Certain information and statistics in this section has been derived from a commissioned report by Frost & Sullivan, an Independent Third Party. We believe that this source is appropriate for such information and statistics and have taken reasonable care in extracting and reproducing such information and statistics. We have no reason to believe that such information or statistics is false or misleading or that any fact has been omitted that would render such information or statistics false or misleading. However, such information and statistics have not been independently verified by us, any of our Directors, the Sole Sponsor, the [REDACTED], the [REDACTED], the [REDACTED], any of their respective directors, advisers, officers, employees, agents, affiliates or representatives of any of them or any other person or parties involved in the [REDACTED]. No representation is given as to their correctness or accuracy. Such information may not be consistent with the information compiled by other sources. Accordingly, you should not place undue reliance on such information or statistics.

SOURCE OF INFORMATION

In connection with the [REDACTED], we have engaged Frost & Sullivan, an Independent Third Party, to conduct a study of the catering industry in Hong Kong and China. Frost & Sullivan is a global consulting company founded in 1961 in New York and has over 40 global offices with more than 2,000 industry consultants, market research analysts, technology analysts and economists. Frost & Sullivan's services include technology research, independent market research, economic research, corporate best practices advising, training, customer research, competitive intelligence and corporate strategy. Frost & Sullivan has been covering Hong Kong market and Chinese market since the 1990's. Frost & Sullivan has four offices in China and direct access to the most knowledgeable experts and market participants in the catering industry and its industry consultants have an average of more than five years of experience.

We have included certain information from the Frost & Sullivan Report in this document because we believe such information facilitates an understanding of Hong Kong's casual dining market and the PRC's casual dining market for prospective [REDACTED]. The methodology used by Frost & Sullivan in gathering the relevant market data in compiling the Frost & Sullivan Report included secondary research and primary interviews. Secondary research involves information integration of data and publication from publicly available resources, including official data and announcements from Hong Kong government departments and the PRC government agencies, and market research on industry and enterprise player information issued by our chief competitors. Primary interviews are conducted with relevant institutions to obtain objective and factual data and prospective predictions. Frost & Sullivan considers the source of information as reliable because (i) it is general market practice to adopt official data and announcements from various Hong Kong government departments and the PRC government agencies; and (ii) the information obtained from interviews is for reference only and the findings in the Frost & Sullivan Report are not based on the results of these interviews. Frost & Sullivan has proven track records in providing market research studies to government departments/ agencies and private clients in the regions where the Frost & Sullivan Report covers. In compiling and preparing the Frost & Sullivan Report, Frost & Sullivan has adopted the following assumptions: (i) the economies of Hong Kong and the PRC are assumed to maintain steady growth across the forecast period; (ii) the social, economic and political environments of Hong Kong and the PRC are likely to remain stable in the forecast period, which ensure the stable and healthy development of the casual dining market; and (iii) there is no war or large scale disaster during the forecast period.

We agreed to pay Frost & Sullivan a fee of RMB820,000 for the preparation of the Frost & Sullivan Report, of which RMB688,000 was paid as at the Latest Practicable Date. The balance of the fee is not contingent upon the completion of the [REDACTED].

ECONOMIC GROWTH IN HONG KONG AND THE PRC

Except the economic downturn resulting from the global financial crisis in 2009, Hong Kong's economy grew at a rate of 8.9% per annum in 2011. This was due to the rapid growth in many Asian economies and moderate recoveries in Europe and the United States that allowed Hong Kong's external trade to remain competitive. Growth was also supported by the expanding domestic market due to increasing intra-regional production activities and growing number of tourists from the PRC.

According to the Census and Statistics Department of Hong Kong, the nominal GDP in Hong Kong grew from approximately HK$1,776.3 billion in 2010 to approximately HK$2,402.5 billion in 2015.

According to the International Monetary Fund ("IMF"), the nominal GDP in Hong Kong is expected to reach HK$3,019.0 billion in 2020, representing a CAGR of 4.7% from 2015 to 2020.

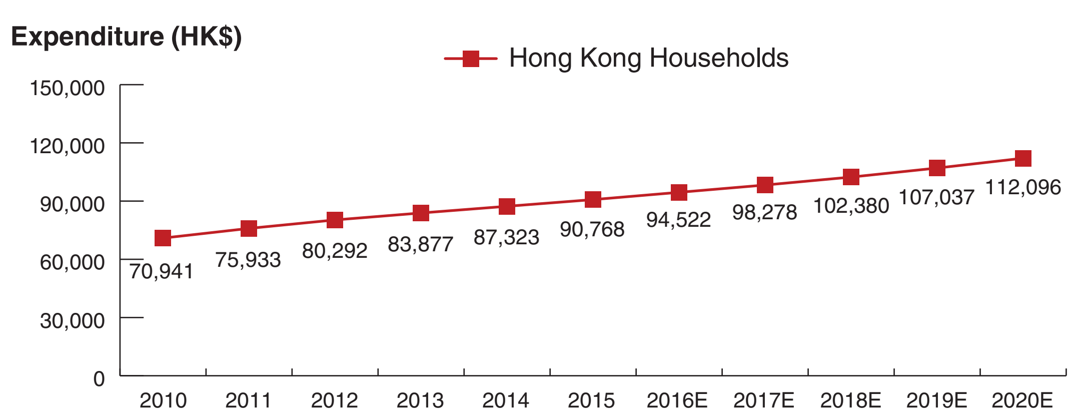
Over the past years, the PRC economy has maintained a solid growth pace even under the shock of the world financial crisis. During the time of global financial crisis, the PRC government has taken effective stimulant policies to prevent huge decline in the economy. Going forward, the PRC authorities are likely to maintain the consistency and stability of macroeconomic policies so as to maintain macroeconomic stability. The PRC economy is likely to pivot from an investment-driven model to a consumption-driven model with the final consumption in GDP picking up. According to IMF, the PRC economy is expected to keep growing at a CAGR of 7.7% from 2015 to 2020.

