
HISTORY, REORGANISATION AND DEVELOPMENT

BUSINESS DEVELOPMENT

Business History

The history of the Group’s restaurant business can be traced to 1998 when Mr. Chan, one of the Controlling Shareholders, the executive Director, the Chairman of the Board and the chief executive officer of the Company, commenced the operation of the Group’s first restaurant, the CWB Restaurant, under the brand Star of Canton Restaurant (利寶閣酒家) with the vision of providing high quality traditional Cantonese cuisine to its customers. The restaurant was operated by Solarday Investment, a member of the Group. For further background and relevant industry experience of Mr. Chan, please refer to the section headed “Directors and Senior Management” in this document. To expand the Group’s operations, the Group established another three restaurants in Hong Kong under the brand Star of Canton Restaurant, namely the Olympian Restaurant in 2001, the I-Square Restaurant in 2010 (which has ceased operations in November 2015) and The One Restaurant in 2010. In 2012, the Group decided to take steps to further develop its business and diversify its restaurant portfolio by entering into the PRC market. The Group opened its first restaurant in the PRC, the Shenzhen Restaurant, which is located in the central business district of Futian District of Shenzhen, the PRC under the same brand name of Star of Canton. In 2015, the Group established the Sheung Wan Restaurant under the brand “Star of Canton” and its first restaurant under the brand “Beijing House”, namely the Beijing House Restaurant in Hong Kong.

Business Milestones

The following set forth important milestones of our business developments:

1998	Opening of the Group’s first restaurant, the CWB Restaurant at Lee Theatre Plaza, Causeway Bay
2001	Opening of the Olympian Restaurant at Olympian City 2, West Kowloon
2006	Opening of a restaurant under the business name “Star of Shandong” (“魯一居”) at Megabox, Kowloon Bay (the “Kowloon Bay Restaurant”)
2007	Opening of a restaurant under the brand name “Star of Canton” at East Point City, Tseung Kwan O (the “TKO Restaurant”)
2010	Opening of the I-Square Restaurant at iSQUARE, Tsim Sha Tsui Opening of The One Restaurant at The ONE, Tsim Sha Tsui Closure of the TKO Restaurant
2013	Opening of the Shenzhen Restaurant at Futian District, Shenzhen Closure of the Kowloon Bay Restaurant
2015	Incorporation of the Company Opening of the Sheung Wan Restaurant and the Beijing House Restaurant at Infinitus Plaza, Sheung Wan Closure of the I-Square Restaurant at iSQUARE, Tsim Sha Tsui

HISTORY, REORGANISATION AND DEVELOPMENT

CORPORATE DEVELOPMENT

The Company

The Company was incorporated in the Cayman Islands on 1 September 2015 as an exempted company under the Companies Law in anticipation of the [REDACTED]. Upon completion of the Reorganisation, the Company becomes the holding company of the Group, which comprises the following major subsidiaries and their respective corporate history is set out below.

Solarday Investment

Solarday Investment was incorporated under the laws of Hong Kong on 5 December 1997. It is principally engaged in the operation and management of the CWB Restaurant under the business name "Causeway Bay Star of Canton (銅鑼灣利寶閣)".

Upon its incorporation, one share of par value of HK\$1.00 was allotted to each of Victon Secretary Limited and Victon Management Limited. On 28 April 1998, Victon Secretary Limited and Victon Management Limited transferred their respective shares in Solarday Investment to Supreme Pacific Limited, an Independent Third Party, and Mr. Chan respectively at par. On the same date, 4,999 shares, 1,999 shares and 3,000 shares in Solarday Investment were allotted and issued to Supreme Pacific Limited, Mr. Chan and Mr. Wong respectively at par. After the aforesaid transfer and allotment, Solarday Investment was owned as to 50%, 20% and 30% by Supreme Pacific Limited, Mr. Chan and Mr. Wong respectively. On 10 July 2000, Mr. Wong transferred 3,000 shares in Solarday Investment to Viggi Boutique Limited, a company owned as to 90% and 10% by Mr. Wong and his wife respectively at that time, at a consideration of HK\$3,000 which was determined with reference to the then par value and was settled on or around the date of such transfer. After the aforesaid transfer, Solarday Investment was owned as to 50%, 20% and 30% by Supreme Pacific Limited, Mr. Chan and Viggi Boutique Limited respectively. On 21 July 2001, Mr. Chan transferred 2,000 shares in Solarday Investment to Bright Creator at a consideration of HK\$2,000. After the aforesaid transfer, Solarday Investment was owned as to 50%, 20% and 30% by Supreme Pacific Limited, Bright Creator and Viggi Boutique Limited respectively. On 7 January 2004, Viggi Boutique Limited transferred 3,000 shares in Solarday Investment to Supreme Pacific Limited at a consideration of HK\$1,818,000, which was arrived at after arm's length negotiations between the parties with reference to the net asset value of Solarday Investment at that time and was settled on or around the date of such transfer. On the same date, Supreme Pacific Limited transferred two shares in Solarday Investment to Ms. Ho Yuk Ping ("**Ms. Ho**"), an Independent Third Party, at a consideration of HK\$1,112, which was determined with reference to the net asset value of Solarday Investment and was settled on or around the date of such transfer. After the aforesaid transfers, Solarday Investment was owned as to 79.98%, 20% and 0.02% by Supreme Pacific Limited, Bright Creator and Ms. Ho respectively. As evidenced by a declaration of trust dated 7 January 2004 and executed by Ms. Ho in favour of Supreme Pacific Limited, Ms. Ho held the two shares on trust for the benefit of Supreme Pacific Limited.

HISTORY, REORGANISATION AND DEVELOPMENT

On 11 February 2004, the authorised share capital of Solarday Investment was increased from HK\$10,000 to HK\$1,000,000 by the creation of 990,000 ordinary shares of HK\$1.00 each. On the same date, Supreme Pacific Limited transferred 7,998 shares in Solarday Investment to Bright Creator at a consideration of HK\$4,870,782 and Ms. Ho transferred two shares in Solarday Investment to Bright Creator at a consideration of HK\$1,218. The consideration of the aforesaid transfers was determined with reference to the net asset value of Solarday Investment and was settled on or around the date of such transfers. On the same date, 2,000 shares, 4,000 shares and 4,000 shares in Solarday Investment were allotted and issued to Bright Creator, Mr. Wong and Sun Foo Sing respectively at par. After the aforesaid transfers and allotment, Solarday Investment was owned as to 60%, 20% and 20% by Bright Creator, Mr. Wong and Sun Foo Sing respectively. On 11 February 2004, Bright Creator transferred 2,000 shares in Solarday Investment to Mr. Liu at a consideration of HK\$617,400 which was determined with reference to the net asset value of Solarday Investment at that time and was settled on or around the date of such transfer. As evidenced by a trust deed dated 11 February 2004 and executed by Bright Creator in favour of Mr. Liu Ka Lit, Jimmy (" **Mr. Liu**") ("**Trust Deed A**"), Bright Creator held 2,000 shares in Solarday Investment on trust and for the benefit of Mr. Liu and accordingly, Solarday Investment was beneficially owned as to 50%, 20%, 20% and 10% by Bright Creator, Mr. Wong, Sun Foo Sing and Mr. Liu respectively.

