Our Group has entered into the following agreements, which will continue to be effective after the Shares are listed on the Stock Exchange and thus will constitute continuing connected transactions for the Company under the Listing Rules. The table below gives a summary of these continuing connected transactions of our Company after its Shares are listed on the Stock Exchange.

Summary of our Group's continuing connected transactions

	Transaction	Applicable Listing Rule	Exemption/ Waiver sought	Applicable caps (if applicable)		
				2006	2007	2008
				HK$	*HK$*	*HK$*
1.	Franchise Agreements	14A.35	Waiver from the announcement and independent shareholders' approval requirements	5,004,214	11,632,803	18,144,057
	(a) HK Franchise Agreement					
	(i) franchise fee			1,626,100	2,511,600	3,187,800
	(b) PRC Franchise Agreement					
	(i) franchise fee			2,618,039	8,282,524	13,661,404
	(ii) technical fee			760,075	838,679	1,294,853
2.	A supply agreement between Shigemitsu and our Group	14A.35	Waiver from the announcement and independent shareholders' approval requirements	30,652,178	55,058,158	81,714,557
3.	A sales agreement between our Group and Shigemitsu	14A.35	Waiver from the announcement and independent shareholders' approval requirements	266,090	912,535	912,535
4.	Framework Agreement	14A.35	Waiver from the announcement and independent shareholders' approval requirements	36,320,348	43,027,191	43,027,191
	(a) service fees under Management Agreement			29,111,577	34,907,190	34,907,190
	(b) licence fees under trademark licence agreement			(included in (a) above)	(included in (a) above)	(included in (a) above)
	(c) amounts of the goods supplied under sales agreement (Shenzhen)			6,228,876	7,140,107	7,140,107
	(d) rental under two tenancy agreements			979,894	979,894	979,894
5.	An agreement between our Group and Design Union Interior Contracting Limited	14A.35	Waiver from the announcement and independent shareholders' approval requirements	4,171,232	16,445,000	16,445,000

Shigemitsu Transactions

(1) The Franchise Agreements

Shigemitsu is a company incorporated in Japan and owned by the Shigemitsu family. Katsuaki Shigemitsu, a non-executive Director of our Company, personally owns approximately 43.6% interest in Shigemitsu, which is thus a Connected Person of our Company pursuant to the Listing Rules.

The Franchise Agreements were made on 19th February 2006 and superseded the previous franchise agreements made between the parties. On 16th September 2006 the Novation Agreement was made between Ajisen Ramen Group, Shigemitsu and Festive Profits in respect of the PRC Franchise Agreement. The PRC Franchise Agreement was originally entered into between Ajisen Ramen Group and Shigemitsu. Ajisen Ramen Group is the holding company of Shenzhen Weiqian. Since Shenzhen Weiqian and its holding company will not be included in the Group, it is considered more appropriate that the franchise rights should be transferred to a member of the Group, and thus the Novation Agreement is required. Please also refer to the paragraph headed "Competing Interests with Our Group" in the section headed "Relationship with Shareholders" of this prospectus for further information relating to the exclusion of Ajisen Ramen Group and Shenzhen Weiqian.

Pursuant to the Novation Agreement, all the benefits and obligations of Ajisen Ramen Group under the PRC Franchise Agreement have been transferred to and assumed by Festive Profits as if Festive Profits was a party to the PRC Franchise Agreement in lieu of Ajisen Ramen Group and Ajisen Ramen Group was discharged and released from further performance of the PRC Franchise Agreement.

Pursuant to the Franchise Agreements, Shigemitsu agrees to grant a sole, exclusive and perpetual franchise to our Group to operate the Franchise Businesses in the PRC, Hong Kong and Macao. The Franchise Agreements are perpetual unless terminated by an occurrence of any terminating event as set out in the Franchise Agreements.