PER HOUSEHOLD EXPENDITURE ON FOOD IN HONG KONG

Along with the increase in income, Hong Kong household expenditure on food is growing accordingly. From 2010 to 2015, per household expenditure on food in Hong Kong reached a CAGR of 5.1%.

There are diversified food choices in Hong Kong, from western cuisine to local flavours. Besides, instead of preparing and having meals at home, people dine out more frequently in recent years. Such dining habit is likely to continue in the coming years and this leads to the growing expenditure on food. From 2015 to 2020, per household expenditure on food in Hong Kong is expected to reach HK$112,096 in 2020, with a CAGR of 4.3% during the period.

Per Household Expenditure on Food (Hong Kong), 2010–2020E



Source: Census and Statistics Department of Hong Kong; Frost & Sullivan Report

OVERVIEW OF THE HONG KONG AND THE PRC CATERING INDUSTRY

MARKET SEGMENTATION

According to Frost & Sullivan, the catering industry is commonly divided into the following four categories:

Full-service restaurants. Full-service restaurants refer to restaurants with full table service provided by waiters, where customers are served their meals at the table and typically pay at the end of the meal. The per capita consumption in a full-service restaurant is generally above HK$200. Some full-service restaurants charge about 10% to 20% service fees. Full-service restaurants are characterised by table service, higher food quality, generally more comfortable dining ambience and a wider range of cuisines compared to fast food restaurants, and they mainly serve business banquets, wedding banquets, group banquets and family dinners. Full-service restaurants generally offer food at set lunch and dinner times rather than all day. Their target customers are those with higher spending power, who prefer food and service with high quality in a comfortable dining ambience. The customers usually spend approximately two hours to dine at the full-service restaurants.

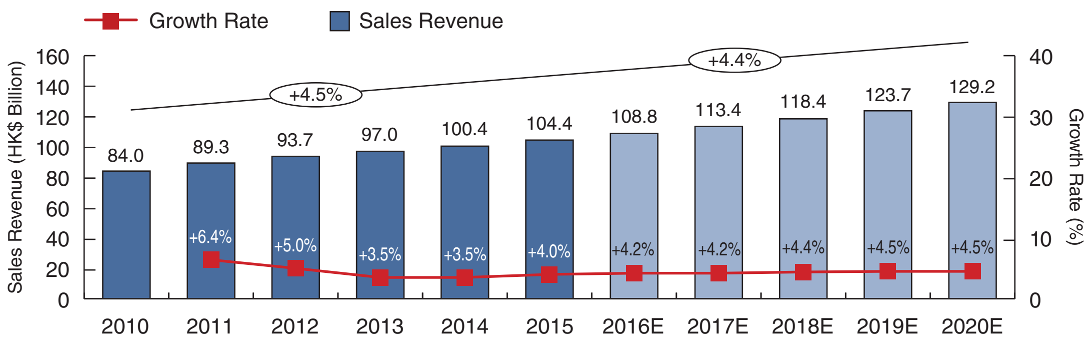
Fast food restaurants. Fast food restaurants refer to restaurants that provide fast and consistent food service, with no or little table service and simple dining ambience. Fast food restaurants typically have order taking and cooking platforms designed specifically for ordering, preparing and serving menu items with speed and efficiency. Customers usually order the food, settle the bills and take their meals at the service counter. In general, customers do not spend too much at fast food restaurants and the per capita consumption is approximately HK$50. The target customers include the young generation and the working class. Fast food restaurants usually open long hours. Some western fast food restaurants even open 24 hours. It usually takes customers around half an hour to finish a meal at the fast food restaurants.

Casual dining restaurants. Casual dining restaurants refer to catering establishments that serve moderately priced food in a casual dining ambience. Casual dining restaurants typically provide some table service and the opening hours are longer with more flexible meal times as compared with full-service restaurants. This segment comprises casual Chinese restaurants, casual western dining establishments, cafés, teahouses and bars serving drinks along with snacks. At the casual dining restaurants, the customers usually finish their meals in approximately one hour. The per capita consumption is generally around HK$100. Casual dining restaurants target the mass market customers including the white collars and tourists.

Others. Other catering establishments include takeaway shops, hawker stalls, roadside vendors and establishments not otherwise described in the organised segments above. This segment also includes event catering.

