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## SUMMARY

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*This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read the whole document before you decide to invest in the [REDACTED] Shares.*

*There are risks associated with investment in companies listed on GEM. Some of the particular risks in investing in the [REDACTED] Shares are set out in the section headed “Risk Factors” of this document. You should read that section carefully before you decide to invest in the [REDACTED] Shares.*

## OVERVIEW

The Group is a Chinese restaurant group recognised for delivering Cantonese cuisine and Chinese banquet and dining services. As at the Latest Practicable Date, the Group operated four full-service restaurants in Hong Kong and a full-service restaurant in Shenzhen, the PRC to provide Cantonese cuisine under the brand name of “Star of Canton (利寶閣)”. The Group also opened a Jingchuanhu cuisine restaurant in Hong Kong at the end of October 2015 under a new brand name “Beijing House (京香閣)”. All of the Group’s restaurants are strategically situated in landmark shopping arcades or commercial complexes at prime locations. The Group maintains a business philosophy of offering quality food and services at reasonable prices under an elegant and comfortable dining environment.

For the years ended 31 December 2013, 2014 and 2015, the Group generated revenue of approximately HK\$174.6 million, HK\$245.9 million and HK\$256.9 million respectively and profit attributable to owners of the Company of approximately HK\$4.2 million, HK\$16.4 million and HK\$3.7 million respectively. The decrease in the Group’s profit attributable to the owners of the Company for the year ended 31 December 2015 as compared to that of 2014 was mainly due to: (i) the charge of [REDACTED] of approximately HK\$[REDACTED] incurred during the year ended 31 December 2015; and (ii) the record of loss of the Sheung Wan Restaurant and the Beijing House Restaurant of approximately HK\$4.8 million for the year ended 31 December 2015 during its initial stage of operation.

### Restaurant network

As at the Latest Practicable Date, the Group had five restaurants in Hong Kong, two of which were located in Sheung Wan and the remaining three were located in Tsim Sha Tsui, Causeway Bay and Olympian City respectively. The Group’s restaurant in Shenzhen, the PRC is located in the CBD of Futian District. Five of the Group’s restaurants are operated under the brand name of “Star of Canton (利寶閣)” to provide Cantonese cuisine. One of the Group’s restaurants is operated under the brand name of “Beijing House (京香閣)” to provide Jingchuanhu cuisine.

The Group also plans to progressively expand into the China market by opening two more new Star of Canton Restaurants in 2017, which will be located in Qianhai and Futian District of Shenzhen, China respectively.

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### Customers

All the Group's restaurants target at mid-to-high end spending customers. Due to the nature of the Group's business, the majority of its customers consist of walk-in customers from the general public. As such, the Directors consider that it is not practicable to identify the five largest customers of the Group. The Group did not rely on any single customer during the Track Record Period.

### Suppliers

The major raw materials purchased by the Group are food ingredients, including but not limited to, vegetables, fresh meats, seafood, dried foods, chilled meats, beverages and seasonings, originating from countries such as China, Hong Kong, Japan, Vietnam and the United States of America. Except for the Shenzhen Restaurant which sources its food ingredients and other raw materials from local suppliers in China, the Group's restaurants in Hong Kong mainly source their food ingredients and other raw materials from local suppliers in Hong Kong.

The Group has developed a supplier selection system based on its senior management's experience in the restaurant industry. The Group has established and maintained long-term relationships with a number of its suppliers. The Group's top five suppliers for the Track Record Period have been supplying raw materials to the Group for approximately 1 to 8 years. For the years ended 31 December 2013, 2014 and 2015, the total purchases from the Group's five largest suppliers in aggregate accounted for approximately 50.0%, 40.1% and 37.3%, respectively, and its largest supplier, namely Ah Wong (which was wholly-owned by Ms. Chang Tam, a younger sister of Mr. Chan), accounted for approximately 25.7%, 23.7% and 14.1%, respectively, of its total purchases. Save as the purchases from Ah Wong, none of the Directors, their respective associates or any Shareholder which to the knowledge of the Directors owns more than five per cent of the issued share capital of the Company had any interest in any of the Group's five largest suppliers during the Track Record Period. For more details on the Group's purchases from Ah Wong, please refer to the sub-sections headed "Business – Raw materials and suppliers – Suppliers" and "Financial Information – Related party transactions" in this document.