The perpetual term of the Franchise Agreements reflects the reality that:

(i) there is not a uniform form of franchise arrangement and the terms of the franchise arrangements of different FCRs vary significantly from 3 years, 5 years, 20 years, and, for those with our Group, to a perpetual term and subject to further review of the terms and conditions every 38 years;

(ii) the nature of the business relationship between Shigemitsu and our Group is not that of a straight-forward franchisor and shop operator relationship. Instead both parties have partnered to co-venture the introduction overseas from Japan and building of the then new Ajisen Ramen brand name rather than those well-established international brand names, which has been a tremendous success. Both parties have expressed their treasure of the continuous successful working relationship in the Franchise Agreements. The perpetual term of the Franchise Agreements best serves the interests of the two parties;

(iii) our Group owns the production facilities to supply to its self-owned restaurant network, the sub-franchised restaurants and Independent Third Parties. The perpetual term of the Franchise Agreements assures the continuity of supply of Ajisen Ramen products to the market network in the PRC and Hong Kong;

(iv) the perpetual term of the Franchise Agreements enables our Group to carry on the sub-franchising business which our Group has been empowered to conduct in the Franchise Agreements. The terms of the sub-franchise arrangement could not be longer than the term of the head franchise. A perpetual head franchise arrangement gives our Group the flexibility to enter into sub-franchise arrangements which bring commercial practicability to both our Group and the sub-franchisees;

(v) pursuant to the PRC Franchise Agreement, our Group has been granted the first right to purchase Shigemitsu's business, trademarks, formulae for the soup condiments and soup base or any other "Ajisen" intellectual property rights on the same price and conditions made available to any third party by Shigemitsu in the event Shigemitsu decides to sell any of the above. The perpetual franchise arrangements make such right granted to our Group feasible; and

(vi) our Group and Shigemitsu have experiences in extending the terms of their franchise arrangements ever since their commencement of their partnering in franchise business to suit their business needs.

Given the commercial justification of the perpetual term of the Franchise Agreements and the history of business dealings between our Group and Shigemitsu, the Directors and the Sponsor believe that the perpetual term of the Franchise Agreements best serves the commercial interests of our Group and Shigemitsu in their ordinary course of business dealing and is therefore normal commercial practice, and, it is important and in the best interests of our Group and our shareholders to sign long-term franchise agreements with the Franchisor to secure the franchise rights and avoid any potential issues in re-negotiating the agreements in the years shortly after the Company's listing.

The conditions stipulated in the Franchise Agreements which may lead to the termination of the Franchise Agreements are as follows:

(a) in respect of the HK Franchise Agreement which covers Hong Kong and Macao:

  (i) the franchisee fails to pay the franchise fee, the technical fee and/or the cost of supplies, if payable, in accordance with the agreement;

  (ii) the franchisee fails to use the unique soup base and condiments designated by the Franchisor in the operation of the Franchise Businesses; or

  (iii) the franchisee is subject to any winding-up order of the court.

(b) in respect of the PRC Franchise Agreement which covers PRC:

(i) the franchisee fails to pay the trademark licence fee, the technical fee and/or the cost of supplies, if payable, in accordance with the agreement;

(ii) the franchisee fails to use the unique soup base and condiments designated by the Franchisor in the operation of the Franchise Businesses; or

(iii) the franchisee is subject to any winding-up order of the court.

The Franchise Agreements were entered into in the ordinary course of our Group's business and are on normal commercial terms which are fair and reasonable. The Directors have advised that the terms, including the amounts of the franchise fee and technical fee[1], were negotiated on an arm's length basis between the parties involved and the transactions contemplated thereby are in the interests of our Company and the shareholders taken as a whole.

For the three years ended 31st December 2005 and the nine months ended 30th September 2006, the amounts of franchise fees and technical fees paid to Shigemitsu by our Group are set out as follows:

	For the year ended 31st December 2003	For the year ended 31st December 2004	For the year ended 31st December 2005	For the nine months ended 30th September 2006
Hong Kong (franchise fees)	HK$890,400	HK$1,109,500	HK$1,389,500	HK$1,047,000
PRC				
Restaurant (franchise fees)	– [2]	RMB518,000	RMB1,137,500	RMB1,620,500
Factory (technical fees)	RMB197,817	RMB377,544	RMB585,286	RMB351,302

The increase in the franchise fees and technical fees during the Track Record Period was due to the increase in the number of restaurants established during the Track Record Period.