On 22 June 2006, each of Bright Creator, Mr. Wong and Sun Foo Sing transferred 1,000 shares in Solarday Investment to Sky Gain at a consideration of HK\$250,000, which was arrived at after arm's length negotiations among the parties with reference to the net asset value of Solarday Investment at that time and was settled on or around the date of such transfer. After the aforesaid transfers, Solarday Investment was beneficially owned as to 45%, 15%, 15%, 15% and 10% by Bright Creator, Mr. Wong, Sun Foo Sing, Sky Gain and Mr. Liu respectively. On 9 November 2010, Mr. Liu transferred 2,000 shares in Solarday Investment to Bright Creator at a consideration of HK\$617,400, which was arrived at after arm's length negotiations between the parties and was settled on or around the date of such transfer and Trust Deed A was cancelled accordingly. After the aforesaid transfer, Solarday Investment was owned as to 55%, 15%, 15% and 15% by Bright Creator, Mr. Wong, Sun Foo Sing and Sky Gain respectively. On 25 October 2012, Bright Creator transferred 2,000 shares in Solarday Investment to Richmax at a consideration of HK\$1,053,400, which was arrived at after arm's length negotiations between the parties with reference to the net asset value of Solarday Investment at that time and was settled on or around the date of such transfer. As evidenced by a trust deed dated 25 October 2012 and executed by Bright Creator in favour of Richmax ("**Trust Deed B**"), Bright Creator held 2,000 shares in Solarday Investment on trust and for the benefit of Richmax. After the aforesaid transfer, Solarday Investment was beneficially owned as to 45%, 15%, 15%, 15% and 10% by Bright Creator, Mr. Wong, Sun Foo Sing, Sky Gain and Richmax respectively. On 9 September 2015, Richmax transferred 2,000 shares in Solarday Investment to Bright Creator at a consideration of HK\$726,160, which was arrived at after arm's length negotiations between the parties with reference to the net asset value of Solarday Investment at that time and was settled on 9 September 2015 and Trust Deed B was cancelled accordingly. After the aforesaid transfer, Solarday Investment was owned as to 55%, 15%, 15% and 15% by Bright Creator, Mr. Wong, Sun Foo Sing and Sky Gain respectively.

As part of the Reorganisation, on 18 September 2015, Solarday Investment became a direct wholly-owned subsidiary of Moon Fortune. Details of the Reorganisation are set out in the paragraph headed "Reorganisation" in this section.

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Orient Century

Orient Century was incorporated under the laws of Hong Kong on 19 May 2000. It is principally engaged in the operation and management of the Olympian Restaurant under the business name "Olympian City Star of Canton (奧海城利寶閣)".

Upon its incorporation, one share of par value of HK\$1.00 was allotted to each of Asia Secretaries Limited and Cartech Limited. On 28 July 2000, Asia Secretaries Limited and Cartech Limited transferred their respective shares in Orient Century to Supreme Pacific Limited and Viggi Boutique Limited respectively at par. On 29 July 2000, 4,999 shares, 2,999 shares and 2,000 shares in Orient Century were allotted and issued to Supreme Pacific Limited, Viggi Boutique Limited and Mr. Chan respectively at par. After the aforesaid transfer and allotment, Orient Century was owned as to 50%, 30% and 20% by Supreme Pacific Limited, Viggi Boutique Limited and Mr. Chan respectively. On 12 July 2001, Mr. Chan transferred 2,000 shares in Orient Century to Bright Creator at par. After the aforesaid transfer, Orient Century was owned as to 50%, 30% and 20% by Supreme Pacific Limited, Viggi Boutique Limited and Bright Creator respectively. On 7 January 2004, Viggi Boutique Limited transferred 3,000 shares in Orient Century to Supreme Pacific Limited at a consideration of HK\$2,382,000. On the same date, Supreme Pacific Limited transferred two shares in Orient Century to Ms. Ho at a consideration of HK\$1,662. The aforesaid transfers were arrived at after arm's length negotiations between the relevant parties with reference to the net asset value of Orient Century at that time and was settled on or around the date of such transfers. As evidenced by a declaration of trust dated 7 January 2004 and executed by Ms. Ho in favour of Supreme Pacific Limited, Ms. Ho held the two shares on trust for the benefit of Supreme Pacific Limited. After the aforesaid transfers, Orient Century was owned as to 79.98%, 20% and 0.02% by Supreme Pacific Limited, Bright Creator and Ms. Ho respectively.

On 11 February 2004, the authorised share capital of Orient Century was increased from HK\$10,000 to HK\$1,000,000 by the creation of 990,000 ordinary shares of HK\$1.00 each. On the same date, Supreme Pacific Limited transferred 7,998 shares in Orient Century to Bright Creator at a consideration of HK\$6,326,418 and Ms. Ho transferred two shares in Orient Century to Bright Creator at a consideration of HK\$1,582. The consideration of the aforesaid transfers was arrived at after arm's length negotiations between the parties with reference to the net asset value of Orient Century at that time and was settled on or around the date of such transfers. On the same date, 2,000 shares, 4,000 shares and 4,000 shares in Orient Century were allotted to Bright Creator, Mr. Wong and Sun Foo Sing respectively at par which was settled on or around the date of such allotment. After the aforesaid transfers and allotment, Orient Century was owned as to 60%, 20% and 20% by Bright Creator, Mr. Wong and Sun Foo Sing respectively. On 11 February 2004, Bright Creator transferred 2,000 shares in Orient Century, to Mr. Liu at a consideration of HK\$489,300 which was arrived at after arm's length negotiations between the parties with reference to the net asset of Orient Century at that time and was settled on or around the date of such transfer. As evidenced by a trust deed dated 11 February 2004 and executed by Bright Creator in favour of Mr. Liu ("**Trust Deed C**"), Bright Creator held 2,000 shares in Orient Century on trust and for the benefit of Mr. Liu.