### INDUSTRY

According to the Ipsos Report, revenue generated from the Cantonese restaurants industry in Hong Kong showed an overall increasing trend between 2010 and 2014, growing from around HK\$15,746.8 million to around HK\$16,782.7 million, at a CAGR of approximately 1.6%. Revenue generated from the non-Cantonese Chinese restaurants industry in Hong Kong recorded an overall growth between 2010 and 2014, from around HK\$4,044.2 million to around HK\$4,310.3 million, at a CAGR of approximately 1.6%.

Between 2010 and 2014, revenue generated from the Cantonese restaurants industry in Shenzhen showed an increase from around RMB9,836.5 million to around RMB14,661.8 million, at a CAGR of approximately 10.5%.

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### COMPETITIVE STRENGTHS

The Directors believe that the following competitive strengths of the Group have contributed to its success and enabled it to compete effectively in the Chinese restaurant industry in Hong Kong and China:

- Successful business strategy of providing quality food at reasonable prices;
- Well-planned multi-branding strategy and market initiatives;
- High standard of quality control throughout all production processes;
- Sourcing capabilities supported by a strong profile of quality suppliers;
- Reliable and professional services to customers;
- Strong and experienced senior management team; and
- Well-executed restaurant network expansion strategy.

### STRATEGIES AND FUTURE PLANS

The Group's strategic objective is to become a reputable multi-brand restaurant group with a diverse customer base in Hong Kong and China. To this end, the Group intends to implement the following strategies:

- Expand in Hong Kong with a multi-brand strategy;
- Progressive expansion in the PRC market;
- Continue to promote brand image and recognition through marketing initiatives;
- Enhancement of existing restaurant facilities; and
- Strengthening of staff training.

The Group incurred a total amount of approximately HK\$19.7 million for the renovation and installation of new equipment and facilities for the Sheung Wan Restaurant and Beijing House Restaurant which were opened in Sheung Wan, Hong Kong at the end of October 2015. The Sheung Wan Restaurant and Beijing House Restaurant have obtained the provisional general restaurant licence and liquor licence. For the water pollution control licence, according to the relevant EPD's guide to application of a license granted under the WPCO, the Sheung Wan Restaurant and Beijing House Restaurant will only apply for the water pollution control license after a few months' operation of the restaurants as it is necessary to submit the three most recent water bills or estimated water consumption information to the EPD for assessment of the discharge of effluents by the relevant restaurants.

The Group also plans to invest approximately HK\$[28.0] million and HK\$[23.0] million for the two new Cantonese restaurants situated at Qianhai and Futian District of Shenzhen, China respectively as capital expenditure. As at the Latest Practicable Date, the construction of the shopping and commercial buildings in which the premises of the two new PRC restaurants would be located were yet to be completed. Depending on the actual timing of the

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handover of the restaurant premises by the landlords, the Directors currently expect that the renovation works of the Shenzhen Uniwalk Restaurant will commence in the first half of 2017 and that the restaurant be opened in the second half of 2017, while the renovation works of the Shenzhen One Avenue Restaurant will commence in the second half of 2017 and that the restaurant be opened by the end of 2017. As such, the Group will apply for the relevant licenses and permits in due course.

### SELECTED FINANCIAL INFORMATION OF THE GROUP

#### Selected data in the combined statements of comprehensive income of the Group

	For the year ended 31 December		
	2013	2014	2015
	HK\$'000	HK\$'000	HK\$'000
Revenue	174,623	245,905	256,881
Gross profit	123,110	172,499	185,620
<b>Profit/(loss) attributable to:</b>			
Owners of the Company	4,202	16,432	3,652
Non-controlling interests	(1,638)	1,468	2,969

#### Results of operations during the Track Record Period

##### Revenue

The table below sets out the breakdown of the revenue and operating margin of each of the Group's restaurants operated during the periods indicated.

