bay. For the year ended 31 December 2014, the franchise income amounted to approximately HK\$1.2 million, comprising franchise fee of HK\$750,000 (i.e. being the monthly franchise fee of HK\$125,000 for the period from July 2014 to December 2014) and management fee of approximately HK\$489,000 (i.e. being 10% of the gross turnover of the Business of approximately HK\$4.9 million for the four months ended 31 December 2014).

The Franchisee is wholly-owned by two individual shareholders (the “**Franchisee Shareholders**”), one of whom was an employee of the Group during the period from July 2008 to November 2013. Other than that, the Franchisee Shareholders are third parties independent of the Company and its connected persons. As confirmed by the Franchisee Shareholders, they developed the Business using their own funds. The Company confirmed that it has not lent any money to the Franchisee. The Company decided to take up the franchise arrangement after taking into account that (i) the Franchisee had secured a lease arrangement for the Business prior to the entering into of the Franchise Agreement and the Directors considered the location of the restaurant suitable for the Business; and (ii) the franchise arrangement provides the Group with a stable stream of income.

As at the date of this announcement, the Group did not have intention to expand the franchise business proactively as the Directors consider that self-operated restaurants can generate a relatively longer stream of revenue to the Group as compared to the franchise business given that the lease terms of self-operated restaurants are generally longer than the term of the Franchise Agreement. The Group will continue searching for appropriate locations with high traffic flow and reasonable rentals to open more restaurants itself and expand its restaurant network. Nevertheless, the Directors will review and evaluate the performance of the existing franchise business from time to time, and will consider any potential franchisee if and when opportunities arise in the future.

To ensure high quality on the food and services provided by the Franchisee, the Franchisee shall purchase exclusively from the Group all raw materials, ingredients and flavours for the products, equipment and materials for the operation of the Business, and shall only use those signboards, cooking utensils, stationery, hardware and other tools of trade as designated by the Group. In addition, the Group shall provide consultancy services to the Franchisee, including human resource management, food quality control and staff training. The Business shall be conducted in accordance with the operational procedures, the operations manuals and other instructions as may be prescribed by the Group from time to time. The Franchisee shall use the Company’s trade name in relation only to the Business as having been approved by the Group. The monthly franchisee fee and management fee under the Franchise Agreement was determined after arm’s length negotiation between the Company and the Franchisee with reference to (i) the estimated value of the Company’s trademark; (ii) the services provided by the Group to the Franchisee as described above; and (iii) the estimated annual revenue derived from the Business.

While the Group has direct contractual relationship with, and can exercise some control over the Franchisee, the Franchisee is not owned by the Group. The operation of the Franchisee would be overseen by the Group regularly on site instead of daily basis. In the event that the Franchisee fails to perform its obligations under the Franchise Agreement or fails to comply with relevant laws and regulations, the Group’s brand image and business may be potentially affected.

Profit attributable to the Shareholders increased significantly from approximately HK\$8.4 million in 2013 to approximately HK\$21.4 million in 2014 and net profit margin increased from approximately 2.8% in 2013 to approximately 5.7% in 2014, primarily due to the one-off listing expenses incurred in 2013. Without taking into account the effect of the one-off listing expenses in 2013, profit before tax would have decreased by approximately 14% and net profit margin would have decreased from approximately 7% in 2013 to approximately 6% in 2014, mainly attributable to the increase in other expenses for two restaurants (i.e. U Banquet (Wong Tai Sin) and U Banquet (Sino Plaza)) given their full-year operation in 2014 and the increase in consultancy service fees related to corporate advisory services in 2014.

## For the six months ended 30 June 2015 vs for the six months ended 30 June 2014

Revenue of the Group increased by approximately 11.1% from approximately HK\$179.7 million for the six months ended 30 June 2014 to approximately HK\$199.7 million for the six months ended 30 June 2015, primarily due to the increase in revenue from Chinese restaurants operations of approximately HK\$18.0 million mainly contributed by U Banquet (Mong Kok) (1) and U Banquet (Mong Kok) (2). During the period from April 2014 to mid-May 2014, U Banquet (Mong Kok) (1) and U Banquet (Mong Kok) (2) closed temporarily for refurbishment and no revenue was generated for such period. For the six months ended 30 June 2015, U Banquet (Mong Kok) (1) and U Banquet (Mong Kok) (2) were in full operation.

Profit attributable to the Shareholders and net profit margin increased significantly from a loss of approximately HK\$0.8 million and 0.1% for the six months ended 30 June 2014 to a profit of approximately HK\$3.9 million and 2.0% for the six months ended 30 June 2015, respectively. Such increase was primarily due to (a) the increase in proportion of revenue from wedding banquets to the revenue from Chinese restaurants operations since wedding banquets normally generate a higher profit margin than dining services do; (b) the 100% profit contribution from the distribution of goods business for the six months ended 30 June 2015 since the completion of the acquisition of 49.995% interest in each of General Corporation Limited and Smart Award Limited in September 2014; and (c) the receipt of franchise income of approximately HK\$1.6 million for the six months ended 30 June 2015 from the Franchisee pursuant to the Franchise Agreement.

### RESTAURANT SALES

The table below sets forth the breakdown of the revenue of each of the Group's restaurants operated for the three years ended 31 December 2014 and for the six months ended 30 June 2015:

Name of restaurant	2012		Year ended 31 December				For the six months ended 30 June 2015		Year ended 31 December				For the six months ended 30 June 2015		
			2013		2014				2012		2013			2014	
	HK\$'000	% of total	HK\$'000	% of total	HK\$'000	% of total	HK\$'000	% of total	Operating margin (Note 2)						
U Banquet (Mong Kok) (1) and U Banquet (Mong Kok) (2)	79,369	26.7%	78,216	22.8%	75,370	19.4%	39,060	20.2%	32.1%	31.0%	24.6%	16.7%			
U Banquet (Tsim Sha Tsui)	31,553	10.6%	35,121	10.3%	34,317	8.8%	18,541	9.6%	22.8%	33.0%	33.0%	32.4%			
U Banquet (Kwun Tong)	49,818	16.8%	52,735	15.4%	52,924	13.6%	26,486	13.7%	29.1%	30.7%	30.9%	33.7%			
U Banquet (Causeway Bay)	53,750	18.1%	59,748	17.4%	53,838	13.9%	25,794	13.3%	28.4%	33.4%	36.9%	32.5%			
U Banquet (North Point)	46,156	15.5%	44,135	12.9%	51,898	13.4%	26,029	13.4%	19.2%	15.3%	20.2%	18.3%			
U Banquet (Wan Chai) and Choi Fook Club (Wan Chai) (Note 1)	36,738	12.3%	13,287	3.9%	—	—	—	—	20.1%	-0.1%	N/A	N/A			
U Banquet (Wong Tai Sin) and Hot Pot Cuisine Restaurant	—	—	54,892	16.0%	81,586	21.0%	38,217	19.7%	N/A	5.8%	16.9%	8.9%			
U Banquet (Sino Plaza)	—	—	4,409	1.3%	38,284	9.9%	19,560	10.1%	N/A	3.4%	12.9%	14.6%			
	<u>297,384</u>	<u>100.0%</u>	<u>342,543</u>	<u>100.0%</u>	<u>388,217</u>	<u>100.0%</u>	<u>193,687</u>	<u>100.0%</u>							

#### Notes:

- From January 2013 up to the closure of U Banquet (Wan Chai) and Choi Fook Club (Wan Chai) (i.e. April 2013), U Banquet (Wan Chai) and Choi Fook Club (Wan Chai) recorded operating loss.
- The operating margin of each of the Group's restaurants was calculated by deducting the cost of materials consumed, employee benefits expense, depreciation, operating lease payments and utilities expenses from the revenue respectively attributable to the relevant restaurant for the relevant year/period.