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On 22 June 2006, each of Bright Creator, Mr. Wong and Sun Foo Sing transferred 1,000 shares in Orient Century to Sky Gain at a consideration of HK\$250,000, which was arrived at after arm's length negotiations between the parties with reference to the net asset value of Solarday Investment at that time and was settled on or around the date of such transfer. After the aforesaid transfers, Orient Century was beneficially owned as to 45%, 15%, 15%, 15% and 10% by Bright Creator, Mr. Wong, Sun Foo Sing, Sky Gain and Mr. Liu respectively. On 10 November 2010, Mr. Liu transferred 2,000 shares in Orient Century to Bright Creator at a consideration of HK\$489,300, which was arrived at after arm's length negotiations between the parties and was settled on or around the date of such transfer and Trust Deed C was cancelled accordingly. After the aforesaid transfer, Orient Century was owned as to 55%, 15%, 15% and 15% by Bright Creator, Mr. Wong, Sun Foo Sing and Sky Gain respectively. On 25 October 2012, Bright Creator transferred 2,000 shares in Orient Century to Richmax at a consideration of HK\$1,104,000, which was arrived at after arm's length negotiations between the parties with reference to the net asset value of Orient Century at that time and was settled on or around the date of such transfer. As evidenced by a trust deed dated 25 October 2012 and executed by Bright Creator in favour of Richmax ("**Trust Deed D**"), Bright Creator held 2,000 shares in Orient Century on trust and for the benefit of Richmax. After the aforesaid transfer, Orient Century was beneficially owned as to 45%, 15%, 15%, 15% and 10% by Bright Creator, Mr. Wong, Sun Foo Sing, Sky Gain and Richmax respectively. On 9 September 2015, Richmax transferred 2,000 shares in Orient Century to Bright Creator at a consideration of HK\$1,568,710, which was arrived at after arm's length negotiations between the parties with reference to the net asset value of Orient Century at that time and was settled on 9 September 2015 and Trust Deed D was cancelled accordingly. After the aforesaid transfer, Orient Century was owned as to 55%, 15%, 15% and 15% by Bright Creator, Mr. Wong, Sun Foo Sing and Sky Gain respectively.

As part of the Reorganisation, on 18 September 2015, Orient Century became a direct wholly-owned subsidiary of First Bloom. Details of the Reorganisation are set out in the paragraph headed "Reorganisation" in this section.

Great Virtue

Great Virtue was incorporated under the laws of Hong Kong on 19 October 2009. It was principally engaged in the operation and management of the I-Square Restaurant under the business name "iSquare Star of Canton (尖沙咀iSquare利寶閣海景宴會廳)" up to November 2015 when the I-Square Restaurant has ceased operation since then, and it became dormant thereafter.

Upon its incorporation, 3,000 shares and 7,000 shares of par value of HK\$1.00 were allotted to Richmax and Taste Creator respectively. After the aforesaid allotment, Great Virtue was owned as to 30% and 70% by Richmax and Taste Creator respectively.

As part of the Reorganisation, on 21 September 2015, Great Virtue became a direct wholly-owned subsidiary of Keen Nation. Details of the Reorganisation are set out in the paragraph headed "Reorganisation" in this section.

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Great Virtue (HK)

Great Virtue (HK) was incorporated under the laws of Hong Kong on 29 July 2010. It is principally engaged in the operation and management of The One Restaurant under the business name “The One Star of Canton (尖沙咀The One利寶閣海景宴會廳)”.

Upon its incorporation, 10,000 shares of par value of HK\$1.00 were allotted to Great Virtue. After the aforesaid allotment, Great Virtue (HK) was wholly owned by Great Virtue.

As part of the Reorganisation, on 18 September 2015, Great Virtue (HK) became a direct wholly-owned subsidiary of Guang Jie. Details of the Reorganisation are set out in the paragraph headed “Reorganisation” in this section.

Excel Linker

Excel Linker was incorporated under the laws of Hong Kong on 23 January 2015. It is principally engaged in the operation and management of the Sheung Wan Restaurant under the business name “Sheung Wan Star of Canton (上環利寶閣)” and the Beijing House Restaurant under the business name “Beijing House (京香閣)”.

Upon its incorporation, one share was allotted to Cartech Limited. On 17 July 2015, Cartech Limited transferred one share in Excel Linker to Mr. Chan at the nominal consideration of HK\$1, following which Excel Linker was wholly owned by Mr. Chan.

As part of the Reorganisation, on 18 September 2015, Excel Linker became a direct wholly-owned subsidiary of Ding Xing. Details of the Reorganisation are set out in the paragraph headed “Reorganisation” in this section.

Smart Best

Smart Best was incorporated under the laws of Hong Kong on 5 December 2014. It is principally engaged in the ordering of food ingredients for the Group.

Upon its incorporation, one share was allotted to Cartech Limited. On 16 July 2015, Cartech Limited transferred one share in Smart Best to Bright Creator at the nominal consideration of HK\$1.00. On the same date, 54 shares, 15 shares, 15 shares and 15 shares in Smart Best were allotted to Bright Creator, Mr. Wong, Sun Foo Sing and Sky Gain respectively at HK\$1.00 for each share, following which Smart Best was owned as to 55%, 15%, 15% and 15% by Bright Creator, Mr. Wong, Sun Foo Sing and Sky Gain respectively.

As part of the Reorganisation, on 18 September 2015, Smart Best became a direct wholly-owned subsidiary of Auspicious. Details of the Reorganisation are set out in the paragraph headed “Reorganisation” in this section.

Star China

Star China was incorporated under the laws of Hong Kong on 4 November 2010. It is an investment holding company.

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Upon its incorporation, one share of par value of HK\$1.00 was allotted to Great Virtue. On 1 December 2012, 7,999 shares and 2,000 shares in Star China were allotted and issued to Great Virtue and Mr. Tsang respectively at par. After the aforesaid transfer and allotment, Star China was owned as to 80% and 20% by Great Virtue and Mr. Tsang respectively.

As part of the Reorganisation, on 18 September 2015, Star China became a direct wholly-owned subsidiary of Power Moon. Details of the Reorganisation are set out in the paragraph headed “Reorganisation” in this section.

Li Bao Ge Shenzhen

Li Bao Ge Shenzhen was established under the laws of PRC on 14 August 2013. It is principally engaged in the operation and management of the Shenzhen Restaurant under the tradename “Shenzhen Star of Canton (深圳利寶閣)”. It is a direct wholly-owned subsidiary of Star China.