	For the year ended 31 December								
	2013			2014			2015		
	Revenue	% of	Operating	Revenue	% of	Operating	Revenue	% of	Operating
	HK\$'000	revenue	margin	HK\$'000	revenue	margin	HK\$'000	revenue	margin
			(%)			(%)			(%)
			(Note 1)			(Note 1)			(Note 1)
CWB Restaurant	33,798	19.4	6.0	36,117	14.7	13.9	37,599	14.6	14.5
Olympian Restaurant	43,357	24.8	6.5	56,478	23.0	14.4	52,537	20.5	6.1
I-Square Restaurant (Note 2)	53,594	30.7	13.8	56,794	23.1	20.3	48,359	18.8	19.5
The One Restaurant	37,838	21.7	6.5	36,018	14.6	16.9	34,657	13.5	15.6
Sheung Wan Restaurant (Note 3)	–	–	–	–	–	–	6,853	2.7	(45.9)
Beijing House Restaurant (Note 3)	–	–	–	–	–	–	3,078	1.2	(77.8)
Shenzhen Restaurant	6,036	3.4	(172.9)	60,498	24.6	(10.3)	73,798	28.7	7.1
	<u>174,623</u>	<u>100.0</u>		<u>245,905</u>	<u>100.0</u>		<u>256,881</u>	<u>100.0</u>	

##### Notes:

1. The operating margin was calculated as the operating profit/(loss) of the restaurant operation divided by its relevant revenue.
2. I-Square Restaurant ceased operations in November 2015 upon expiry of lease agreement.
3. Sheung Wan Restaurant and Beijing House Restaurant were opened at the end of October 2015.

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The Group's revenue increased from approximately HK\$174.6 million for the year ended 31 December 2013 to approximately HK\$245.9 million for the year ended 31 December 2014, representing an increase of approximately 40.8%. Such increase was mainly attributable to the full-year operation of the Shenzhen Restaurant during the year ended 31 December 2014, which contributed revenue of approximately HK\$60.5 million, as compared to only about two months' operation (commencement of operation in late October 2013) during the year ended 31 December 2013, which only contributed revenue of approximately HK\$6.0 million. Besides, the performance of the Olympian Restaurant in Hong Kong also increased by approximately 30.2% from approximately HK\$43.4 million for the year ended 31 December 2013 to approximately HK\$56.5 million for the year ended 31 December 2014, which was mainly due to: (i) the renovation of the restaurant during early April and early May 2013, hence significant lower revenue was generated for these two months; and (ii) the restaurant started to provide a breakfast session at the restaurant in May 2013 after renovation of the restaurant. Therefore the Olympian Restaurant was able to generate income for the full year from the breakfast session for the year ended 31 December 2014 as compared to only eight months for the year ended 31 December 2013.

For the year ended 31 December 2015, revenue was approximately HK\$256.9 million, representing an increase of approximately 4.5% as compared to revenue of approximately HK\$245.9 million for the year ended 31 December 2014. Such increase was mainly due to the improvement in the sales performance of the Shenzhen Restaurant when its operation was gradually put on track from 2014 to 2015, which contributed revenue of approximately HK\$60.5 million and HK\$73.8 million respectively. Although the revenue of I-Square Restaurant decreased by approximately HK\$8.4 million during the year ended 31 December 2015 due to the cessation of operation in November 2015, the aggregate revenue of approximately HK\$9.9 million generated by Sheung Wan Restaurant and Beijing House Restaurant upon their commencement of operation since the end of October 2015 contributed to the overall increase in the Group's revenue for the year ended 31 December 2015.

### Major cost components

During the Track Record Period, the Group's major cost components for its restaurant operations were cost of materials consumed, staff costs and property rental and related expenses. The following table sets out the amounts of such costs and their respective percentages to revenue for the years ended 31 December 2013, 2014 and 2015.