## **2013 vs 2012**

In 2013, each of U Banquet (Mong Kok) (1) and U Banquet (Mong Kok) (2), U Banquet (North Point) and U Banquet (Wan Chai) recorded a decrease in revenue and operating margin whereas other restaurants recorded an increase in revenue and operating margin, as compared with that in the previous year. U Banquet (Wan Chai) and Choi Fook Club (Wan Chai) were closed in April 2013 as the leases for the premises were expired in May 2013 and the Group was not able to renew the leases and therefore they only generated revenue for four months in 2013. However, as U Banquet (Wong Tai Sin) and Hot Pot Cuisine Restaurant, which were newly opened in April 2013, generated a higher average daily revenue than that of U Banquet (Wan Chai), the effect of the closure of U Banquet (Wan Chai) was offset by the opening of U Banquet (Wong Tai Sin) and Hot Pot Cuisine Restaurant. U Banquet (Sino Plaza) was launched in November 2013. U Banquet (Wong Tai Sin), Hot Pot Cuisine Restaurant and U Banquet (Sino Plaza) recorded a low operating margin in 2013 as they were newly opened and more costs were incurred for promoting the restaurants.

U Banquet (Mong Kok) (1) and U Banquet (Mong Kok) (2) recorded a slight decrease in revenue of approximately 1.5% in 2013 as compared to 2012, mainly attributable to the decrease in the seat turnover rate and the number of wedding banquets held.

U Banquet (North Point) recorded a decrease in revenue of approximately 4.4% in 2013 as compared to 2012, primarily due to (a) the accident in relation to an elevator happened in March 2013 in the building where U Banquet (North Point) was located, which adversely affected the customer traffic; (b) the temporary closure of U Banquet (North Point) for about ten days in June 2013 for refurbishment; and (c) the decrease in the number of wedding banquets held and the average spending per customer as compared with those in the previous year.

In 2013, U Banquet (Tsim Sha Tsui) demonstrated the most significant growth of approximately 11.3% in revenue generated from the operation of restaurants as compared with that in the previous year. Such increase was mainly attributable to the increase in the seat turnover rate and the average spending per customer in 2013 as compared to 2012.

U Banquet (Kwun Tong) and U Banquet (Causeway Bay) recorded a growth in revenue of approximately 5.9% and 11.2% respectively in 2013 as compared to 2012, mainly attributable to the respective increase in the number of wedding banquets held and the average spending per customer.

## **2014 vs 2013**

In 2014, save for U Banquet (Mong Kok) (1) and U Banquet (Mong Kok) (2), U Banquet (Tsim Sha Tsui) and U Banquet (Causeway Bay), all other restaurants recorded a general increase in revenue as compared with that in 2013. Each of U Banquet (Wong Tai Sin), Hot Pot Cuisine Restaurant and U Banquet (Sino Plaza) recorded a significant growth in revenue given their full-year contribution in 2014.

U Banquet (Mong Kok) (1) and U Banquet (Mong Kok) (2) recorded a decrease in revenue of approximately 3.6% in 2014 as compared with 2013, mainly attributable to the decrease in the number of wedding banquets held and the temporary closure of U Banquet (Mong Kok) (1) and U Banquet (Mong Kok) (2) in 2014 for refurbishment.

U Banquet (Tsim Sha Tsui) and U Banquet (Causeway Bay) recorded a decrease in revenue of approximately 2.3% and 9.9% respectively in 2014 as compared to 2013, primarily attributable to the respective decrease in the number of wedding banquets held.

The revenue of U Banquet (Kwun Tong) remained more or less the same in 2013 and 2014. The significant growth in revenue of U Banquet (North Point) by approximately 17.6% in 2014 as compared to 2013 was mainly due to the increase in the seat turnover rate and the average spending per customer.

Save for the decrease in the operating margin of U Banquet (Mong Kok) (1) and U Banquet (Mong Kok) (2), which was mainly attributable to the increase in depreciation as a result of the completion of the refurbishing work of U Banquet (Mong Kok) (1) and U Banquet (Mong Kok) (2) in May 2014 and the increase in operating lease payments due to a new lease agreement being signed in 2014 for U Banquet (Mong Kok) (1) and U Banquet (Mong Kok) (2), all other restaurants recorded a general increase in operating margin in 2014.

#### For the six months ended 30 June 2015 vs for the six months ended 30 June 2014

For the six months ended 30 June 2015, all restaurants recorded a trend of increase in both revenue and operating margin as compared to the corresponding period in 2014, save for the decrease in the operating margin of U Banquet (Mong Kok) (1), U Banquet (Mong Kok) (2), U Banquet (Wong Tai Sin) and Hot Pot Cuisine Restaurant. The decrease in the operating margin of U Banquet (Mong Kok) (1) and U Banquet (Mong Kok) (2) was mainly caused by the increase in depreciation as a result of the completion of the refurbishing work in May 2014 and the increase in operating lease payments due to the effect of lease renewal in March 2014. The decrease in the operating margin of U Banquet (Wong Tai Sin) and Hot Pot Cuisine Restaurant was mainly resulted from the increase in the cost of materials consumed and depreciation.

U Banquet (Mong Kok) (1) and U Banquet (Mong Kok) (2) recorded the most significant growth in revenue generated from the operation of restaurants for the six months ended 30 June 2015 as compared to that in 2014. U Banquet (Mong Kok) (1) and U Banquet (Mong Kok) (2) closed temporarily during the refurbishing period from April 2014 to mid-May 2014 and no revenue was generated for such period. For the six months ended 30 June 2015, U Banquet (Mong Kok) (1) and U Banquet (Mong Kok) (2) were in full operation. U Banquet (Kwun Tong) recorded the highest operating margin during the six months ended 30 June 2015.