Notes:

(1) The technical fee is the annual payment made by the franchisee for the business of manufacturing and distributing noodles under the "Ajisen" trademark.

(2) The Group started its restaurant business in the PRC in late 2003. As a gesture of support to its development, Shigemitsu agreed to waive the franchise fee, and therefore no franchise fee was paid in 2003.

Based on the increase in the amounts of the fees for the three years ended 31st December 2005 and having taken into account the market conditions, and the expected growth of the number of chain restaurants in Hong Kong and the PRC, we anticipate that the annual caps for the aggregate franchise fees and technical fees payable under the Franchise Agreements for the three years ending 31st December 2008 would be no more than HK$5,004,214, HK$11,632,803 and HK$18,144,057 respectively.

The proposed caps are based on the number of restaurants that we anticipate to open in the next three years. In light of the favourable market conditions, we anticipate to have about 17, 26 and 33 restaurants by the end of 2006, 2007 and 2008 respectively in Hong Kong. At the same time, in order for us to increase our presence and gain a higher market share in the PRC market, we have decided to focus our business development in PRC with a plan to have about 103, 174 and 287 restaurants by the end of 2006, 2007 and 2008 respectively. The Directors believe that the franchise fees for the three years ending 31st December 2008 would be in line with the expected increase in the number of restaurants. The applicable percentage ratio(s) under the Listing Rules will, on an annual basis, be more than 25%. Accordingly, the connected transactions under the Franchise Agreements will be subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

(2) Supply agreement between Fortune Choice and Shigemitsu

Fortune Choice, an indirect wholly-owned Subsidiary of our Company, entered into a supply agreement with Shigemitsu on 23rd May 2006 for a term of three years (the "Supply Agreement"). Pursuant to the Supply Agreement, Shigemitsu agrees to supply materials and supplies which are required by our Group for the operation of the Franchise Businesses and which are manufactured or otherwise dealt in by Shigemitsu, including soup base, condiments and other goods.

The price of the goods supplied under the Supply Agreement will be determined with reference to the prevailing market prices and will be no less favourable than those offered by Shigemitsu to its other purchasers of the goods. On 16th September 2006, Fortune Choice and Shigemitsu entered into a supplemental supply agreement (the "Supplemental Supply Agreement"), which provides, among other things, that where the goods are manufactured or supplied by Shigemitsu from the PRC, Shigemitsu will duly and reasonably adjust the price of the goods in favour of Fortune Choice.

The Directors have advised that the terms of the Supply Agreement and the Supplemental Supply Agreement were negotiated on an arm's length basis between the parties involved and on normal commercial terms which are fair and reasonable and in the parties' ordinary course of business. The Directors also consider that the transactions contemplated thereby are in the interests of the Company and the shareholders taken as a whole.

For the three years ended 31st December 2005 and the nine months ended 30th September 2006, the amounts paid by our Group to Shigemitsu for the latter's supplies are set out as follows:

For the year ended 31st December 2003	For the year ended 31st December 2004	For the year ended 31st December 2005	For the nine months ended 30th September 2006
HK$14,821,049	HK$26,968,283	HK$23,428,551	HK$22,428,058

The increase in the amounts in respect of soup base, condiments, machinery and parts and other goods paid by our Group to Shigemitsu from 2003 to 2004 was primarily due to the growth of the Group's business which resulted in larger supplies required of the above goods. Also, the increase in the number of production lines of Shanghai Factory and Shenzhen Factory during 2004 required more machinery and equipment from Shigemitsu.

The decrease in the amounts in respect of soup base, machinery and parts and other goods paid by our Group to Shigemitsu from 2004 to 2005 was attributable to the partial self-sufficient supply of soup base by our Group's own factory produced in accordance with Shigemitsu's instructions and procedures and less machinery and equipment were purchased from Shigemitsu for production of ramen in 2005 because most of the ramen production machinery and equipment had been equipped or installed in 2004.

Based on the increase in the amounts paid to Shigemitsu for the three years ended 31st December 2005 and having taken into account of the market conditions and the expansion of our Group's business, we anticipate that the annual caps for our Group's total amount payable to Shigemitsu under the Supply Agreement (as supplemented by the Supplemental Supply Agreement) for the three years ending 31st December 2008 would be HK$30,652,178, HK$55,058,158 and HK$81,714,557 respectively.