	For the year ended 31 December					
	2013		2014		2015	
	Amount	% of	Amount	% of	Amount	% of
	HK\$'000	revenue	HK\$'000	revenue	HK\$'000	revenue
		(%)		(%)		(%)
Cost of materials consumed	51,513	29.5	73,406	29.9	71,261	27.7
Staff costs (Note 1)	50,820	29.1	65,072	26.5	69,665	27.1
Property rentals and related expenses (Note 2)	26,440	15.1	30,709	12.5	36,183	14.1

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*Notes:*

1. The Group's staff costs include employee benefits expense, staff messing and service fee to temporary workers.
2. The Group's property rentals and related expenses exclude those for properties used as office, warehouse, car park and staff quarters.

During the Track Record Period, except for the decrease in cost of materials consumed for the year ended 31 December 2015, which was mainly attributable to the control on food cost of the Shenzhen Restaurant upon the gradual put on track of its operation from 2014 to 2015, the increase of each of the major cost components for the year ended 31 December 2014 as compared to the year ended 31 December 2013 and the year ended 31 December 2015 as compared to the year ended 31 December 2014 was in line with the increase in revenue during the relevant periods. For more details, please see the sub-section headed "Financial Information – Summary of historical combined financial information" in this document.

***Net profit and net profit margin***

The Group's profit attributable to owners of the Company increased by approximately 290.5%, from approximately HK\$4.2 million for the year ended 31 December 2013 to approximately HK\$16.4 million for the year ended 31 December 2014, which was mainly due to: (i) the increase in gross profit for the same period as disclosed in the subsection headed "Financial Information – Discussion and analysis of financial condition and operations of the group – Gross profit and gross profit margin"; and (ii) the improvement in the operating loss of the new restaurant, namely the Shenzhen Restaurant, as its operation was gradually put on track from the year ended 31 December 2013 to the year ended 31 December 2014. The aforesaid improvement in the operating loss of the Shenzhen Restaurant also contributed to the Group's net profit margin's increase from approximately 2.4% for the year ended 31 December 2013 to approximately 6.7% for the year ended 31 December 2014.

The Group's profit attributable to owners of the Company decreased from approximately HK\$16.4 million for the year ended 31 December 2014 to approximately HK\$3.7 million for the year ended 31 December 2015, which was mainly due to (i) the charge of [REDACTED] of approximately HK\$[REDACTED] incurred during the year ended 31 December 2015; and (ii) the record of loss of the Sheung Wan Restaurant and the Beijing House Restaurant of approximately HK\$4.8 million for the year ended 31 December 2015 during its initial stage of operation. The Group's net profit margin for the year ended 31 December 2015 significantly decreased to approximately 1.4%, mainly due to the decrease in the Group's profit attributable to owners of the Company as a result of the incurring of [REDACTED], while the Group's revenue continued to increase during the year.

***Estimated seat turnover rate and estimated average spending per customer***

The estimated seat turnover rates of the Group's restaurants in Hong Kong for the year ended 31 December 2013, 2014 and 2015 ranged from approximately 1.7 times to 2.8 times, from 1.6 times to 3.7 times and from 1.5 times to 3.5 times, respectively. The upper end of the range of the seat turnover rate during each of the above periods was attributable to the

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Olympian Restaurant, as its restaurant business hours are longer than other restaurants due to the opening of the breakfast session at the restaurant, and the increase in its seat turnover rate from approximately 2.8 times for the year ended 31 December 2013 to 3.7 times for the year ended 31 December 2014 was mainly due to the increase in customer traffic of the Olympian Restaurant after its renovation in May 2013 and the opening of breakfast session since then.

The Shenzhen Restaurant was opened in October 2013, its estimated seat turnover rate for the year ended 31 December 2014 and 2015 were approximately 1.5 times and 1.6 times respectively.

The estimated average spending per customer of the Group's restaurants in Hong Kong for the year ended 31 December 2013, 2014 and 2015 ranged from approximately HK\$145 to HK\$305, from HK\$129 to HK\$315 and from HK\$127 to HK\$310, respectively. The lower end and upper end of the range of average spending per customer during the above periods were attributable to the Olympian Restaurant and The One Restaurant respectively.