Li Bao Ge Shenzhen was established in the PRC as a wholly foreign-owned enterprise with a registered capital of HK\$15,000,000 on 14 August 2013, when the local commerce department and the Market Supervision Administration Bureau of Shenzhen Municipality (深圳市市場監督管理局) approved and registered the establishment of Li Bao Ge Shenzhen and issued a business license to Li Bao Ge Shenzhen. At the time of its establishment, Li Bao Ge Shenzhen was wholly-owned by Star China.

As confirmed by three capital verification reports issued by independent public accountants, HK\$5,000,000, HK\$6,000,000 and HK\$4,000,000 of the registered capital of Li Bao Ge Shenzhen were paid by Star China in cash on 4 September 2013, 11 October 2013 and 31 August 2015 respectively.

As part of the Reorganisation, on 18 September 2015, Li Bao Ge Shenzhen became an indirect wholly-owned subsidiary of Power Moon. Details of the Reorganisation are set out in the paragraph headed “Reorganisation” in this section.

Orient Shenzhen

Orient Shenzhen was established under the laws of PRC on 18 March 2013. It had no business operation as at the Latest Practicable Date. It is a direct wholly-owned subsidiary of Star China.

Orient Shenzhen was established in the PRC as a wholly foreign-owned enterprise with a registered capital of HK\$8,000,000 on 18 March 2013, when the local commerce department and the Market Supervision Administration Bureau of Shenzhen Municipality (深圳市市場監督管理局) approved and registered the establishment of Orient Shenzhen and issued a business license to Orient Shenzhen. At the time of its establishment, Orient Shenzhen was wholly-owned by Star China.

As confirmed by a capital verification report issued by independent public accountants, HK\$8,000,000 of the registered capital of Orient Shenzhen was paid by Star China in cash on 28 April 2013.

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As part of the Reorganisation, on 18 September 2015, Orient Shenzhen became an indirect wholly-owned subsidiary of Power Moon. Details of the Reorganisation are set out in the paragraph headed "Reorganisation" in this section.

CONCERT PARTY DEED

Pursuant to the Concert Party Deed dated 25 September 2015 and entered into among 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, each of them confirmed that, among other things, (i) since 1 January 2013: (a) they had acted in concert and collectively for all material management affairs and the arrival and/or execution of all commercial decisions, including but not limited to financial and operational matters, of the Operating Companies (together with Star China and Orient Shenzhen); they had given unanimous consent, approval or rejection on any other material issues and decisions in relation to the business of the Operating Companies (as well as Star China and Orient Shenzhen); (b) they had casted vote collectively for or against all resolutions in all shareholders' meetings of the Operating Companies (together with Star China and Orient Shenzhen); and (c) they had cooperated with each another to obtain and maintain and consolidate control of the Operating Companies (together with Star China and Orient Shenzhen); and (ii) in the course of the Reorganisation and until the date of any written termination by them, (a) they have acted and shall continue to act in concert and collectively for all material management affairs and the arrival and/or execution of all commercial decisions including but not limited to financial and operational matters, of the Group; (b) they have given and shall continue to give unanimous consent, approval or rejection on any other material issues and decisions in relation to the business of the Group; (c) they have casted and shall continue to cast unanimous vote collectively for or against all resolutions in the shareholders' meetings and discussions of the Group; and (d) they have cooperated and shall continue to cooperate with each another to obtain and maintain and consolidate control of the Group.

EXCLUDED BUSINESS

Star Catering

Star Catering was incorporated in Hong Kong on 8 January 2007 and is, as at the Latest Practicable Date, owned as to 55%, 15%, 15% and 15% by Bright Creator, Mr. Wong, Sun Foo Sing and Sky Gain respectively. It is an investment-holding company holding a property in Hong Kong. As it has no other business or substantial operation, it is not included as part of the Group.

Hanman

Hanman was incorporated in Hong Kong on 28 August 2007 and is, as at the Latest Practicable Date, owned as to 55%, 15%, 15% and 15% by Bright Creator, Mr. Wong, Sun Foo Sing and Sky Gain respectively. The principal business of Hanman was the operation of a restaurant in Tseung Kwan O under the brand name "Star of Canton". In November 2010, it ceased business due to the mismatch of the Group's target customers and business expansion direction. Since then, Hanman had not carried on any other business until the Latest Practicable Date. As such, Hanman was not included in the Group.

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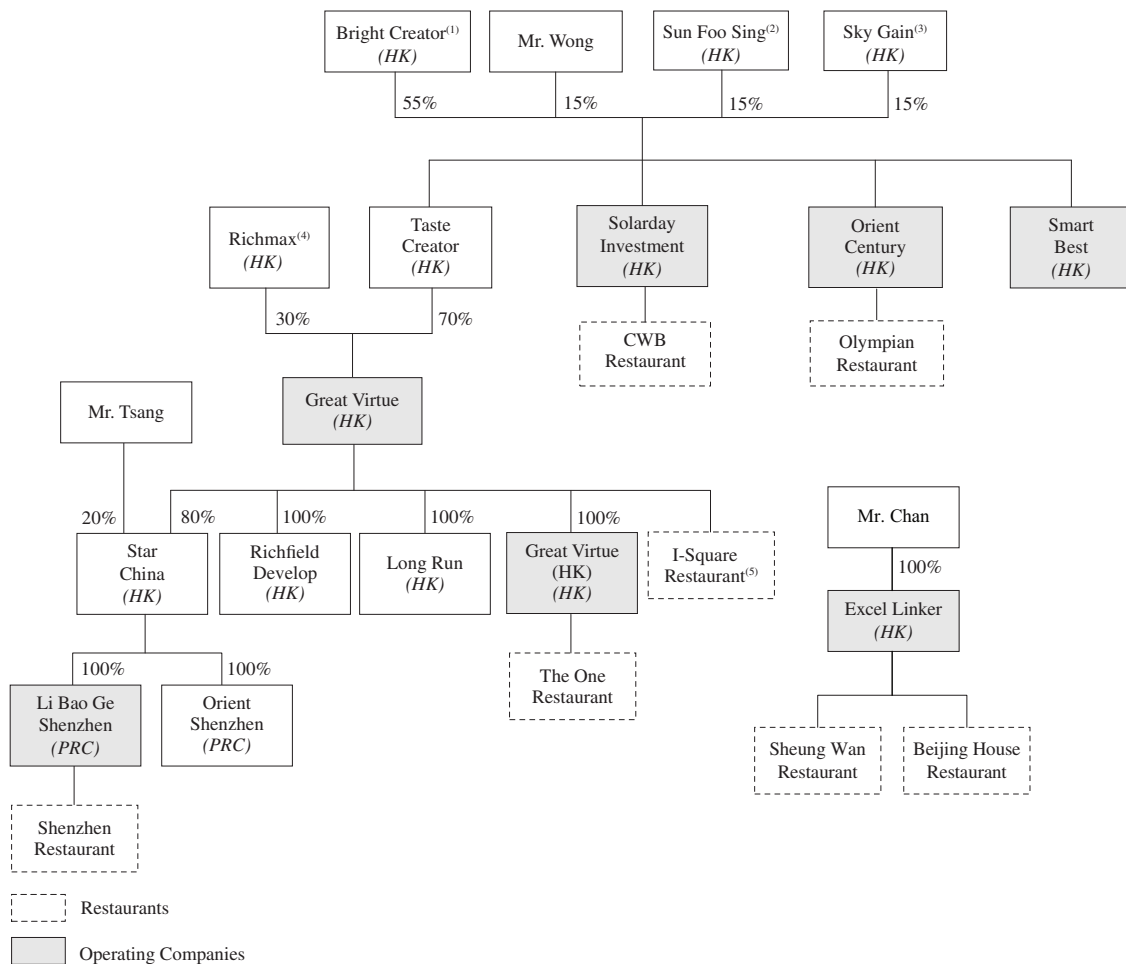
Poly Wealth