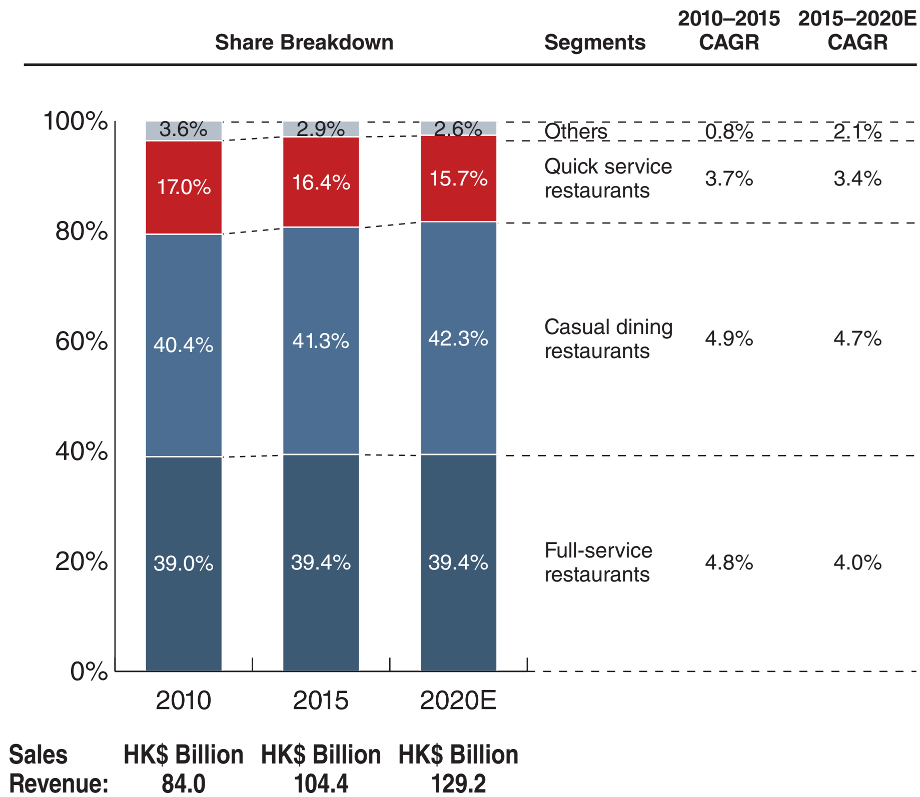
MARKET SIZE OF THE HONG KONG CATERING INDUSTRY

Sales Revenue of Catering Industry (Hong Kong), 2010–2020E



Source: Frost & Sullivan Report

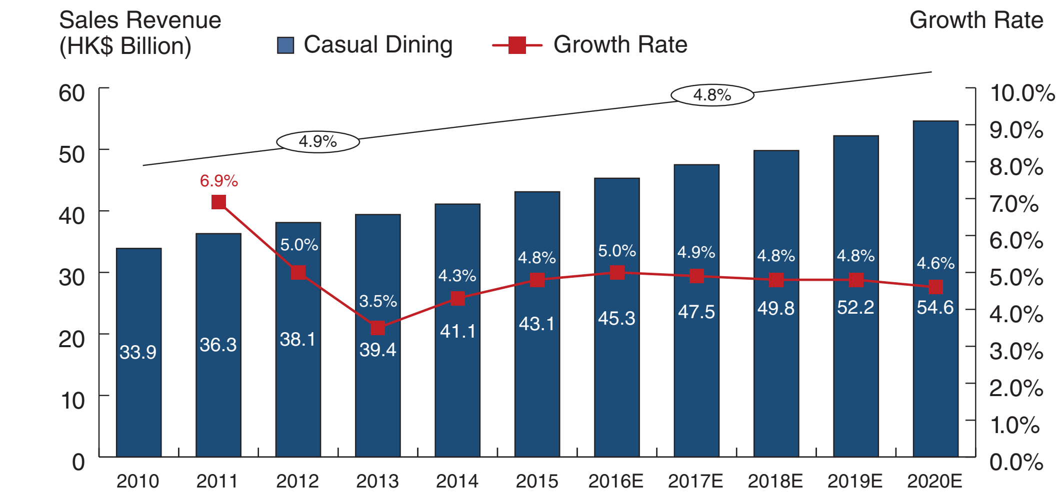
Sales Revenue Split and Growth (Hong Kong), 2010, 2015 & 2020E



Source: Frost & Sullivan Report

In Hong Kong, the casual dining restaurants segment is the predominant market segment in the catering industry, accounting for 41.3% of total sales revenue of Hong Kong catering industry in 2015, which constitutes the largest target customer base, considering the affordability and variety of cuisine offerings. Casual dining establishments generally have flexible and longer service hours and can serve a larger number of customers per establishment. This segment is estimated to grow further to account for 42.3% of total sales revenue of the Hong Kong catering industry in 2020.