For the Shenzhen Restaurant, its estimated average spending per customer for the year ended 31 December 2014 and 2015 were approximately HK\$219 and HK\$238 respectively. Such increase was mainly due to the gradual putting on track of the restaurant's operation since the commencement of its business in October 2013.

### Selected data in the combined statements of financial position of the Group

	As at 31 December		
	2013	2014	2015
	HK\$'000	HK\$'000	HK\$'000
Total current assets	35,785	54,605	47,564
Total current liabilities	116,828	111,812	72,471
Net current liabilities	81,043	57,207	24,907
Total non-current liabilities	3,487	2,625	4,028
Total assets	124,067	133,439	114,973
Net assets	3,752	19,002	38,474

During the Track Record Period, the Group recorded net current liabilities mainly attributable to (i) the net current liabilities of the Disposal Group; and (ii) the amounts due to related parties. As at 31 December 2015, the Group's net current liabilities decreased significantly to approximately HK\$24.9 million, mainly due to, (i) the disposal of the Disposal Group had been completed on 18 September 2015; and (ii) most of the amounts due from/to related parties as at 31 December 2013 and 2014 had been settled. On 2 March 2016, the amounts due to certain related parties were either settled or waived in the aggregate amount of approximately HK\$7.7 million. Assuming the amounts due from/to related parties as at 31 December 2015 had been fully settled at that date, the pro forma net current liabilities of the Group as at 31 December 2015 would be approximately HK\$[REDACTED].



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### Summary of combined statements of cash flows of the Group

	For the year ended 31 December		
	2013 HK\$'000	2014 HK\$'000	2015 HK\$'000
<b>Cash and cash equivalents at the beginning of year</b>	9,167	14,053	23,908
Net cash generated from operating activities	16,842	29,790	17,822
Net cash used in investing activities	(39,520)	(8,623)	(21,653)
Net cash generated from/(used in) financing activities	27,227	(11,203)	8,222
<b>Net increase in cash and cash equivalents</b>	4,549	9,964	4,391
<b>Effect of foreign exchange rate changes</b>	337	(109)	(239)
<b>Cash and cash equivalents at the end of year</b>	14,053	23,908	28,060

### Key financial ratios

	As at/For the year ended 31 December		
	2013	2014	2015
Gross profit margin	70.5%	70.1%	72.3%
Net profit margin before interest and tax	2.2%	9.5%	4.5%
Net profit margin	2.4%	6.7%	1.4%
Current ratio	0.3 times	0.5 times	0.7 times
Quick ratio	0.3 times	0.4 times	0.6 times
Gearing ratio	468.2%	142.8%	65.5%
Debt to equity ratio	242.6%	28.1%	N/A
Interest coverage	3.9 times	25.4 times	13.5 times
Return on total assets	3.4%	12.3%	3.2%
Return on equity	67.5%	78.8%	9.5%
Inventories turnover days	32.0 days	27.5 days	31.3 days
Trade receivables turnover days	2.9 days	3.5 days	4.3 days
Trade payables turnover days	48.8 days	42.3 days	47.4 days

*Note:* For the calculations of the financial ratios, please refer to sub-sections headed “Financial Information – Analysis of various items from the combined statements of financial position” and “Financial Information – Key financial ratios analysis” in this document.



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### CLOSURE OF THE I-SQUARE RESTAURANT

The tenancy of the I-Square Restaurant expired on 24 November 2015. The Group did not renew the tenancy of I-Square Restaurant upon its expiry. The main reason for the closure is that the Directors had been considering opening up Beijing House Restaurant at a shop adjacent to that of a Star of Canton Restaurant for the sake of achieving economies of scales of operation by sharing the same kitchen area, however the Group was constrained by the size of its existing restaurants. Before the expiry of the I-Square Restaurant, the Group identified a Sheung Wan site and the Directors consider that the Sheung Wan site is an ideal location to open up both the Sheung Wan Restaurant and Beijing House Restaurant. The area of the Sheung Wan site is almost twice that of the I-Square Restaurant and it targets to capture mid-to-high end spending customers and corporate customers in the Central or Sheung Wan areas. In addition, as the competition for leases in Tsim Sha Tsui among retailers is fierce, the Directors expected that such situation would also lead to considerable increase in rental cost for restaurant premises in Tsim Sha Tsui. Hence, the Group had decided not to renew the I-Square Restaurant tenancy.