Shigemitsu is to supply our Group with goods including soup base and condiments, and the consumption of these products are mainly determined by the sales of the noodles. As such, the proposed caps for the purchases from Shigemitsu could be made with reference to our Group's total restaurant turnover. The applicable percentage ratio(s) under the Listing Rules will, on an annual basis, be more than 25%. Accordingly, the connected transactions under the Supply Agreement (as supplemented by the Supplemental Supply Agreement) will be subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

(3) Sales Agreement between Fortune Choice and Shigemitsu

Fortune Choice entered into a sales agreement with Shigemitsu on 23rd May 2006 for a term of three years (the "Sales Agreement (Japan)"). Pursuant to the Sales Agreement (Japan), Fortune Choice agrees to sell and export various goods to Shigemitsu, including fried onion crispy packs, fried garlic crispy packs, Ajisen logo paper napkins, Ajisen logo aprons, Ajisen logo handbags and sundry items.

The price of the goods supplied under the Sales Agreement (Japan) will be determined with reference to the prevailing market prices and will be in line with those offered by Fortune Choice to its other purchasers.

The Directors have advised that the terms of the Sales Agreement (Japan) were negotiated on an arm's length basis between the parties involved and on normal commercial terms in the parties' ordinary course of business.

For the three years ended 31st December 2005 and the nine months ended 30th September 2006, the amounts paid by Shigemitsu to our Group for the latter's supplies are set out as follows:

For the year ended 31st December 2003	For the year ended 31st December 2004	For the year ended 31st December 2005	For the nine months ended 30th September 2006
HK$464,079	HK$661,257	HK$321,672	HK$161,014

The increase in the amounts from 2003 to 2004 was attributable to the supply of Ajisen-logo handbags to Shigemitsu at its request for promotion events in Japan.

The decrease in the amounts in respect of fried onion crispy and fried garlic crispy paid by Shigemitsu to our Group from 2004 to 2005 was due to the reduced orders from Shigemitsu in 2005. This was because Shigemitsu had obtained excessive stock in 2004, which was utilised during the early period of 2005.

Based on the amounts paid by Shigemitsu for the three years ended 31st December 2005 and having taken into account the market conditions and the potential growth of Shigemitsu's business, the Directors anticipate that the annual caps for Shigemitsu's total amount payable to our Group under the Sales Agreement (Japan) for the three years ending 31st December 2008 would be no more than HK$266,090, HK$912,535 and HK$912,535 respectively. The Franchise Agreements and the Supply Agreement are related and the Franchise Agreements, the Supply Agreement (as supplemented by the Supplemental Supply Agreement) and the Sales Agreement (Japan) are made by the Group with the same party. It is therefore likely that the transaction sums under these agreements would be aggregated by the Stock Exchange under Rule 14A.25 and Rule 14A.26 of the Listing Rules. The applicable percentage ratio(s) under the Listing Rules will, on an annual basis, be more than 25%. Accordingly, the connected transactions under the Franchise Agreements, the Supply Agreement (as supplemented by the Supplemental Supply Agreement) and the Sales Agreement (Japan) will be subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

Shenzhen Weiqian Transactions

Shenzhen Weiqian is a wholly foreign owned enterprise established in the PRC and wholly owned by Ajisen Ramen Group. Ajisen Ramen Group is wholly and beneficially owned by Poon Wai, an executive Director and Controlling Shareholder of the Company. Shenzhen Weiqian is thus a Connected Person of the Company pursuant to the Listing Rules.

Framework Agreement

The Framework Agreement has been entered into between our Group and Shenzhen Weiqian, which provides for the general terms as well as specific agreements to deal with the connected transactions between our Group and Shenzhen Weiqian. The Framework Agreement was signed between our Group and Shenzhen Weiqian on 8th March 2007. The Framework Agreement has been entered into as it serves to sum up all the transactions between our Group and Shenzhen Weiqian, which embodies the agreements described below. These agreements form the entire appendices to the Framework Agreement. The major rights and obligations of the parties to the Framework Agreement are set out in the said agreements appended to the Framework Agreement.