Poly Wealth was incorporated in Hong Kong on 15 March 2006 and is, as at the Latest Practicable Date, owned as to 55%, 15%, 15% and 15% by Bright Creator, Mr. Wong, Sun Foo Sing and Sky Gain respectively. The principal business of Poly Wealth was the operation of a restaurant in Mega Box, Kowloon Bay under the brand name “Star of Shandong” (“魯一居”). In March 2013, it ceased business due to the mismatch of the Group’s target customers and business expansion direction. Since then, Poly Wealth had not carried on any other business until the Latest Practicable Date. As such, Poly Wealth was not included in the Group.

REORGANISATION

In preparation of the [REDACTED], the Group undertook the Reorganisation which comprises a series of restructuring steps taken place pursuant to which the Company became the holding company of the Group.

Prior to the implementation of the Reorganisation, the structure of the Group was as follows:



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Notes:

1. Bright Creator is owned as to 50% and 50% by Mr. Chan and Mrs. Chan.
2. Sun Foo Sing is owned as to 50%, 25%, 10%, 7.5% and 7.5% by Mr. Ho, Mr. Tsui, Mr. Lam Kwok Leung Peter, Mr. Tsui Chi Kit and Ms. Tsui Yuk Yi respectively.
3. Sky Gain is owned as to 37.5%, 37.5% and 25% by Mr. David Chow, Mr. Anthony Chow and Mr. Tam Chie Sang respectively.
4. Richmax is owned as to approximately 46.67%, 40%, 6.67% and 6.67% by Mr. David Chu, Mr. Cheung Yuen Chau, Ms. Tsang Siu Lan and Ms. Katherine M T Ip respectively.
5. The I-Square Restaurant ceased operation in November 2015.

The Reorganisation consisted of the following steps:

(A) Incorporation of Hong Cui, Zhao Tian, Sincere, Universal and the Company

- (i) Hong Cui was incorporated in the BVI on 8 July 2015 and 1 fully paid ordinary share of Hong Cui, representing the entire issued share capital of Hong Cui, was allotted and issued to Bright Creator on 26 August 2015.
- (ii) Zhao Tian was incorporated in the BVI on 8 July 2015 and 5,500, 1,500, 1,500 and 1,500 fully paid ordinary shares of Zhao Tian, representing the entire issued share capital of Zhao Tian, were allotted and issued to Hong Cui, Mr. Wong, Sun Foo Sing and Sky Gain respectively on 26 August 2015.
- (iii) Sincere was incorporated in the BVI on 1 July 2015 and one fully paid ordinary share of Sincere, representing the entire issued share capital of Sincere, was allotted and issued to Richmax on 26 August 2015.
- (iv) Universal was incorporated in the BVI on 1 July 2015 and one fully paid ordinary share of Universal, representing the entire issued share capital of Universal, was allotted and issued to Mr. Tsang on 26 August 2015.
- (v) The Company was incorporated on 1 September 2015 in the Cayman Islands with an authorised share capital of HK\$380,000 divided into 38,000,000 Shares of HK\$0.01 each. One nil-paid Share was allotted and issued to the subscriber to the Memorandum and Articles, which was transferred to Zhao Tian on the same date.

(B) Incorporation of the holding companies of the Operating Companies

- (i) Zhen Tong was incorporated in the BVI on 17 July 2015 and one fully paid ordinary share of Zhen Tong, representing the entire issued share capital of Zhen Tong, was allotted and issued to Zhao Tian on 26 August 2015. After the aforesaid allotment and issue of share, Zhen Tong became the direct wholly-owned subsidiary of Zhao Tian.

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- (ii) Moon Fortune was incorporated in the BVI on 17 July 2015 and one fully paid ordinary share of Moon Fortune, representing the entire issued share capital of Moon Fortune, was allotted and issued to Zhen Tong on 26 August 2015. After the aforesaid allotment and issue of share, Moon Fortune became the direct wholly-owned subsidiary of Zhen Tong.
- (iii) First Bloom was incorporated in the BVI on 17 July 2015 and one fully paid ordinary share of First Bloom, representing the entire issued share capital of First Bloom, was allotted and issued to Zhen Tong on 26 August 2015. After the aforesaid allotment and issue of share, First Bloom became the direct wholly-owned subsidiary of Zhen Tong.
- (iv) Keen Nation was incorporated in the BVI on 1 July 2015 and one fully paid ordinary share of Keen Nation, representing the entire issued share capital of Keen Nation, was allotted and issued to Zhen Tong on 26 August 2015. After the aforesaid allotment and issue of share, Keen Nation became the direct wholly-owned subsidiary of Zhen Tong.
- (v) Guang Jie was incorporated in the BVI on 8 July 2015 and one fully paid ordinary share of Guang Jie, representing the entire issued share capital of Guang Jie, was allotted and issued to Zhen Tong on 26 August 2015. After the aforesaid allotment and issue of share, Guang Jie became the direct wholly-owned subsidiary of Zhen Tong.
- (vi) Ding Xing was incorporated in the BVI on 17 July 2015 and one fully paid ordinary share of Ding Xing, representing the entire issued share capital of Ding Xing, was allotted and issued to Zhen Tong on 26 August 2015. After the aforesaid allotment and issue of share, Ding Xing became the direct wholly-owned subsidiary of Zhen Tong.
- (vii) Power Moon was incorporated in the BVI on 17 July 2015 and one fully paid ordinary share of Power Moon, representing the entire issued share capital of Power Moon, was allotted and issued to Zhen Tong on 26 August 2015. After the aforesaid allotment and issue of share, Power Moon became the direct wholly-owned subsidiary of Zhen Tong.
- (viii) Auspicious was incorporated in the BVI on 7 July 2015 and one fully paid ordinary share of Auspicious, representing the entire issued share capital of Auspicious, was allotted and issued to Zhen Tong on 26 August 2015. After the aforesaid allotment and issue of share, Auspicious became the direct wholly-owned subsidiary of Zhen Tong.