#### OPERATING PERFORMANCE BY RESTAURANT

The table below sets forth the seat turnover rate, average spending per customer and average daily revenue generated by each of the Group's restaurants for the three years ended 31 December 2014 and for the six months ended 30 June 2015:

	Year ended 31 December				Year ended 31 December								Year ended 31 December			
	2012				2013				2014				2015			
	2012				2013				2014				2015			
	2012				2013				2014				2015			
	Seat turnover rate (Note 2)				Average spending per customer								Average daily revenue			
	Times				Dining customer				Wedding banquet customer				Dining customer			
	Times				HK\$				HK\$				HK\$			
	Times				HK\$				HK\$				HK\$			
	Times				HK\$				HK\$				HK\$			
U Banquet (Mong Kok) (1) and U Banquet (Mong Kok) (2)	3.44	3.37	3.40	3.29	72	489	78	523	96	559	97	557	217,449	214,289	235,532	215,801
U Banquet (Tsim Sha Tsui)	3.54	3.86	4.21	4.34	70	534	71	555	77	566	87	570	86,446	96,222	94,018	102,436
U Banquet (Kwun Tong)	4.96	4.86	4.67	4.43	79	502	84	531	93	553	103	562	136,488	144,479	144,997	146,332
U Banquet (Causeway Bay)	3.44	3.48	3.25	3.13	85	546	92	566	98	566	104	600	147,262	163,695	147,500	142,508
U Banquet (North Point)	3.03	3.11	3.20	3.18	73	403	72	384	80	506	82	519	126,454	124,324	142,186	143,807
U Banquet (Wan Chai) (Note 1)	6.42	7.02	N/A	N/A	71	473	75	476	N/A	N/A	N/A	N/A	77,136	88,243	N/A	N/A
U Banquet (Wong Tai Sin) and Hot Pot Cuisine Restaurant	N/A	4.27	4.12	4.23	N/A	N/A	66	394	72	537	69	528	N/A	213,588	223,524	211,143
U Banquet (Sino Plaza)	N/A	3.52	4.04	3.99	N/A	N/A	158	532	107	570	102	587	N/A	133,610	104,888	108,070



*Notes:*

1. The above table excluded information in relation to Choi Fook Club (Wan Chai) as it was mainly operated as a club offering food and beverage services and mahjong entertainment facilities.
2. The seat turnover rate was calculated by dividing the total number of diners (including wedding banquet diners) by the total number of seats available for regular dining service in the relevant restaurant then divided by the total number of operation days for the relevant year/period.

**2013 vs 2012**

The average spending per customer of all of the Group's restaurants (excluding Choi Fook Club (Wan Chai)) increased to approximately HK\$531 for wedding banquet customers and to approximately HK\$76 for dining customers in 2013 from approximately HK\$507 and HK\$75, respectively in 2012, representing an increase of approximately 4.7% and 1.3%, respectively. Revenue from Chinese restaurants operations increased by approximately 15.2% from approximately HK\$297.4 million in 2012 to approximately HK\$342.5 million in 2013. Such increase was mainly attributable to the increase in the average spending per customer and the number of diners for the provision of dining services in 2013 as compared to 2012.

The seat turnover rate of all the restaurants, except U Banquet (Mong Kok) (1) and U Banquet (Mong Kok) (2) and U Banquet (Kwun Tong) increased in 2013, which the Directors believed was generally due to the quality food and services provided by the Group and the success of the Group's marketing strategies.

The drop in the seat turnover rate of U Banquet (Mong Kok) (1) and U Banquet (Mong Kok) (2) in 2013 was mainly due to the decrease in the number of wedding banquets held resulting from the wear and tear of the restaurant interiors caused by almost seven years of operation from April 2006 to 2013. This also resulted in a slight decrease in the average daily revenue of U Banquet (Mong Kok) (1) and U Banquet (Mong Kok) (2) by approximately 1.5% despite an increase in the average spending per customer in 2013 as compared to 2012.

U Banquet (Kwun Tong) recorded a decrease in the seat turnover rate in 2013, mainly attributable to the decrease in the number of diners for the provision of dining services. As a result of the increase in the number of wedding banquets held and the average spending per customer, the average daily revenue of U Banquet (Kwun Tong) increased by approximately 5.9% in 2013 as compared to 2012.

In 2013, U Banquet (Tsim Sha Tsui) recorded a significant growth of approximately 11.3% in the average daily revenue as compared with that in the previous year, as a result of the increase in the seat turnover rate and the average spending per customer.

U Banquet (Causeway Bay) recorded a significant increase in the average daily revenue of approximately 11.2% in 2013 as compared with that in the previous year, mainly attributable to the increase in the number of wedding banquets held and the average spending per customer, although there was a slight decrease in the number of diners for the provision of dining services.

U Banquet (North Point) recorded a decrease in the average spending per customer and the average daily revenue in 2013 as compared with 2012. The seat turnover rate of U Banquet (North Point) however improved, primarily due to the increase in the number of diners for the provision of dining services and the temporary closure of U Banquet (North Point) for about ten days in June 2013 for refurbishment.

U Banquet (Wan Chai) was closed in April 2013. It recorded the most significant growth of approximately 14.4% in the average daily revenue as compared with that in the previous year, as a result of the increase in the seat turnover rate and the average spending per customer. U Banquet (Wong Tai Sin) and Hot Pot Cuisine Restaurant were newly opened in April 2013. They recorded relatively low average spending per customer in 2013 as compared with other restaurants in general. However, they generated the second highest average daily revenue in 2013 as compared with other restaurants. U Banquet (Sino Plaza) was launched in November 2013.

### **2014 vs 2013**

The average spending per customer of all of the Group's restaurants (excluding Choi Fook Club (Wan Chai)) increased to approximately HK\$560 for wedding banquet customers and to approximately HK\$85 for dining customers in 2014 from approximately HK\$531 and HK\$76, respectively in 2013, representing an increase of approximately 5.5% and 11.8%, respectively. Revenue from Chinese restaurants operations increased by approximately 13.3% from approximately HK\$342.5 million in 2013 to approximately HK\$388.2 million in 2014. Such increase was mainly attributable to the increase in the average spending per customer and the number of diners for the provision of dining services in 2014 as compared to 2013.

Save for U Banquet (Kwun Tong), U Banquet (Causeway Bay) and U Banquet (Wong Tai Sin) and Hot Pot Cuisine Restaurant, the seat turnover rate of all other restaurants increased in 2014 as a result of the Group's marketing effort.

The decrease in the seat turnover rate of U Banquet (Kwun Tong) in 2014 was primarily attributable to the decrease in the number of wedding banquets held and the number of diners for the provision of dining services. The average daily revenue of U Banquet (Kwun Tong) increased slightly by approximately 0.4%, principally due to the increase in the average spending per customer.

U Banquet (Causeway Bay) recorded a decrease in the seat turnover rate in 2014, mainly attributable to the decrease in the number of wedding banquets held and the number of diners for the provision of dining services. This resulted in a decrease in the average daily revenue of U Banquet (Causeway Bay) by approximately 9.9%. The average spending per dining customer increased whereas the average spending per wedding banquet customer remained the same in 2014 as compared to 2013.

As a result of the decrease in the number of wedding banquets held by U Banquet (Wong Tai Sin) and the decrease in the number of diners for the provision of dining services by Hot Pot Cuisine Restaurant, the seat turnover rate of U Banquet (Wong Tai Sin) and Hot Pot Cuisine Restaurant decreased in 2014. The average daily revenue of U Banquet (Wong Tai Sin) and Hot Pot Cuisine Restaurant increased by approximately 4.7% in 2014 as compared to 2013, mainly attributable to the increase in the average spending per customer.