As a result, the business of the I-Square Restaurant ceased in November 2015. The percentages of the Group's total operating profits generated from the I-Square Restaurant during the years ended 31 December 2013, 2014 and 2015 are approximately 189.3%, 49.3% and 47.1% respectively (the figure of the percentage of the Group's total operating profit generated from the I-Square Restaurant for the year ended 31 December 2013, being approximately 189.3%, was due to the loss-making situation of the Shenzhen Restaurant during the period from the commencement of its operation in October 2013 to 31 December 2013, which caused an overall operating loss situation of the Group if the operating profit of the I-Square Restaurant is excluded). As such, the closure of the I-Square Restaurant would reduce the revenue and operating profit that it would have contributed to the Group and may cause significant impact on the Group's financial performance.

Furthermore, in order to retain experienced staff, a portion of the restaurant staff of I-Square Restaurant, especially certain senior kitchen staff, was transferred to the Sheung Wan Restaurant and Beijing House Restaurant upon closure of the I-Square Restaurant. For the remaining staff of I-Square Restaurant, no additional provision is considered necessary by the reporting accountants in respect of the severance payments due to the fact that such amount of payments is expected to be insignificant after netting off with the contribution made by the I-Square Restaurant in the past under the Mandatory Provident Fund scheme.

Nevertheless, except for the provision of HK\$645,000 for reinstatement cost upon the closure of premises occupied by the I-Square Restaurant, which had been made prior to the Track Record Period, the Group provided an additional amount of reinstatement cost of approximately HK\$252,000 for the year ended 31 December 2015, based on the latest available quotations from independent contractors and estimation by the Directors.

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### DISPOSAL OF SUBSIDIARIES

As part of the Reorganisation in preparation for the [REDACTED], on 18 September 2015, the Group disposed of the entire equity interests in two subsidiaries comprising the Disposal Group, which are engaged in property investment, to a company controlled by certain ultimate controlling shareholders at a consideration of approximately HK\$25.7 million. For more details, please refer to the section headed "History, Reorganisation and Development" and the sub-section headed "Financial Information – Disposal of the Disposal Group" in this document and the sub-section headed "Accountants' Report – Section II – Note 36" included as Appendix I to this document.

### RECENT DEVELOPMENTS SINCE 31 DECEMBER 2015

#### The Group's revenue for the two months ended 29 February 2016

Based on the Group's unaudited management accounts, the revenue for the two months ended 29 February 2016 was approximately HK\$50.3 million, of which approximately HK\$24.2 million was attributable to the three restaurants, namely, CWB Restaurant, Olympian Restaurant and The One Restaurant, which operated throughout the Track Record Period and up to the Latest Practicable Date. The aggregate revenue of these three restaurants for the same period in 2015 amounted to approximately HK\$23.8 million, demonstrating that the Group was able to maintain a stable revenue, despite that it is the general market perception that catering business, including Chinese restaurant operation in Hong Kong, would experience a downtrend of revenue during the year ending 31 December 2016 due to the weakening of Hong Kong economy. Due to the uncertainties of the Hong Kong economy in the coming year, the Directors anticipate that the Group's business will face various challenges in the rest of the year ending 31 December 2016, despite the results achieved for the two months ended 29 February 2016. Nevertheless, the Directors expect that the Group's overall revenue and operating profit from its restaurant operations in Hong Kong would not be affected to a material extent, based on the years of experience of the Group's senior management team in managing Chinese restaurant business in Hong Kong. On the other hand, the operations of the Sheung Wan Restaurant and the Beijing House Restaurant are expected to be gradually put on track since their opening at the end of October 2015, as evidenced by the increase in their aggregate revenue, being approximately HK\$4.4 million, HK\$5.5 million, HK\$5.6 million and HK\$6.1 million for November 2015, December 2015, January 2016 and February 2016 respectively. In respect of the Shenzhen Restaurant, the Directors expect that the growth trend of the revenue and operating profit throughout the Track Record Period to continue for the year ending 31 December 2016 in view of the expected steady growth of the Cantonese restaurant industry in Shenzhen, the PRC in the years to come. This can be evidenced by the growth of revenue of the Shenzhen Restaurant by approximately 21.0% from approximately HK\$11.9 million for the two months ended 28 February 2015 to approximately HK\$14.4 million for the two months ended 29 February 2016.