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(C) Disposal of 100% interest in Richfield Develop and Long Run

Richfield Develop and Long Run are property-holding companies holding certain properties in Hong Kong. Other than holding properties, Richfield Develop and Long Run have no other business or substantial operation and will not be included as part of the Group. Therefore, Great Virtue (as vendor), Mr. Chan, Mr. Wong, Sun Foo Sing, Sky Gain and Richmax (as purchasers) and Elite Linker (as nominee of the purchasers) entered into a sale and purchase agreement on 18 September 2015, pursuant to which Elite Linker acquired the entire issued share capital of each of Richfield Develop and Long Run at an aggregate consideration of approximately HK\$25.7 million which was determined with reference to the fair value of the net assets of each of Richfield Develop and Long Run and was settled on 23 September 2015.

(D) Acquisition of companies including the Operating Companies by Zhen Tong

(i) Acquisition of Solarday Investment

On 18 September 2015, Bright Creator, Mr. Wong, Sun Foo Sing and Sky Gain (as vendors), Zhao Tian (as nominee of the vendors), Zhen Tong (as purchaser) and Moon Fortune (as nominee of the purchaser) entered into a sale and purchase agreement, pursuant to which Moon Fortune acquired 11,000 shares, 3,000 shares, 3,000 shares and 3,000 shares in Solarday Investment, being its entire issued share capital, from Bright Creator, Mr. Wong, Sun Foo Sing and Sky Gain respectively. In consideration of the above and at the direction of Bright Creator, Mr. Wong, Sun Foo Sing and Sky Gain, Zhen Tong allotted 1,656 shares to Zhao Tian. After the aforesaid acquisition, Solarday Investment became a wholly-owned subsidiary of Moon Fortune.

(ii) Acquisition of Orient Century

On 18 September 2015, Bright Creator, Mr. Wong, Sun Foo Sing and Sky Gain (as vendors), Zhao Tian (as nominee of the vendors), Zhen Tong (as purchaser) and First Bloom (as nominee of the purchaser) entered into a sale and purchase agreement, pursuant to which First Bloom acquired 11,000 shares, 3,000 shares, 3,000 shares and 3,000 shares in Orient Century, being its entire issued share capital, from Bright Creator, Mr. Wong, Sun Foo Sing and Sky Gain respectively. In consideration of the above and at the direction of Bright Creator, Mr. Wong, Sun Foo Sing and Sky Gain, Zhen Tong allotted and issued 1,655 shares to Zhao Tian. After the aforesaid acquisition, Orient Century became a wholly-owned subsidiary of First Bloom.

(iii) Acquisition of Great Virtue (HK)

On 18 September 2015, Great Virtue (as vendor) and Guang Jie (as purchaser) entered into a sale and purchase agreement, pursuant to which Guang Jie acquired 10,000 shares in Great Virtue (HK), being its entire issued share capital, from Great Virtue at the nominal consideration of HK\$1. After the aforesaid acquisition, Great Virtue (HK) became a wholly-owned subsidiary of Guang Jie.

HISTORY, REORGANISATION AND DEVELOPMENT

(iv) Acquisition of Excel Linker

On 18 September 2015, Mr. Chan (as vendor) and Ding Xing (as purchaser) entered into a sale and purchase agreement, pursuant to which Ding Xing acquired one share in Excel Linker, being its entire issued share capital, from Mr. Chan at the nominal consideration of HK\$1. After the aforesaid acquisition, Excel Linker became a wholly-owned subsidiary of Ding Xing.

(v) Acquisition of Star China

On 18 September 2015, Great Virtue and Mr. Tsang (as vendors), Zhao Tian (as nominee of Great Virtue), Universal (as nominee of Mr. Tsang), Zhen Tong (as purchaser) and Power Moon (as nominee of the purchaser) entered into a sale and purchase agreement, pursuant to which Power Moon acquired 8,000 shares and 2,000 shares in Star China, being its entire issued share capital, from Great Virtue and Mr. Tsang respectively. In consideration of the above and (i) at the direction of Mr. Tsang, Zhen Tong allotted and issued 521 Shares to Universal; and (ii) at the direction of Great Virtue, Zhen Tong allotted and issued 1,655 shares to Zhao Tian. After the aforesaid acquisition, Star China became a wholly-owned subsidiary of Power Moon.

(vi) Acquisition of Smart Best

On 18 September 2015, Bright Creator, Mr. Wong, Sun Foo Sing and Sky Gain (as vendors), Zhao Tian (as nominee of the vendors), Zhen Tong (as purchaser) and Auspicious (as nominee of the purchaser) entered into a sale and purchase agreement, pursuant to which Auspicious acquired 55 shares, 15 shares, 15 shares and 15 shares in Smart Best, being its entire issued share capital, from Bright Creator, Mr. Wong, Sun Foo Sing and Sky Gain respectively. In consideration of the above and at the direction of Bright Creator, Mr. Wong, Sun Foo Sing and Sky Gain, Zhen Tong allotted 1,655 shares to Zhao Tian. After the aforesaid acquisition, Smart Best became a wholly-owned subsidiary of Auspicious.

(vii) Acquisition of Great Virtue

On 21 September 2015, Richmax and Taste Creator (as vendors), Sincere (as nominee of Richmax), Zhao Tian (as nominee of Taste Creator), Zhen Tong (as purchaser) and Keen Nation (as nominee of the purchaser) entered into a sale and purchase agreement, pursuant to which Keen Nation acquired 3,000 shares and 7,000 shares in Great Virtue, being its entire issued share capital, from Richmax and Taste Creator respectively. In consideration of the above and (i) at the direction of Richmax, Zhen Tong allotted and issued 1,202 shares to Sincere; and (ii) at the direction of Taste Creator, Zhen Tong allotted and issued 1,655 shares to Zhao Tian. After the aforesaid acquisition, Great Virtue became a wholly-owned subsidiary of Keen Nation.