The slight increase in the seat turnover rate of U Banquet (Mong Kok) (1) and U Banquet (Mong Kok) (2) was mainly attributable to their temporary closure in 2014 for refurbishment, which resulted in less operation days in 2014. The Directors believed that the completion of the refurbishing work of U Banquet (Mong Kok) (1) and U Banquet (Mong Kok) (2) in May 2014 served to enhance their customers' overall dining experience and gave rise to the overall increase in the average spending per customer and the average daily revenue in 2014.

U Banquet (Tsim Sha Tsui) recorded an increase in the seat turnover rate in 2014, mainly due to the increase in the number of diners for the provision of dining services. Despite an increase in the average spending per customer, the average daily revenue of U Banquet (Tsim Sha Tsui) in 2014 decreased by approximately 2.3%, primarily attributable to the decrease in the number of wedding banquets held.

As a result of the increase in the seat turnover rate and the average spending per customer, the average daily revenue of U Banquet (North Point) increased by approximately 14.4% in 2014 as compared to 2013. U Banquet (North Point) completed its refurbishment in June 2013.

Despite the improvement in the seat turnover rate, U Banquet (Sino Plaza), launched in November 2013, recorded a decrease in the average daily revenue of approximately 21.5%, primarily attributable to the decrease in the average spending per dining customers.

#### **For the six months ended 30 June 2015 vs for the six months ended 30 June 2014**

The average spending per customer of all of the Group's restaurants increased to approximately HK\$572 for wedding banquet customers and to approximately HK\$87 for dining customers for the six months ended 30 June 2015 from approximately HK\$561 and HK\$83, respectively for the six months ended 30 June 2014, representing an increase of approximately 2.0% and 4.8%, respectively. Revenue from Chinese restaurants operations increased by approximately 10.3% from approximately HK\$175.7 million for the six months ended 30 June 2014 to approximately HK\$193.7 million for the six months ended 30 June 2015. Such increase was mainly attributable to the increase in the average spending per customer and the increase in the number of wedding banquets held and the number of diners for the provision of dining services.

Save for U Banquet (Tsim Sha Tsui), U Banquet (Wong Tai Sin) and Hot Pot Cuisine Restaurant, the seat turnover rate of all other restaurants decreased for the six months ended 30 June 2015 as compared to that in 2014. The Directors believed that the increase in the seat turnover rate of U Banquet (Tsim Sha Tsui), U Banquet (Wong Tai Sin) and Hot Pot Cuisine Restaurant was a result of the Group's marketing effort.

The increase in the seat turnover rate of U Banquet (Tsim Sha Tsui) for the six months ended 30 June 2015 as compared to that in 2014 was mainly due to the increase in the number of wedding banquets held and the number of diners for the provision of dining services. The improved seat turnover rate, coupled with the increase in the average spending per dining customer, contributed to the increase in the average daily revenue of U Banquet (Tsim Sha Tsui) of approximately 14.2% as compared to that for the six months ended 30 June 2014.

As a result of the increase in the number of diners for the provision of dining services, the seat turnover rate of U Banquet (Wong Tai Sin) and Hot Pot Cuisine Restaurant improved in the first half of 2015 as compared to that of 2014. The increase in the average daily revenue of U Banquet (Wong Tai Sin) and Hot Pot Cuisine Restaurant by approximately 5.1% was mainly attributable to the increase in the seat turnover rate as well as the increase in the average spending per dining customer.

U Banquet (Mong Kok) (1) and U Banquet (Mong Kok) (2) recorded a decrease in the seat turnover rate for the six months ended 30 June 2015 as compared to the corresponding period in 2014, mainly due to the lower number of operation days for the six months ended 30 June 2014 as a result of refurbishment during the period from April 2014 to mid-May 2014, although there was an increase in the number of wedding banquets held and the number of diners for the provision of dining services. The average daily revenue of U Banquet (Mong Kok) (1) and U Banquet (Mong Kok) (2) decreased by approximately 4.2% during the same period, primarily due to the decrease in the seat turnover rate and the average spending per wedding banquet customer.

For the six months ended 30 June 2015, the decrease in the seat turnover rate of U Banquet (Kwun Tong) and U Banquet (Causeway Bay) as compared to the corresponding period in 2014 was mainly due to the decrease in the number of diners for the provision of dining services. The increase in the average daily revenue of U Banquet (Kwun Tong) and U Banquet (Causeway Bay) by approximately 2.8% and 7.1%, respectively, was mainly attributable to the increase in the average spending per customer.

Due to the decrease in the number of wedding banquets held and the number of diners for the provision of dining services, the seat turnover rate of U Banquet (North Point) decreased in the first half of 2015 as compared to that of 2014. As a result of the increase in the average spending per dining customer, the average daily revenue of U Banquet (North Point) increased by approximately 4.7% for the six months ended 30 June 2015 as compared to the corresponding period in 2014.

During the six months ended 30 June 2015, the seat turnover rate of U Banquet (Sino Plaza) remained more or less the same as that in the corresponding period in 2014. However, the increase in the number of wedding banquets held and the average spending per wedding banquet customer resulted in the increase in the average daily revenue of U Banquet (Sino Plaza) by approximately 10.6%.

## **RECENT DEVELOPMENT AND PROSPECT**

For the six months ended 30 June 2015, the Group achieved a remarkable growth in profit with all restaurants recording a general increase in revenue. The average spending per customer of all restaurants as a whole also increased in the first half of 2015 as compared to that in 2014. The Directors expect that the profit attributable to the Shareholders and the net profit margin of the Group for the year ending 31 December 2015 will be affected by the one-off professional fees of approximately HK\$2 million in relation to the Transfer of Listing and the finance costs associated with the finance leases and bank borrowings of Billion Treasure Property Development Limited (“**Billion Treasure**”), a property holding company, the entire interest of which was acquired by the Group in December 2014.

The Group will continue to look for appropriate locations with high traffic flow and reasonable rentals with the view of launching a new restaurant in 2015. The Directors expect that such new restaurant will become another major income stream for the Group and enlarge the Group’s market share within the industry.

Looking forward, the Group will continue to utilise its available resources to engage in its current business. The Group will continue opening more local restaurants proactively in order to sustain the Group’s growth, seeking potential customers in respect of distribution of goods business to deliver satisfactory returns to its shareholders. The acquisition of Billion Treasure provides an opportunity for the Group to broaden its earnings base and enables the Group to receive a stable rental income. The Group will also continue to explore business opportunities associated with its core business to strengthen its revenue base and maximise the return to its shareholders and the value of the Company.

As far as the Directors are aware, there are neither recent industry or regulatory changes nor unfavorable trends or developments which may have a material adverse impact on the Group’s operations, business and financial performance subsequent to 30 June 2015.