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### No material adverse change

Save for the total expenses for the [REDACTED] estimated to be approximately HK\$[REDACTED] million, of which approximately HK\$[REDACTED] will be recorded in the Group's combined statement of comprehensive income for the year ending 31 December 2016, the Directors confirm that, up to the date of this document, there had been no material adverse change in the operation, financial or trading positions or prospects of the Group since 31 December 2015, being the date to which the latest audited financial statements of the Group were made up, and there had been no event since 31 December 2015 which would materially affect the information shown in the Accountant's Report set out in Appendix I to this document.

### CONTROLLING SHAREHOLDERS

Immediately following completion of the [REDACTED] and the Capitalisation Issue, but without taking into account any Shares which may be allotted and issued pursuant to the exercise of any options that may be granted under the Share Option Scheme and the [REDACTED], Zhao Tian, Mr. Chan, Mrs. Chan, Bright Creator, Hong Cui, Mr. Wong, Sun Foo Sing, Sky Gain, Mr. Ho, Mr. Tsui, Mr. David Chow and Mr. Anthony Chow will control, in aggregate, [REDACTED]% of the issued share capital of the Company.

For the purpose of the Listing Rules, Zhao Tian, Mr. Chan, Mrs. Chan, Bright Creator, Hong Cui, Mr. Wong, Sun Foo Sing, Sky Gain, Mr. Ho, Mr. Tsui, Mr. David Chow and Mr. Anthony Chow are the Controlling Shareholders.

The Controlling Shareholders have been parties acting in concert (having the meaning as ascribed thereto in the Takeovers Code) in the course of the Reorganisation and will continue to be parties acting in concert (having the meaning as ascribed thereto in the Takeovers Code) until such arrangement is terminated in writing by them pursuant to the Concert Party Deed. For details, please refer to the paragraph headed "History, Reorganisation and Development – Concert Party Deed" in this document.

### [REDACTED]

The total expenses for the [REDACTED] are estimated to be approximately HK\$[REDACTED] based on the [REDACTED] of HK\$[REDACTED] (being the mid-point of the indicated [REDACTED] range stated in this document), of which approximately HK\$[REDACTED] is directly attributable to the issue of the [REDACTED] Shares under the [REDACTED] and is expected to be accounted for as a deduction from equity. For the remaining [REDACTED] of approximately HK\$[REDACTED], approximately HK\$[REDACTED] was charged to the Group's combined statement of comprehensive income for the year ended 31 December 2015, and approximately HK\$[REDACTED] million will be charged to the combined statement of comprehensive income of the Group for the year ending 31 December 2016.

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### USE OF PROCEEDS

The Directors estimate that the net proceeds from the [REDACTED] (after deducting underwriting fees and estimated expenses payable by the Group in connection with the [REDACTED]) will be approximately HK\$[REDACTED] based on a [REDACTED] of HK\$[REDACTED] per [REDACTED] Share (being the mid-point of the [REDACTED] range between HK\$[REDACTED] and HK\$[REDACTED] per [REDACTED] Share), assuming the [REDACTED] is not exercised. It is at present intended that the net proceeds will be applied as follows:

- approximately HK\$[REDACTED], representing approximately [REDACTED]% of the net proceeds will be used for opening two new Cantonese restaurants under the brand of "Star of Canton" in the year ending 31 December 2017 in Shenzhen, the PRC;
- approximately HK\$[REDACTED], representing approximately [REDACTED]% of the net proceeds will be used for the enhancement of existing restaurant facilities. The Group plans to incur a renovation cost of approximately HK\$[REDACTED] for The One Restaurant in the second quarter of 2016 and an aggregate of approximately HK\$[REDACTED] for other restaurants of the Group from mid 2016 to the end of 2016;
- approximately HK\$[REDACTED], representing approximately [REDACTED]% of the net proceeds will be used for the enhancement of marketing and promotions of the Group's restaurants. The Group plans to promote the restaurants through various marketing activities, including promotion campaigns and increase advertising activities through various media, such as internet and radio broadcast; and
- the balance of approximately HK\$[REDACTED], representing approximately [REDACTED]% of the net proceeds will be used for the Group's working capital and general corporate purposes.