HISTORY, REORGANISATION AND DEVELOPMENT

The consideration of the above transfers was determined in accordance with the Shareholders' attributable interests in the Operating Companies calculated with reference to the net asset value of the Operating Companies as at 30 June 2015. After the aforesaid sale, transfer and allotment of shares, Zhen Tong was owned as to 82.77%, 12.02% and 5.21% by Zhao Tian, Sincere and Universal respectively.

(E) Transfer of Shares in Zhao Tian from Mr. Wong, Sun Foo Sing and Sky Gain to Hong Cui and Shares in Zhen Tong from Sincere and Universal to Zhao Tian

To recognise Mr. Chan's effort in establishing and developing the Group's business over the years:

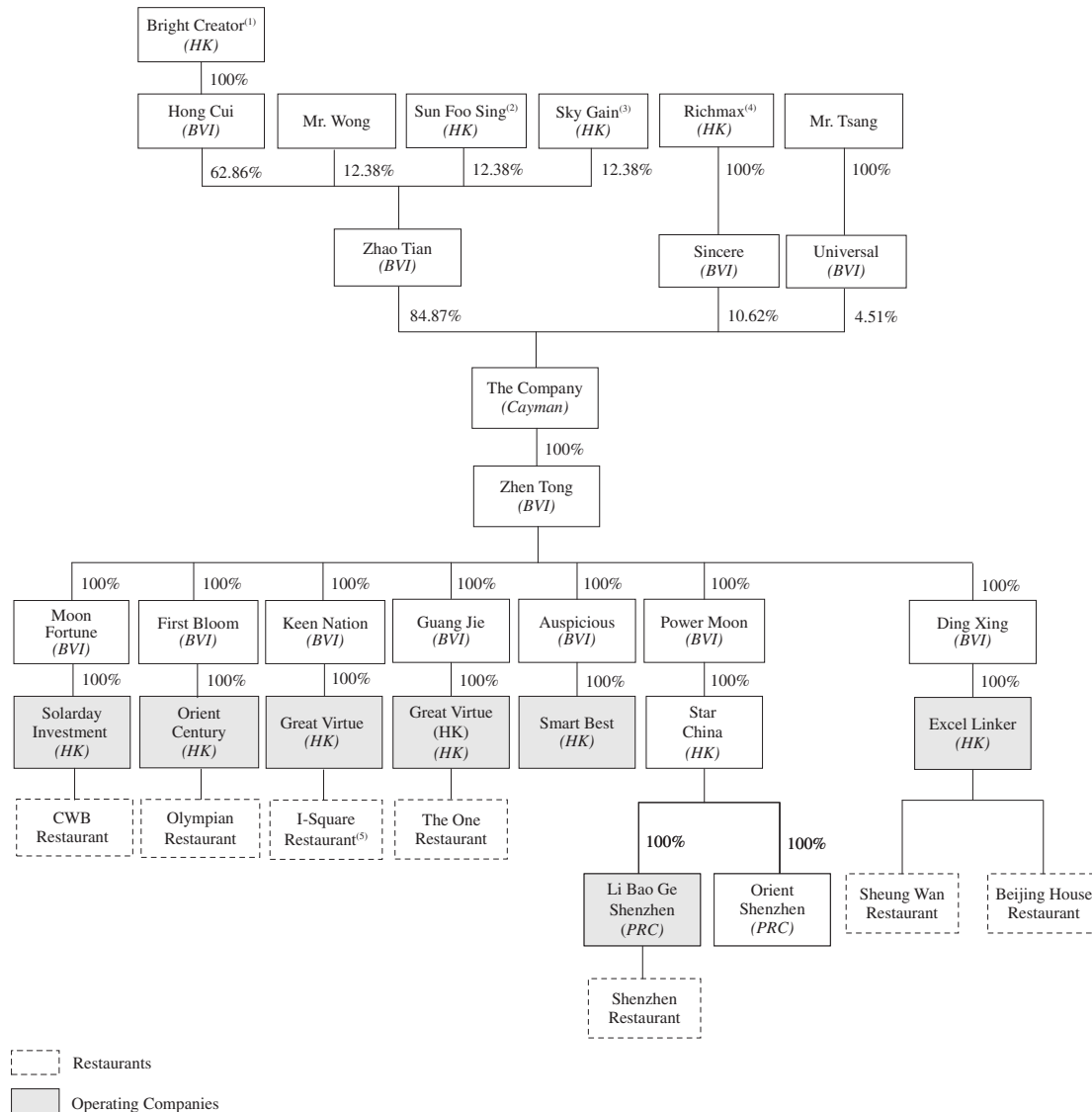
- (i) on 22 September 2015, Mr. Wong, Sun Foo Sing and Sky Gain (as transferors) and Hong Cui (as transferee) entered into a share transfer agreement, pursuant to which each of Mr. Wong, Sun Foo Sing and Sky Gain transferred 262 shares in Zhao Tian to Hong Cui at a nominal consideration of US\$262. After the aforesaid transfer, Zhao Tian is owned as to 62.86%, 12.38%, 12.38% and 12.38% by Hong Cui, Mr. Wong, Sun Foo Sing and Sky Gain; and
- (ii) on 22 September 2015, Sincere and Universal (as transferors) and Zhao Tian (as transferee) entered into a share transfer agreement, pursuant to which Sincere transferred 140 shares and Universal transferred 70 shares in Zhen Tong to Zhao Tian at a nominal consideration of US\$140 and US\$70 respectively. After the aforesaid transfer, Zhen Tong is owned as to 84.87%, 10.62% and 4.51% by Zhao Tian, Sincere and Universal respectively.

(F) Acquisition of Zhen Tong by the Company

On [●] 2016, Zhao Tian, Sincere and Universal (as vendors) and the Company (as purchaser) entered into a sale and purchase agreement pursuant to which the Company acquired 10,000 shares in Zhen Tong, representing its entire issued share capital and in consideration thereof, (i) one nil-paid Share held by Zhao Tian was credited as fully-paid; and (ii) 8,486 Shares, 1,062 Shares and 451 Shares were allotted to Zhao Tian, Sincere and Universal respectively.