## **SERVICES PROVIDED BY MR. LAW AND HIS ASSOCIATES**

### **Services provided by Century Great**

The consultancy fees incurred by the Group for the two years ended 31 December 2014 and the three months ended 31 March 2015 are related to consultancy services rendered by Century Great Investments Limited (“**Century Great**”), a company beneficially owned by Mr. Law Sai Hung (“**Mr. Law**”) who is independent of the Company and its connected person other than a Shareholder. On 10 May 2013, Choi Fook Holdings Limited, a subsidiary of the Company, allotted and issued 75,000 new shares to Century Great, which were subsequently converted to 24,430,000 Shares, at a consideration of HK\$75,000 (the “**Share-based Payment**”). In return, Century Great will provide services to the Group which include, among others, reviewing the Group’s business operations and development and management policies from time to time, devising the Group’s marketing plan, seeking strategic investors for the Group and arranging regular trainings for directors and members of the senior management for a term of five full financial years after the listing. Mr. Law has over fifteen years’ experience in accounting, auditing and corporate consulting services in Hong Kong and Mainland China. The Share-based Payment was valued at approximately HK\$19.0 million as at 10 May 2013 and will be amortised over the vesting period of five years (i.e. approximately HK\$3.8 million per year). For the two years ended 31 December 2014 and the six months ended 30 June 2015, the Share-based Payment recognised as an expense amounted to approximately HK\$0.2 million, HK\$3.8 million and HK\$1.9 million respectively.

For the two years ended 31 December 2014, Century Great provided certain business consultancy services to the Group, including (a) introducing a bank to the Group and providing comments on the terms of banking facilities provided by the bank; (b) seeking potential investors for the share placement relating to the listing of the Company in December 2013; (c) advising on the Group's marketing and promotional activities; and (d) reviewing the Group's business operations and development and discussing with the Company on any possible business opportunities, including the arrangement pursuant to the Franchise Agreement, the acquisition of the remaining 49.995% interest in General Corporation Limited and Smart Award Limited and the acquisition of the entire interest in Billion Treasure.

Taking into (a) the experience of Mr. Law in providing corporate consulting services; (b) the services provided or to be provided by Century Great which are expected to promote and expand the Group's business; (c) that the Share-based Payment allows the Group to align the interest of Century Great and the Shareholders without affecting the Group's immediate cash reserves, the Directors consider that the Share-based Payment is fair and reasonable and is in the interests of the Shareholders as a whole.

### **Services provided by other companies controlled by Mr. Law after listing on the GEM**

Companies controlled by Mr. Law ("**Mr. Law's Companies**") have provided certain services, other than the abovementioned consultancy services, to the Group after the listing of the Company in December 2013. The services mainly comprised (i) providing secretarial services to the Group; (ii) preparing and reviewing the interim and annual reports of the Company; (iii) reviewing transaction documents prepared by the legal advisers and financial adviser to the Company in relation to certain corporate finance transactions; and (iv) providing consultancy services in respect of the Transfer of Listing. As at the date of this announcement, the fees charged by Mr. Law's Companies in respect of provision of the aforesaid four services were approximately HK\$0.9 million, HK\$1.1 million, HK\$0.2 million and HK\$0.4 million, respectively. Taking into account (a) that Mr. Law's Companies could assist in providing secretarial services to the Group, preparing the interim and annual reports of the Company and reviewing transaction documents in relation to the Group's corporate finance transactions to ensure full compliance with applicable rules and regulations including the Companies Ordinance and the GEM Listing Rules, given the Company was newly listed on the Stock Exchange in December 2013; (b) the experience of Mr. Law's Companies in providing corporate services, including accounting and taxation services, company secretarial services, valuation services and consultancy services to corporations in Hong Kong; (c) that the staff and management of the Company may require time to get familiar with the requirements pursuant to the Companies Ordinance and the GEM Listing Rules; and (d) that the assistance provided by Mr. Law's Companies could ensure the smooth transition of the Company from a private company to a listed company, the Directors considered the payments of fees to Mr. Law's Companies after the Company's listing apart from the Share-based Payment were in the interests of the Company and its Shareholders as a whole.

BNP Consultants Company Limited ("**BNP**"), a company controlled by Mr. Law, has also provided consultancy services to the Company in respect of the Transfer of Listing, including (a) advising the Company on the commercial reasons for and benefits of the Transfer of Listing; (b) reviewing, together with the Company and the auditors, the historical financial results of the Group for the three years ended 31 December 2014; and (c) assisting the Company in appointing a financial adviser to advise on the implications and general requirements of the Main Board Listing Rules on the Transfer of Listing and to prepare the required documents. Taking into that (a) the executive Directors are not experts in the financial and capital markets and may not fully understand the implication of the Transfer of Listing; (b) the management of the Group may not have time to co-ordinate with different professional parties (including legal advisers, auditors and financial adviser) for the Transfer of Listing given they has been focusing on the day-to-day management and operation of the Group; (c) BNP is familiar with the existing operation of the Group given it has assisted the Company in pursuing a listing on the GEM in December 2013; and (d) BNP has provided similar consultancy services to Legend Strategy International Holdings Group Company Limited (stock code: 1355.HK) in respect of its transfer of listing from the GEM to the Main Board in 2013, the Directors considered the services provided by BNP in respect of the Transfer of Listing were in the interests of the Company and its Shareholders as a whole.

## **DEALINGS IN THE SHARES ON THE MAIN BOARD**

The Shares have been accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from 10 December 2013, the GEM Listing Date. Subject to the continued compliance with the stock admission requirements of HKSCC, the Shares will continue to be accepted as eligible securities by HKSCC for deposit, clearance and settlement in the CCASS once dealings in the Shares on the Main Board commence, and that all activities under CCASS are subject to the General Rules of the CCASS and CCASS Operational Procedures in effect from time to time.

The last day of dealings in the Shares on GEM (Stock Code: 8107) will be 28 August 2015. Dealing in the Shares on the Main Board (Stock Code: 1483) will commence at 9:00 a.m. on 31 August 2015.

The Transfer of Listing will have no effect on the existing share certificates in respect of the Shares which will continue to be good evidence of legal title and valid for delivery, trading and settlement purposes, and will not involve any transfer or exchange of the existing share certificates.

No change will be made to the Chinese and English stock short name of the Company, board lot size, trading currency and share registrars of the Shares in connection with the Transfer of Listing. Shares will be traded under the new stock code 1483 in board lots of 2,000 Shares each following the Transfer of Listing.

## **SHARE OPTION SCHEME**

The Share Option Scheme was adopted by the Company on 19 November 2013 for the purpose of providing eligible participants an opportunity to have a personal stake in the Company and to motivate, attract and retain the eligible participants whose contributions are important to the long-term growth and profitability. The Share Option Scheme will be valid and effective for a period of ten years commencing from the GEM Listing Date.

As at the date of this announcement, the Share Option Scheme fully complies with the requirements of Chapter 17 of the Main Board Listing Rules, and will remain effective upon the Transfer of Listing.

Pursuant to the Share Option Scheme, the Company may grant options which would entitle the holders to subscribe for up to 46,500,000 Shares, representing 10% of the issued shares of the Company as at the date of this announcement, during the remaining term of the Share Option Scheme.

The listing of the Shares issued and to be issued upon exercise of options which may be granted pursuant to the Share Option Scheme will also be transferred to the Main Board pursuant to Rule 9A.10 of the Main Board Listing Rules.

As at the date of this announcement, the Company has not issued any options under the Share Option Scheme, warrants or similar rights or convertible equity securities of which will be transferred to the Main Board.