Sales Revenue of Casual Dining Market (Hong Kong), 2010–2020E



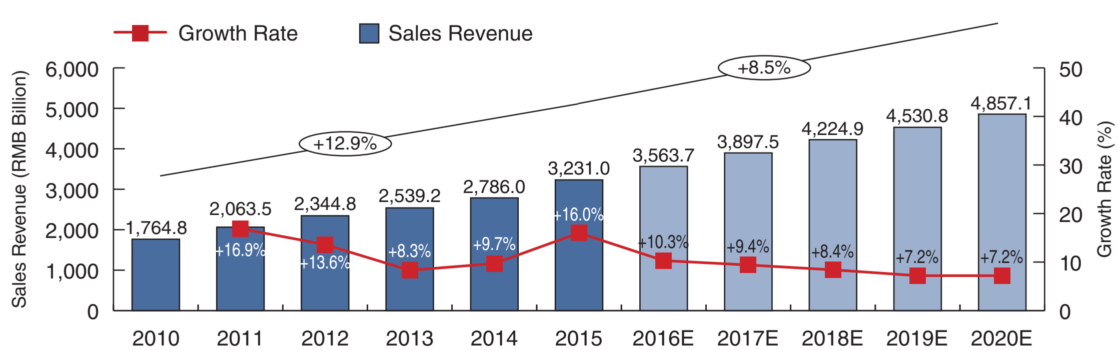
Source: Frost & Sullivan Report

Thanks to the government's encouragement on tourism industry, increased dine-out expenditure and a variety of innovative dishes in the market, the Hong Kong casual dining market grew at a CAGR of 4.9% in the period of 2010 to 2015, amounted to HK$43.1 billion in 2015 with the highest share among the four segments of the Hong Kong catering industry. Comparing with other segments of the Hong Kong catering industry, the casual dining market has been developing at the fastest rate.

In the following years, with the favourable government policy, further development in the catering industry and high level of standardisation, the Hong Kong casual dining market is expected to continue to maintain an upward trend. From 2015 to 2020, the sales revenue of the Hong Kong casual dining market is projected to grow at a CAGR of 4.8%, reaching HK$54.6 billion in 2020. The sales revenue of this segment is estimated to account for approximately 42.3% of the overall sales revenue of the Hong Kong catering industry.

MARKET SIZE OF THE PRC CATERING INDUSTRY

Sales Revenue of Catering Industry (China), 2010–2020E

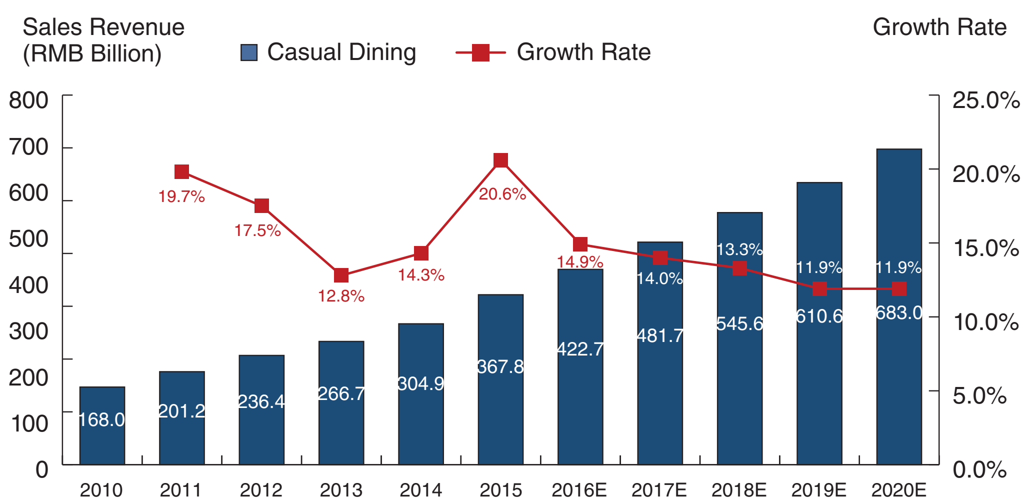


Source: Frost & Sullivan Report

Over the past few years, the PRC catering industry has kept a high growth rate at a CAGR of 12.9% from 2010 to 2015. Key factors that drive the development of the catering industry include the improvement of consumers' purchasing power, advancing urbanisation and growing preference to dine out.

In the following years, with the expansion of the middle-class population, continuing improvement of annual disposable income per capita and a growing preference to dine out, it is believed that the PRC catering industry is anticipated to maintain sustainable growth along with the steady economic growth in the PRC. Frost & Sullivan forecasts that the sales revenue of the PRC's catering industry is likely to reach RMB4,857.1 billion in 2020, growing at a CAGR of 8.5% from 2015 to 2020.

Sales Revenue of Casual Dining Market (China), 2010–2020E



Source: Frost & Sullivan Report

Thanks to the government's encouragement in policy on the catering industry for the mass market and the changing consumers' taste, the sales revenue of the PRC's casual dining market grew at a CAGR of 17.0% in the period of 2010 and 2015, increased from RMB168.0 billion in 2010 to RMB367.8 billion in 2015. Comparing with other segments of the PRC catering industry, the casual dining market experienced the strongest growth in the PRC.

Bolstered by the PRC government's measures including the *Outline for National Catering Industry Development Programs (2009–2013)* and the *Restrictions on Three Public Consumption* to encourage the development of the catering industry for the mass market, further development of the catering industry as a whole and the changing consumers' lifestyle, the PRC's casual dining market is likely to be on an upward trend. From 2015 to 2020, the sales revenue of the market is expected to obtain a CAGR of 13.2%, reaching RMB683.0 billion in 2020. The sales revenue of the PRC's casual dining market is estimated to account for approximately 14.1% of the overall PRC catering industry.

Coupled with the improvement of consumers' purchasing power, the expansion of the middle-class population and growing preference to dine out, the casual dining market in the first-tier cities (such as Shanghai, Beijing, Guangzhou and Shenzhen) developed rapidly, which reached RMB79.0 billion of sales revenue in 2015, with a CAGR of 17.5% from 2010 to 2015. The sales revenue of the PRC's casual dining market is expected to experience a CAGR of 14.3%, reaching RMB153.8 billion in 2020. The sales revenue of the casual dining market in the first-tier cities is estimated to account for approximately 22.5% of the overall casual dining market in the PRC.