### DIVIDEND POLICY

Dividends may be paid out by way of cash or by other means that the Directors consider appropriate. Declaration and payment of any dividends would require the recommendation of the Board and will be at their discretion. In addition, any final dividend for a financial year will be subject to Shareholders' approval. The Company currently does not have any specific dividend policy. A decision to declare or to pay any dividend in the future, and the amount of any dividends, depends on a number of factors, including the Group's results of operations, financial condition, the payment by the Group's subsidiaries of cash dividends to the Group, and other factors the Board may deem relevant.

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### [REDACTED] SHARE STATISTICS

The Company has prepared the following [REDACTED] statistics based on the respective [REDACTED] of HK\$[REDACTED] and HK\$[REDACTED] per Share without taking into account the 1% brokerage fee, 0.0027% SFC transaction levy and 0.005% Stock Exchange trading fee:

	Based on the indicative [REDACTED] of HK\$[REDACTED] per Share	Based on the indicative [REDACTED] of HK\$[REDACTED] per Share
Market capitalisation of the Shares	HK\$[REDACTED]	HK\$[REDACTED]
Unaudited pro forma adjusted combined net tangible assets of the Group attributable to owners of the Company per Share	HK\$[REDACTED]	HK\$[REDACTED]
Unaudited pro forma adjusted combined net tangible assets of the Group after waiver of amount due to related parties attributable to owners of the Company per Share	HK\$[REDACTED]	HK\$[REDACTED]

*Note:* The calculation of the market capitalisation upon completion of the [REDACTED] is based on the assumption that [REDACTED] Shares will be in issue and outstanding immediately following the [REDACTED]. The unaudited pro forma adjusted combined net tangible asset value per Share is determined after adjustments as described in notes 1 to 4 as set out in Appendix II “Unaudited Pro Forma Financial Information” to this document.

### NON-COMPLIANCE

During the Track Record Period, the Group did not comply with certain applicable laws and regulations, including the Employees’ Compensation Ordinance (Chapter 282 of the Laws of Hong Kong), the Buildings Ordinance (Chapter 123 of the Laws of Hong Kong), the Fire Services (Fire Hazard Abatement) Regulation (Chapter 95F of the Laws of Hong Kong), the Water Pollution Control Ordinance (Chapter 358 of the Laws of Hong Kong), the Predecessor Companies Ordinance and the Companies Ordinance, as well as the Administrative Measures for Single-Purpose Commercial Prepared Cards (for Trial Implementation)\* (單用途商業預付卡管理辦法) (試行)) in the PRC. The Directors consider that such non-compliance incidents will not have any material impact on the Group’s operations and financial position. For details of the incidences of non-compliance and internal control measures being adopted, please refer to the paragraphs under the section headed “Business – Non-Compliance”.

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## SUMMARY

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### RISK FACTORS

The Directors consider that there are certain risks and uncertainties involved in the Group’s operations, some of which are beyond the Group’s control. Further details of the risks to which the Group is exposed are set out in the section headed “Risk Factors” in this document. The following highlights some of the risks which are considered to be material by the Directors:

- the Group’s future growth depends on its ability to open and profitably operate new restaurants;
- failure to obtain lease for desirable location for new restaurants or failure to renew existing leases on commercially acceptable terms would have a material adverse effect on the Group’s business and future development;
- the Group’s business is subject to the availability, quality and price of food ingredients; and
- the changes in the macro-economic situation in Hong Kong may have an adverse effect on the Group’s business, operation results and financial position.