## **GENERAL MANDATE TO ISSUE AND REPURCHASE SHARES**

Pursuant to Rule 9A.12 of the Main Board Listing Rules, the general mandates granted to the Directors to allot and issue new Shares and repurchase Shares by the Shareholders on 18 May 2015 will continue to be valid and remain in effect until the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;

- (b) the expiration of the period within which the next annual general meeting of the Company is required by its articles of association or any applicable laws to be held; or
- (c) the revocation or variation of such authority by an ordinary resolution of the Shareholders in general meeting.

## **BIOGRAPHICAL INFORMATION OF THE DIRECTORS AND SENIOR MANAGEMENT**

The Company discloses the biographical information of each Director and senior management as follows:

### **Executive Directors**

#### **Mr. Cheung Ka Ho (張家豪) (alias Cheung Tze Ho (張梓豪)) (“Mr. Cheung KH”)**

Mr. Cheung KH, aged 42, is an executive Director, the chairman and the chief executive office of the Company and is one of the founders of the Group. He was appointed as a Director on 20 June 2013. He is also the chairman of the nomination committee and a member of the remuneration committee of the Company. He is responsible for the overall management, financial control, strategic planning, business expansion planning and brand building since the establishment of the Group. Mr. Cheung KH is an accomplished restaurateur who has over 10 years’ experience in the Chinese restaurant industry and specialises in the wedding services industry. Mr. Cheung KH is a controlling shareholder, a director and a shareholder of U Banquet (Cheung’s) Holdings Company Limited (a controlling Shareholder) and the brother of Mr. Cheung Ka Kei. Mr. Cheung KH is a director of all the subsidiaries of the Company.

Save as disclosed above, Mr. Cheung KH has not held any directorship in any listed company in the past three years and has not held any other position within the Group.

As at the date of this announcement, Mr. Cheung KH was interested in 3,718,750 Shares and was deemed to be interested in 285,570,000 Shares registered in the name of U Banquet (Cheung’s) Holdings Company Limited, which is owned as to 58.5% by Mr. Cheung KH and 41.5% by Mr. Cheung Ka Kei. Both Mr. Cheung KH and Mr. Cheung Ka Kei are directors of U Banquet (Cheung’s) Holdings Company Limited. Save as disclosed above, Mr. Cheung KH had no other interest (within the meaning of Part XV of the SFO) in any Shares, underlying Shares or debentures of the Company and/or its associated corporations.

#### **Mr. Cheung Ka Kei (張家驥) (“Mr. Cheung KK”)**

Mr. Cheung KK, aged 46, is an executive Director and is one of the founders of the Group. He was appointed as a Director on 31 July 2013. He is responsible for the daily operations of the restaurants and is involved in the decision making process to make key decisions for the Group. Mr. Cheung KK has over 10 years’ experience in the restaurant industry. Mr. Cheung KK is a controlling shareholder, a director and a shareholder of U Banquet (Cheung’s) Holdings Company Limited (a controlling Shareholder) and the brother of Mr. Cheung KH.

Save as disclosed above, Mr. Cheung KK has not held any directorship in any listed company in the past three years and has not held any other position within the Group.

As at the date of this announcement, Mr. Cheung KK was interested in 3,281,250 Shares and was deemed to be interested in 285,570,000 Shares registered in the name of U Banquet (Cheung’s) Holdings Company Limited, which is owned as to 58.5% by Mr. Cheung KH and 41.5% by Mr. Cheung KK. Both Mr. Cheung KH and Mr. Cheung KK are directors of U Banquet (Cheung’s) Holdings Company Limited. Save as disclosed above, Mr. Cheung KK had no other interest (within the meaning of Part XV of the SFO) in any Shares, underlying Shares or debentures of the Company and/or its associated corporations.

### **Mr. Kan Yiu Pong (簡耀邦) (“Mr. Kan”)**

Mr. Kan, aged 35, was appointed as an executive Director on 31 July 2013. He is responsible for the financial and administrative matters of the Group. He joined the Group on 16 September 2008 as a deputy manager of Choi Fook Group Company Limited. Mr. Kan has over 10 years’ experience in the accounting and finance field. Moreover, Mr. Kan completed the 5-S Lead Auditor (Green-belt) Management Training and awarded the 5-S Lead Auditor (Green-belt) Certification (Manual Drafting) with distinction in July 2012.

Save as disclosed above, Mr. Kan has not held any directorship in any listed company in the past three years and has not held any other position within the Group.

As at the date of this announcement, Mr. Kan had no interest (within the meaning of Part XV of the SFO) in any Shares, underlying Shares or debentures of the Company and/or its associated corporations.

### **Independent non-executive Directors**

#### **Mr. Chung Kong Mo (鍾港武) JP (“Mr. Chung”)**

Mr. Chung, aged 41, was appointed an independent non-executive Director on 19 November 2013. He is also a member of the audit committee and nomination committee of the Company. Mr. Chung obtained a master’s degree in social science from the Chinese University of Hong Kong in December 2003 and has approximately 12 years’ experience in public affair services by way of leading and participating in governmental social welfare committees and other committees. He has been holding the office of the chairman of Yau Tsim Mong District Council (a District Councillor), Hong Kong since January 2008 and is mainly involved in managing the traffic, environmental and community facilities and housing affairs of the district. He is also a member of the food and environmental hygiene committee, traffic and transport committee, community building committee, housing and building management committee and district facilities management committee of Yau Tsim Mong District Council, Hong Kong. Mr. Chung has been the vice-president of the Yau Tsim Mong Federation of Association since 2006 and is mainly involved in the planning and organisation of community activities. He was the vice-chairman of the Hong Kong Youths Unified Association from 2002 to 2008 and has been its vice-president since 2008 and is mainly involved in the planning and organisation of youth activities and services. From 2000 to 2007, he assumed various social positions, including serving as a member of the Mong Kok Area Committee under the Home Affairs Department, The Government of the Hong Kong Special Administrative Region, a member of the Yau Tsim Mong District Fight Crime Committee and a co-opted member of Yau Tsim Mong District Council, Hong Kong.

Save as disclosed above, Mr. Chung has not held any directorship in any listed company in the past three years and has not held any other position within the Group.

As at the date of this announcement, Mr. Chung had no interest (within the meaning of Part XV of the SFO) in any Shares, underlying Shares or debentures of the Company and/or its associated corporations.



**Ms. Wong Tsip Yue, Pauline (王婕妤) (“Ms. Wong”)**

Ms. Wong, aged 46, was appointed an independent non-executive Director on 19 November 2013. She is also a member of the audit committee, remuneration committee and nomination committee of the Company. Ms. Wong is a practicing solicitor in Hong Kong. She is admitted to practice law as a solicitor in Hong Kong and has been a member of The Law Society of Hong Kong since September 1994. Ms. Wong is the sole proprietor of Pauline Wong & Co. Solicitors and has accumulated over 15 years’ experience in litigation and commercial legal practice. She is also involved in a number of social welfare work by providing professional advice to social workers on legal matters and on the development of the society’s services, including serving as the Honorary Legal Consultant of the Court Social Work Service of the Society of Rehabilitation and Crime Prevention, Hong Kong from September 2011 to August 2013 and serving as the Honorary Legal Advisor to the Society for the Aid and Rehabilitation of Drug Abusers since 2000. She has also been awarded with an Appreciation Certificate for her pro bono legal services rendered from 1 July 2011 to 30 June 2012 by the Secretary for Home Affairs in December 2012 under the Home Affairs Bureau’s Recognition Scheme for Provision of Pro Bono Legal Services.