LABOUR AND RENTAL COSTS IN HONG KONG AND THE PRC

The labour costs in Hong Kong and the PRC recorded a steady growth since 2010. According to the Labour Department of Hong Kong, the statutory minimum wage increased from HK$28.0 per hour in 2010 to HK$32.5 per hour in 2015, with a CAGR of 3.0% during the period. According to the Ministry of Human Resources and Social Security of the PRC, the monthly minimum wages in Shanghai, Beijing, Guangzhou and Shenzhen have increased to RMB18.0 per hour, RMB18.7 per hour, RMB18.3 per hour, RMB18.5 per hour, respectively, in 2015, realising CAGRs of 14.9%, 11.2%, 13.1% and 13.6%, respectively. The labour costs in Hong Kong and the first-tier cities of the PRC are likely to rise further in the forecast period.

According to the Rating and Valuation Department of Hong Kong, the average rents for private retail in Hong Kong recorded a CAGR of 5.6%, from HK$1,118 m^2 per month in 2010 to HK$1,467 m^2 per month in 2015. It is expected to record a further increase in the forecast period.

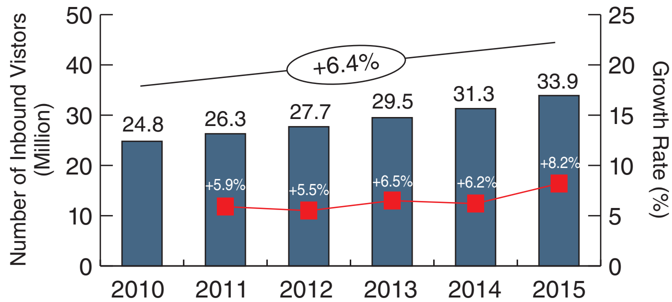
The average monthly rents of the shopping centres in the first-tier cities (such as Shanghai, Beijing, Guangzhou and Shenzhen) increased from RMB877 per m^2 in 2010 to RMB1,080 per m^2 in 2015, representing a CAGR of 4.2%. According to Frost & Sullivan, the average rents in the forecast years are likely to remain stable or show a slight increment.

OVERVIEW OF THE CHARACTERISTICS OF THE CATERING MARKET AT THE HONG KONG INTERNATIONAL AIRPORT

The total number of inbound visitors through the Hong Kong International Airport increased from 24.8 million in 2010 to 33.9 million in 2015, representing a CAGR of 6.4% during the period. The total number of outbound visitors increased from 25.0 million in 2010 to 34.2 million in 2015, with a CAGR of 6.5%. The Hong Kong International Airport has been approved to start planning the third runway to ease slot congestion. It is expected that both the numbers of inbound and outbound visitors through the Hong Kong International Airport are likely to increase steadily from 2015 to 2020.

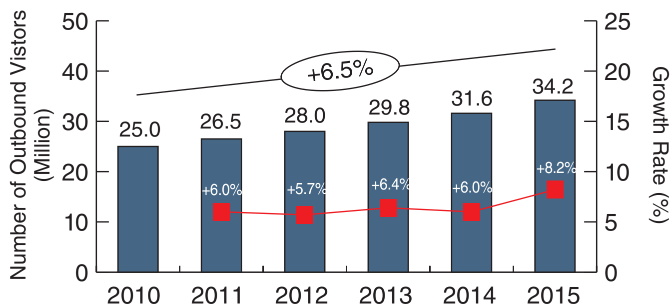
According to the Airport Authority, the number of the Airport Authority staff was approximately 1,400, and the total number of Airport Staff was approximately 73,000 in 2015. The Hong Kong catering industry has benefited from the Mainland China's visitors who accounted for over 75% of the total visitors in Hong Kong in 2015, which suggests that the visitors from the PRC made a significant contribution to the Hong Kong economy including the catering industry. In Hong Kong, there is a wide variety of cuisine choices. Due to similar dining habit, Cantonese food is the favourite cuisine among the visitors from the PRC. With the visa relaxation in the PRC and geographical proximity, the increase in visitors is likely to further stimulate the development of the Hong Kong catering industry.

Number of Inbound Visitors (Hong Kong International Airport), 2010–2015



Source: The Airport Authority

Number of Outbound Visitors (Hong Kong International Airport), 2010–2015



Source: The Airport Authority

Among all the restaurants and catering establishments at the Hong Kong International Airport, there are over half of dining choices with an average per capita dining consumption per meal of less than HK$100 per person.

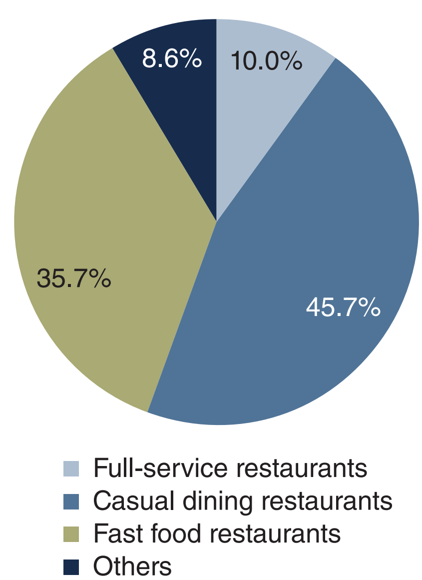
Travellers at the Hong Kong International Airport usually have limited transit time taking connecting flights and prefer spending time on shopping, therefore most of them prefer casual dining restaurants at the airport.