HISTORY, REORGANISATION AND DEVELOPMENT

Following completion of the Reorganisation, the structure of the Group is as follows:



Notes:

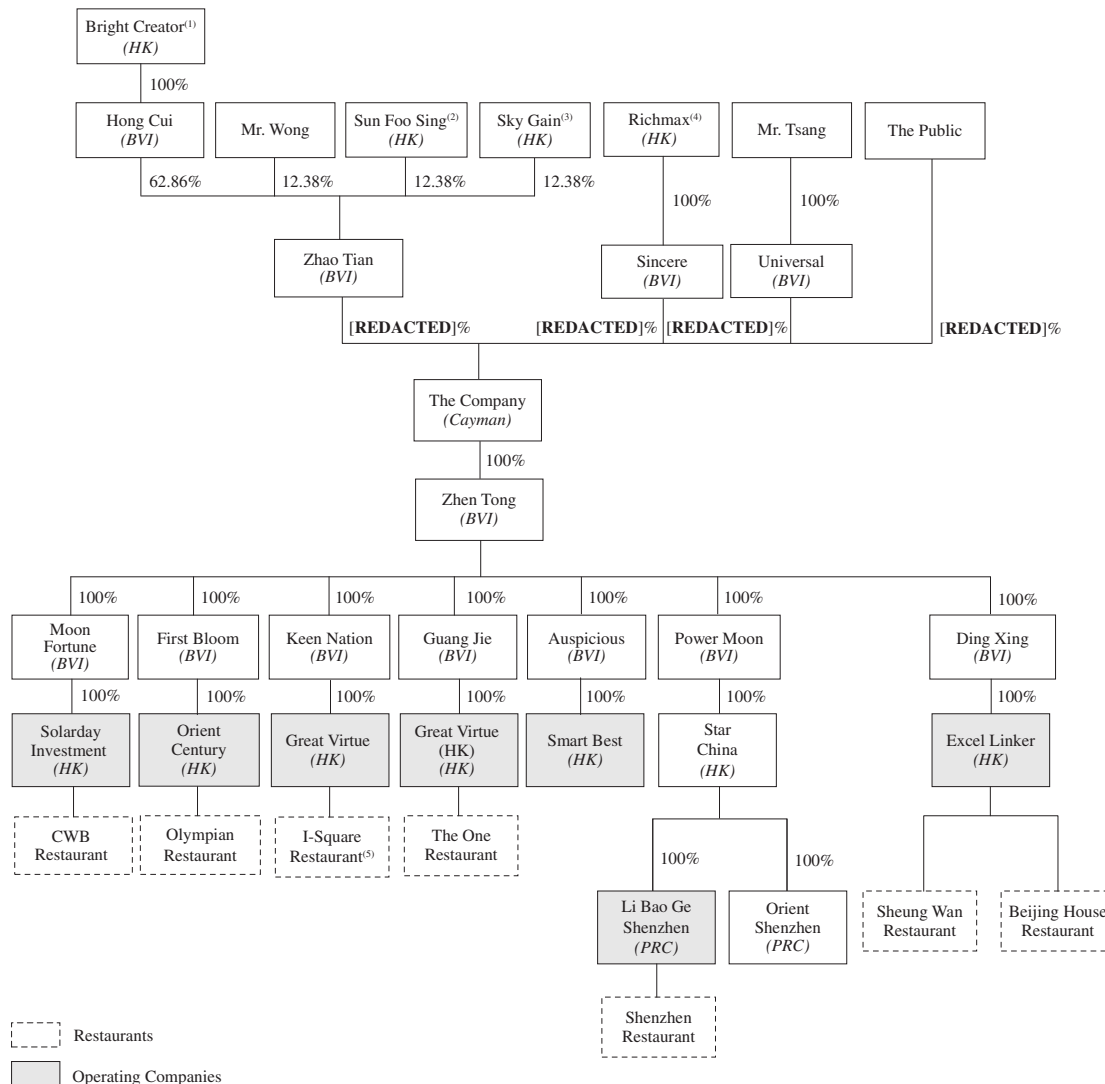
- Bright Creator is owned as to 50% and 50% by Mr. Chan and Mrs. Chan.
- Sun Foo Sing is owned as to 50%, 25%, 10%, 7.5% and 7.5% by Mr. Ho, Mr. Tsui, Mr. Lam Kwok Leung Peter, Mr. Tsui Chi Kit and Ms. Tsui Yuk Yi respectively.
- Sky Gain is owned as to 37.5%, 37.5% and 25% by Mr. David Chow, Mr. Anthony Chow and Mr. Tam Chie Sang respectively.
- Richmax is owned as to approximately 46.67%, 40%, 6.67% and 6.67% by Mr. David Chu, Mr. Cheung Yuen Chau, Ms. Tsang Siu Lan and Ms. Katherine M T Ip respectively.
- The I-Square Restaurant ceased operation in November 2015.

HISTORY, REORGANISATION AND DEVELOPMENT

CAPITALISATION ISSUE AND [REDACTED]

The Company will issue certain new Shares under the [REDACTED], and certain new Shares to the existing shareholders of the Company pursuant to the Capitalisation Issue, resulting in not less than 25% of the enlarged issued share capital of the Company being offered under the [REDACTED] and the remaining 75% held by Zhao Tian, Sincere and Universal.

The following chart sets out the shareholding and corporate structure of the Group upon completion of the [REDACTED] and the Capitalisation Issue (without taking into account any Shares which may be issued upon the exercise of options which may be granted under the Share Option Scheme and the [REDACTED]):



HISTORY, REORGANISATION AND DEVELOPMENT

Notes:

1. Bright Creator is owned as to 50% and 50% by Mr. Chan and Mrs. Chan, each of whom is one of the Controlling Shareholders.
2. Sun Foo Sing is owned as to 50%, 25%, 10%, 7.5% and 7.5% by Mr. Ho, Mr. Tsui, Mr. Lam Kwok Leung Peter, Mr. Tsui Chi Kit and Ms. Tsui Yuk Yi respectively. Each of Mr. Ho and Mr. Tsui is one of the Controlling Shareholders.
3. Sky Gain is owned as to 37.5%, 37.5% and 25% by Mr. David Chow, Mr. Anthony Chow and Mr. Tam Chie Sang respectively. Each of Mr. David Chow and Mr. Anthony Chow is one of the Controlling Shareholders.
4. Richmax is owned as to approximately 46.67%, 40%, 6.67% and 6.67% by Mr. David Chu, Mr. Cheung Yuen Chau, Ms. Tsang Siu Lan and Ms. Katherine M T Ip respectively.
5. The I-Square Restaurant ceased operation in November 2015.