Save as disclosed above, Ms. Wong has not held any directorship in any listed company in the past three years and has not held any other position within the Group.

As at the date of this announcement, Ms. Wong was deemed to be interested in 200,000 Shares, of which the beneficial owner is her spouse. Save as disclosed above, Ms. Wong had no other interest (within the meaning of Part XV of the SFO) in any Shares, underlying Shares or debentures of the Company and/or its associated corporations.

**Mr. Wong Sui Chi (黃瑞熾) (“Mr. Wong”)**

Mr. Wong, aged 47, was appointed an independent nonexecutive Director on 19 November 2013. He is also the chairman of the audit committee and remuneration committee of the Company. Mr. Wong obtained a bachelor’s degree in accountancy from the City University of Hong Kong in November 1991. He further obtained a master’s degree of science in financial management from the University of London in December 2003 and a certificate in taxation and accounting in PRC from the Hong Kong Polytechnic University in August 2004. Mr. Wong is a member of the Hong Kong Institute of Certified Public Accountants and a member of the Institute of Chartered Accountants in England and Wales. He has over 20 years of finance and accounting experience, including but not limited to, financial management, corporate management and auditing, serving in international accounting firms, manufacturing and retailing companies, listed property development company, securities and futures brokerage company and shipping company. He has been serving as the financial controller of Shine Vision Investments Limited since March 2012. He was the independent non-executive director of Legend Strategy International Holdings Group Company Limited (a company listed on the Stock Exchange (Stock Code: 1355)) from December 2012 to July 2015.

Save as disclosed above, Mr. Wong has not held any directorship in any listed company in the past three years and has not held any other position within the Group.

As at the date of this announcement, Mr. Wong had no interest (within the meaning of Part XV of the SFO) in any Shares, underlying Shares or debentures of the Company and/or its associated corporations.

## Senior management

### **Mr. Suen Chi Keung (孫志強) (“Mr. Suen”)**

Mr. Suen, aged 47, is the head of Dim Sum Division (head office level). He is responsible for the daily management of dim sum divisions in the restaurants. He has obtained a third level/senior level Occupation Qualification Certificate from the Ministry of Labour and Social Security in the PRC in March 2005. Furthermore, Mr. Suen has completed the 5-S Lead Auditor (Green-belt) Management Training and passed the 5-S Certification (Manual Drafting) in January 2009. Mr. Suen has over 14 years’ experience in the food serving industry. Prior to joining the Group in July 2009, Mr. Suen worked as a Chinese food chef at the Ocean Culture Seafood Restaurant from September 1992 to November 1995, as a dim sum maker at the Wing Tai Fast Food Co Ltd from March 1996 to June 2000, and as a deputy head dim sum chef at Kam Boat Chinese Cuisine from December 2000 to December 2001. He worked as a dim sum manager at the New Star Seafood Restaurant from November 2002 to November 2006 and as dim sum head chef at the Victoria Harbour Roasted Goose Seafood Restaurant from August 2007 to July 2008.

### **Mr. Shiu Siu Hin (蕭筱軒) (“Mr. Shiu”)**

Mr. Shiu, aged 53, is the head of the Food Production Division and head chef (head office level). He is responsible for overseeing food quality control standards of the restaurants. He has obtained a Foundation Certificate in Food Hygiene from the Chartered Institute of Environmental Health in May 2005 and a Basic Food Hygiene Certificate for Hygiene Managers from the City University of Hong Kong in June 2005. Mr. Shiu has over 13 years’ experience in implementing quality control standards on dishes, developing new dishes and controlling cost of dishes. From July 1989 to January 1993, Mr. Shiu worked as an assistant cook at the Mong Kok Dun Huang Seafood Restaurant. From April 2002 to October 2004, he worked as a fryer, then, as a head chef from November 2004 to January 2011 at the Eaton Smart Hotels.

### **Ms. Lam Cheuk Hei, Elki (林倬希) (former names Lam Ka Ying (林珈瑩) and Lam Yee Man (林綺雯)) (“Ms. Lam”)**

Ms. Lam, aged 38, is the banquet business general manager. She is responsible for the overall management of the wedding banquet services. Ms. Lam obtained a Basic Food Hygiene Certificate from the Chartered Institute of Environmental Health and the Basic Food Hygiene Certificate for Food Business Supervisors from the City University of Hong Kong in December 1999. She also obtained a Wedding Planning and Management International Diploma from the Wedding Management Academy (Hong Kong) in January 2009. She has also completed various short term courses in food services industry offered by various institutions. Ms. Lam has over 14 years’ experience in the wedding services industry and the food services industry. She has worked as a supervisor at the Maxim’s Caterers Ltd from June 1992 to April 2004. She has also worked in the insurance industry from 2005 to 2007. Ms. Lam has previously worked in various positions for the Group from July 2007 to October 2011 before rejoining the Group again in October 2013. Ms. Lam completed the 5-S Lead Auditor (Green-belt) Management Training and passed the 5-S Auditing at Work and the 5-S Lead Auditor Test in August 2008.

### **Mr. Chan Fung Man (陳峰民) CPA (“Mr. Chan”)**

Mr. Chan, aged 33, is the company secretary. He is responsible for the company secretarial functions of the Group. Mr. Chan is also a member of the Internal Audit Team. He obtained a bachelor’s degree in accountancy from the Hong Kong Polytechnic University in December 2005 and was admitted as a member of the Hong Kong Institute of Certified Public Accountants in July 2009 and obtained a practice certificate in July 2013. He has over nine years’ experience in professional accounting and auditing practice.

## **COMPETING INTERESTS**

As at the date of this announcement, none of the Directors or their respective associates has any interest in a business which competes or potentially competes, either directly or indirectly, with the business of the Group pursuant to Rule 9A.09(10) of the Listing Rules.

## **QUARTERLY REPORTING OF FINANCIAL RESULTS AND CONTINUING CONNECTED TRANSACTIONS**

Upon the Transfer of Listing, the Company will cease the practice of quarterly reporting of its financial results and will follow the relevant requirements of the Main Board Listing Rules which include publishing its interim results and annual results within two months and three months from the end of the relevant periods or financial year end, respectively. The Board is of the view that investors and Shareholders will continue to have access to relevant information of the Company following the reporting requirements under the Main Board Listing Rules. In addition, any continuing connected transactions entered into by the Group will continue after the Transfer of Listing, and will comply with the relevant requirements under the Main Board Listing Rules.

## **PUBLIC FLOAT**

The Directors confirm that 25.0% of the total issued share capital of the Company is held by the public (as defined in the Main Board Listing Rules) as at the date of this announcement. Accordingly, the minimum 25% public float requirement has been maintained in compliance with Rule 8.08 of the Main Board Listing Rules.