To cater to different requirements of the travellers at the Hong Kong International Airport, restaurants operating at the Hong Kong International Airport generally serve food in a quicker manner, stay open for longer service hours and offer well-selected menu.

Distribution of Per Capita Consumption (Hong Kong International Airport), 2015

Source: The Airport Authority; Frost & Sullivan Report

Food Choices (Hong Kong International Airport), 2015



Source: The Airport Authority; Frost & Sullivan Report

COMPETITIVE LANDSCAPE OF THE CASUAL DINING MARKET AT THE HONG KONG INTERNATIONAL AIRPORT

The Hong Kong International Airport is famous for its wide range of food and beverage choices in both Chinese, Asian and western style. The catering market of the Hong Kong International Airport is mainly dominated by local and international restaurant groups which offer casual dining, full-service dining and fast food to cater to the needs of travellers from different countries with diverse cultural backgrounds.

In recent years, casual dining restaurants have become more popular at the Hong Kong International Airport due to the diverse cuisines available, flexible meal time, efficient service and affordable price. In 2015, there were approximately 30 restaurant operators operating their catering business at the Hong Kong International Airport, 16 of them were casual dining restaurant operators.

The casual dining market at the Hong Kong International Airport is relatively concentrated, with the top five casual dining restaurant operators accounted for approximately 80.0% of the overall casual dining market share in 2015. Leading casual dining operators usually adopt a multiple-brand strategy or operate more than one restaurant to offer diverse cuisine types for both locals and tourists at the Hong Kong International Airport.

Our Directors and Frost & Sullivan consider that the competition between casual dining restaurants and full-service restaurants and fast food restaurants at the Hong Kong International Airport is limited due to the differences in cuisines types, meal times, time for bill settlement, customer services, price, target customers and ambience.

KEY SUCCESS FACTORS IN OPERATING CASUAL DINING RESTAURANTS AT THE HONG KONG INTERNATIONAL AIRPORT

Diversified choices

In general, customers expect food and service to be in good quality at reasonable prices. To cater to different dining cultures and preferences, restaurants operating at the Hong Kong International Airport have to develop new dishes and provide wider choices of food items for different travellers by regularly updating their respective menus to attract revisits.

Quality cuisines and efficient services at affordable price

Casual dining consumers are looking for quality food in a quick and convenient manner at an affordable price. It is in particular important to the travellers at the Hong Kong International Airport who may not have sufficient time for dining. Restaurants with standardised operation are able to offer food and service efficiently, which is very important to travellers especially those who are waiting for transit flights and usually do not have sufficient time to enjoy decent dining. Satisfying their basic needs like offering them a quick meal or refreshment would be critical. Clear and simple menus as well as good and efficient service could help attract this group of customers.

Food taste

Food taste is one of the key factors to success. Casual dining restaurant operators at the Hong Kong International Airport generally provide delicious food with high quality in order to maintain certain consumer base. Unique and tasty cuisines are expected to improve the popularity and attractiveness of casual dining restaurants operating at the Hong Kong International Airport.

Brand awareness

Brand names are highly related to food taste, service, environment as well as management. Strong brand awareness can be achieved by implementing successful marketing strategies. From the perspective of consumers, they are more willing to choose casual dining restaurants with good brand image.

FUTURE OPPORTUNITIES OF CASUAL DINING MARKET AT THE HONG KONG INTERNATIONAL AIRPORT

Expecting a new shopping mall in the airport area

The Hong Kong largest shopping centre is expected to be established in three years at the northern land near Terminal 2 of the Hong Kong International Airport. The estimated area for the location covers 14 hectares and the first of the four development phases covers five hectares, which is expected to complete in 2018. The scale of the new shopping mall is planned to exceed the existing largest mall in Hong Kong, the Harbour City. Therefore, the new mall is expected to attract a large number of customers and visitors in the future.

Rising numbers of inbound and outbound visitors

By 2025, the passenger volume of the Hong Kong International Airport is expected to reach approximately 80 million each year. Since the Hong Kong International Airport is playing an important role as the transportation hub for international flights, especially in the Asia Pacific regions, together with the future development plan of the Hong Kong International Airport, it is believed that the number of visitors, both inbound and outbound, will continue to rise steadily.

OVERVIEW OF THE CHARACTERISTICS OF THE CATERING MARKET IN THE URBAN AREA OF HONG KONG

Given the consumption demand of the general public and the wide variety of cuisine offerings, casual dining restaurants in the urban area of Hong Kong enjoy a large customer base. Furthermore, as the opening hours of casual dining restaurants are generally longer with more flexible meal times, they can usually serve more customers when compared with the full-service restaurants. Currently, there are over 2,000 casual dining restaurants in the urban area of Hong Kong.