## **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be made available for inspection on the websites of the Company at [www.u-banquetgroup.com](http://www.u-banquetgroup.com) and the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and [www.hkgem.com](http://www.hkgem.com):

- (a) the memorandum and articles of association of the Company;
- (b) the half-year report of the Company for the six months ended 30 June 2014;
- (c) the Director's report and annual accounts of the Company for the year ended 31 December 2014;
- (d) the first quarterly report of the Company for the three months ended 31 March 2015;
- (e) the half-year report of the Company for the six months ended 30 June 2015;
- (f) the circular of the Company dated 16 April 2015 in relation to the proposed re-election of Directors, general mandates to issue and repurchase shares, amendment to the articles of association of the Company and notice of annual general meeting;
- (g) the circular of the Company dated 26 November 2014 in relation to a discloseable and connected transaction regarding the acquisition of the entire interest in Billion Treasure and notice of extraordinary general meeting;
- (h) the circular of the Company dated 18 August 2014 in relation to a discloseable and connected transaction regarding the acquisition of the remaining 49.995% interest in each of General Corporation Limited and Smart Award Limited and notice of extraordinary general meeting;

- (i) the circular of the Company dated 28 March 2014 in relation to the proposed re-election of Directors, general mandates to issue securities and repurchase shares and notice of annual general meeting; and
- (j) the announcements and other corporate communications made by the Company prior to the date of this announcement as required under the Main Board Listing Rules and the GEM Listing Rules.

## DEFINITIONS

In this announcement, the following expressions have the following meanings unless the context requires otherwise:

“associate”	has the meaning ascribed to it under the Main Board Listing Rules or the GEM Listing Rules
“Board”	the board of Directors
“CCASS”	The Central Clearing and Settlement System established and operated by HKSCC
“ <i>Choi Fook Club</i> (彩福會)”	<i>Choi Fook Club</i> (彩福會), the trade name under which <i>Choi Fook Club</i> (Wan Chai) was operated
“ <i>Choi Fook Club</i> (Wan Chai)”	a club under “ <i>Choi Fook Club</i> (彩福會)” which was situated at 4/F, Emperor Group Centre, 288 Hennessy Road, Wan Chai, Hong Kong. It was closed in April 2013
“Company”	U Banquet Group Holding Limited, an exempted company incorporated in the Cayman Islands on 20 June 2013 with limited liability whose issued Shares are listed on GEM (Stock Code: 8107)
“connected persons”	has the meaning ascribed to it under the Main Board Listing Rules or the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Date”	the date on which the Shares were first listed on GEM, being 10 December 2013
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM, as amended from time to time
“Group”	the Company and its subsidiaries from time to time
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“ <i>Hot Pot Cuisine</i> (涮得棧)”	<i>Hot Pot Cuisine</i> (涮得棧), the trade name under which <i>Hot Pot Cuisine</i> Restaurant is operated

“Hot Pot Cuisine Restaurant”	a restaurant under “ <i>Hot Pot Cuisine</i> (涮得棧)” which is situated at 2nd Ground Floor, Tropicana Gardens, No.110 Lung Cheung Road, Kowloon, Hong Kong. It was launched in April 2013
“Main Board”	the stock market operated by the Stock Exchange prior to the establishment of GEM (excluding the options market) which stock market continues to be operated by the Stock Exchange in parallel with GEM. For the avoidance of doubt, the Main Board excludes GEM
“Main Board Listing Rules”	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange, as amended from time to time
“PRC”	People’s Republic of China,
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Option Scheme”	the share option scheme adopted by the Company on 19 November 2013
“Shareholder(s)”	the holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transfer of Listing”	the proposed transfer of listing of the Shares from GEM to the Main Board pursuant to Chapter 9A of the Main Board Listing Rules
“U Banquet ( 譽宴 )”	U Banquet ( 譽宴), the trade name under which U Banquet (Mong Kok) (1), U Banquet (Mong Kok) (2), U Banquet (Tsim Sha Tsui), U Banquet (Kwun Tong), U Banquet (Causeway Bay), U Banquet (Wan Chai), U Banquet (Wong Tai Sin), U Banquet (North Point) and U Banquet (Sino Plaza) are operated
“U Banquet (Causeway Bay)”	a restaurant under “ <i>U Banquet</i> ( 譽宴)” which is situated at 5th Floor and 5th Mezzanine Floor, Lee Theatre Plaza, 99 Percival Street, Causeway Bay, Hong Kong
“U Banquet (Kwun Tong)”	a restaurant under “ <i>U Banquet</i> ( 譽宴)” which is situated at 2nd Floor, Crocodile Center, No.79 Hoi Yuen Road, Kowloon, Hong Kong
“U Banquet (Mong Kok) (1)”	a restaurant under “ <i>U Banquet</i> ( 譽宴)” which is situated at Shop No.402 on 4th Floor, Pioneer Centre, 750 Nathan Road, Kowloon, Hong Kong
“U Banquet (Mong Kok) (2)”	a restaurant under “ <i>U Banquet</i> ( 譽宴)” which is situated at Shop No.602 on 6th Floor, Pioneer Centre, 750 Nathan Road, Kowloon, Hong Kong
“U Banquet (North Point)”	a restaurant under “ <i>U Banquet</i> ( 譽宴)” which is situated at 1st Floor of King’s Towers, No.480 King’s Road and 15-23A Tsat Tsz Mui Road, Hong Kong

- “U Banquet (Sino Plaza)” a restaurant under “*U Banquet* (譽宴)” which is situated at Shop No. 103 on 1st Floor, Sino Plaza, 255-257 Gloucester Road, Causeway Bay, Hong Kong
- “U Banquet (Tsim Sha Tsui)” a restaurant under “*U Banquet* (譽宴)” which is situated at 2nd and 3rd Floor, Chuang’s London Plaza, No. 219 Nathan Road, Kowloon, Hong Kong
- “U Banquet (Wan Chai)” a restaurant under “*U Banquet* (譽宴)” which was situated at 3rd Floor, Emperor Group Centre, 288 Hennessy Road, Wan Chai, Hong Kong. It was closed in April 2013
- “U Banquet (Wong Tai Sin)” a restaurant under “*U Banquet* (譽宴)” which is situated at 2nd Ground Floor, Tropicana Gardens, No.110 Lung Cheung Road, Kowloon, Hong Kong. It was launched in April 2013

By order of the Board  
**U Banquet Group Holding Limited**  
**Cheung Ka Ho**  
*Chairman and Executive Director*

Hong Kong, 21 August 2015

*As at the date of this announcement, the Board comprises:*

*Executive Directors:*

Mr. Cheung Ka Ho (*Chairman*)  
Mr. Cheung Ka Kei  
Mr. Kan Yiu Pong

*Independent Non-Executive Directors:*

Mr. Chung Kong Mo *JP*  
Ms. Wong Tsip Yue, Pauline  
Mr. Wong Sui Chi

*This announcement will remain on the GEM website at [www.hkgem.com](http://www.hkgem.com) on the “Latest Company Announcements” page for seven days from the day of its posting, the Stock Exchange website at [www.hkexnews.hk](http://www.hkexnews.hk) and on the website of the Company at [www.u-banquetgroup.com](http://www.u-banquetgroup.com)*