COMPETITIVE LANDSCAPE OF THE CASUAL DINING MARKET IN THE URBAN AREA OF HONG KONG

The casual dining market in the urban area of Hong Kong is highly fragmented. The market has low entry barriers and requires relatively low level of investment capital and operational skill to establish a new business, which explains the reason why casual dining restaurants have traditionally been family owned and operated. Some of the chain casual dining restaurants have also expanded their business into the PRC. Majority of casual dining restaurants in the urban area of Hong Kong are non-chain ones.

KEY SUCCESS FACTORS IN OPERATING CASUAL DINING RESTAURANTS IN THE URBAN AREA OF HONG KONG

Food taste

Food taste is one of the key factors when people choose a casual dining restaurant. Given many casual dining restaurants serve similar food items, quality is therefore crucial. Unique and tasty cuisines are expected to improve the popularity and attractiveness of casual dining restaurants.

Selection of restaurant location

Good site location is important to newly opened casual dining restaurants. Locations with high pedestrian traffic generally bring higher revenue. However, such locations usually call for higher rent which has a direct impact on the profitability of a restaurant. Restaurant operators need to take a thorough consideration of all the key factors affecting the restaurant operation and financial performance before commencing business. Restaurant operators with previous experience in operating restaurants are expected to enjoy a higher successful rate of opening new restaurants.

Well-established supply chain

Casual dining restaurants provide wide range of menu items. An efficient and well-developed supply chain is crucial to secure stable and reliable supply of food ingredients. In addition, by having a well-established supply chain, restaurant operators are able to better control the quality and the total cost of the food ingredients.

FUTURE OPPORTUNITIES OF CASUAL DINING MARKET IN THE URBAN AREA OF HONG KONG

Increased standardisation

"Standardisation" plays an important role in the constantly changing and competitive casual dining market in Hong Kong. Establishment of central kitchens is gaining popularity among leading chain restaurants brands as it helps ensure consistency of the food quality. As a result, customers are able to enjoy consistent food taste and quality at different restaurants operated under the same brand. It is expected that there will be an increasing number of casual dining restaurants in Hong Kong adopting the centralised and standardised operating model.

Increased penetration by developing multiple brands

Casual dining restaurant operators in Hong Kong tend to develop multiple brands in order to expand their businesses and increase their market shares. Such multi-brand strategy takes place in several ways. Some operators run restaurants under various brands offering different types of cuisine. Some operators establish restaurant brands in the mass to mid-price market while they also target customers with higher spending power by developing premium restaurant brands.

Restaurant franchising

The Hong Kong casual dining market is constantly changing and competitive, however it still attracts a lot of new players every year given the market potential.

Newcomers who wish to achieve quick success in the catering industry may open new restaurants as franchisees under franchising arrangements with some existing and well-established restaurant operators. Under the franchising business model, franchisees are usually provided with assistance and advice in relation to the operation of the franchised restaurants, such as guidance on daily operation and preparation of menu items with standardised recipes. This explains why the franchising business model may attract operators which are new to the catering market. On the other hand, franchisors maintain relatively stable income by receiving franchisee fees on a regular basis. Such business model is common in the fast food restaurant market. In the upcoming years, it is expected that more casual dining restaurant operators will adopt the franchising business model in order to cater to the expansion in the catering market.

Provision of catering consultancy services

It is not uncommon that the restaurant operators in Hong Kong hire third party consultants to provide them with professional catering management and consultancy services with respect to restaurant operation. Not only those restaurant operators with less experience or new to the catering industry may require such kind of consultancy services, some leading restaurant groups also hire external consultants to provide advice to and manage the daily operation of their restaurants. Usually these consultants are also the market players which have accumulated experience through operations of their own restaurants, which now extend their line of business by providing catering management and consultancy service to third party restaurant operators.

OUR GROUP'S COMPETITIVE ADVANTAGE

Multi-brand development

Multi-brand development is a key business strategy of our Group. Our Group own four restaurant brands in the casual dining market at the Hong Kong International Airport, namely, "*Taiwan Beef Noodle (台灣牛肉麵)*", "*Nosh Café & Bar*", "*Chinese Kitchen (中國廚房)*" and "*Macao Harbour (阿瑪港澳門餐廳)*". Our Group also operates a takeaway kiosk under the brand "*Coffee Express*". Thanks to the multi-brand business strategy, our Group is able to serve a variety of Chinese and western cuisines to satisfy the needs of different customers from all over the world.

Stable customer base

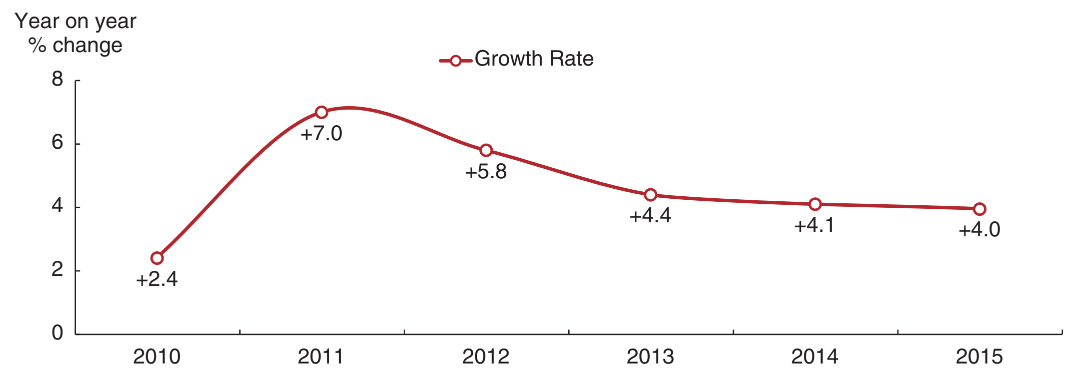
Our Group is committed to catering to the needs of the Airport Staff as well as the travellers who are looking for casual dining served in a quick and efficient manner. Our Group provides special staff price for the Airport Staff in order to earn customer loyalty.

Supply of safe raw materials

We have our own selected list of suppliers which enables us to provide safe and stable supply of food ingredients to all our restaurants operating at the Hong Kong International Airport. All food ingredients and other supplies for our restaurants at the Hong Kong International Airport are purchased through our centralised warehouse in Tsing Yi which enables costs and management efficiency. This is very important to ensure food safety and quality offered at our restaurants.

RAW MATERIAL ANALYSIS

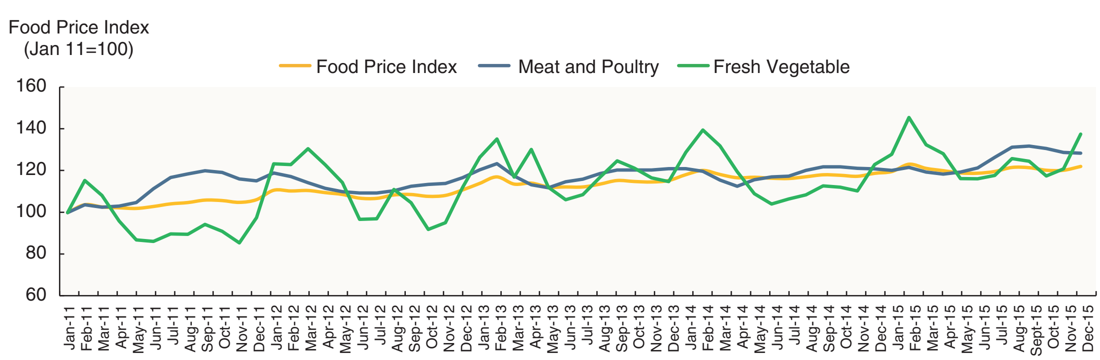
Food Price Index (Hong Kong), 2010–2015



Source: Census and Statistics Department of Hong Kong and Frost & Sullivan Report

Food prices vary based on overall demand and supply as well as other factors including environmental conditions such as climate and natural disasters. The Food Price Index ("FPI") in Hong Kong has been growing relatively steady from 2010 to 2015. It increased from 100.9 in 2010 to 129.1 in 2015, with a growth of 27.9%. With further economic development, increase in disposable income and inflation, the FPI in Hong Kong is likely to maintain a steady growth trend in the following years.

Food Price Index (China), January 2011–December 2015



Source: National Bureau of Statistics of China

The FPI has been growing relatively steady from 2011 to 2015. Taking January 2011 as the base month and assume it as 100, it increased from 100.0 in January 2011 to 121.8 in December 2015, with a growth of 21.8%. With further economic development, increase in disposable income and inflation, the FPI is likely to show a steady growth in the following years.

Similar with the FPI, meat and poultry price index has been witnessing an upward trend from 2011 to 2015. Looking forward, such price index is more likely to keep stable or rise because of the rising market demand, increase in net income, inflation and other factors.

The price index of fresh vegetables has been fluctuating a lot during the period from 2011 to 2015. Average food price index of fresh vegetable increased from 97.6 in the year end of 2011 to 137.1 in the year end of 2015, indicating that the fresh vegetable prices increased by 40.5% during this period. Virtually, the prices of fresh vegetables are easily impacted by a lot of factors such as seasonality, weather conditions, global trade, natural disasters, cost of fertilisers, domestic demand and supply and so on. Take seasonality as an example, due to shortage of supply, the prices of vegetables are normally higher in winter. Those who have ensured ample supply of vegetables in winter are likely to have price advantage. In the following five years, this price index is likely to show an upward trend.

Accordingly, in recent years, due to the soaring food price, most restaurants need to raise the selling price of dishes so as to offset their costs of raw materials.

CONSUMER SURVEY RESULTS

The consumer survey was conducted by Frost & Sullivan in August 2015 with 350 target casual dining consumers at the Hong Kong International Airport with the following survey results:

- Taiwan Beef Noodle (Airport) and Chinese Kitchen (Airport) ranked the fourth and the seventh, respectively, in terms of customers' willingness to visit these restaurants again.

- In terms of customer satisfaction, Taiwan Beef Noodle (Airport) ranked the third with 7.1% of the respondents considered it as the most satisfactory brand.

- Regarding the choices of casual dining restaurants at the Hong Kong International Airport, the top three decisive factors are (1) good price performance ratio, (2) delicious food and (3) good services.

- Among all the major factors, good price performance ratio is most important factor, chosen by 23.4% of the respondents.

- The frequency of casual dining at the Hong Kong International Airport is relatively high, with 25.4% of respondents consumed just once; 63.7% of the respondents consumed two to five times; and 10.9% of the respondents consumed more than five times during the last two years.

- Approximately half of the respondents spent HK$50 to HK$100 per capita each time they dined at the casual dining restaurants at the Hong Kong International Airport.