(a) Management Agreement

Pursuant to the Management Agreement, which was signed between Shenzhen Weiqian and Shanghai Lead Food, Shenzhen Weiqian entrusts its head office and Ajisen restaurants to Shanghai Lead Food for management for a period of 3 years commencing from 1st January 2006. Shanghai Lead Food provides various management services to Shenzhen Weiqian, including development of restaurant business, formulation of marketing strategy, purchases of materials and equipment and provision of staff training. Aside from our Group's management time and effort which mainly attribute to the performance of Shenzhen Weiqian's business, our Group also provides essentially all the supporting services and administrative tasks to Shenzhen Weiqian, including but not limited to, operational know-how, rights of brand use, promotion and other back-office support.

The service fee payable by Shenzhen Weiqian under the Management Agreement is equivalent to 22% (which includes the 2% trademark licence fee) of the total turnover of Shenzhen Weiqian, payable annually. We primarily base the management service fee payable by Shenzhen Weiqian on the associated costs, both direct and indirect, of deploying resources in relation to the above work for the development of Shenzhen Weiqian's business and ascertain that they are fair and reasonable and on normal commercial terms. The turnover-based service fee aligns the management incentives with the performance of Shenzhen Weiqian while ensuring that the fees received by our Group will sufficiently cover the management costs incurred by us even when Shenzhen Weiqian fails to generate profits. The 22% management fee charged by the Group is derived using the estimated management cost that the Group would need to incur for operating the entire Group, and applying the cost on a per square metre level, before multiplying it by the total floor area of all the Shenzhen Weiqian restaurants. Using the annualised historical figures, the per square metre management cost is approximately 18% of the per square metre revenue generated by the Shenzhen Weiqian operations, and by adding a 4% buffer zone to take into account of the incidental expenses and charges in the course of the management, it then adds up to 22%. This is the basis for the 22% management fee charged by our Group.

Pursuant to the Management Agreement, Shenzhen Weiqian is prohibited from opening or operating other Ajisen Ramen restaurants, other FCRs or other similar business in competition with Ajisen Ramen restaurants, save for the Ajisen Ramen restaurants that Shenzhen Weiqian has entrusted to our Group for the latter's management.

Under the Management Agreement, our Group has been granted an option to purchase Shenzhen Weiqian. Our Group will consider exercising its call option on Shenzhen Weiqian when it is satisfied that the internal control system of Shenzhen Weiqian has been improved to the same standard as our Group's. The Directors would convene meetings on a quarterly basis to consider whether to exercise the call option. Based on the current membership of the Board, Wong Hin Sun Eugene, Yin Yibing, Jen Shek Voon, Yan Yu and Lo Peter, being the dis-interested Directors in this matter, will determine the viability of exercising the call option by using our Group's own internal due diligence standards and procedures and, will engage external consultants to provide them with an independent review of Shenzhen Weiqian's internal control system. Poon Wai and any Director (who is a Connected Person of Poon Wai, such as Poon Ka Man, Jason, or interested in this matter, such as Katsuaki Shigemitsu), and the above-mentioned founding members of the Group would abstain from meeting or discussion in determining the internal due diligence standards and procedures of Shenzhen Weiqian and/or exercise of such call option, unless specifically invited by the dis-interested Directors. In the event that the call option is exercised, the Company will comply with any applicable and relevant provisions of the Listing Rules at the relevant time. Irrespective of whether such acquisition falls below the threshold of a major transaction under the Listing Rules, the Company has undertaken to comply with the rules of notification, publication and shareholders' approval requirements as if the acquisition were a major transaction. Announcements and shareholders' circular containing the accountants' report will be published and independent shareholders' meeting with the Controlling Shareholder and its Associates and other interested parties including the interested Directors and founding members of the Group mentioned in the above abstained from meeting and voting will be convened to approve such acquisition.

If our Group decides not to exercise the call option, Poon Wai undertakes to dispose of her entire interest in Shenzhen Weiqian to an Independent Third Party within six months after the end of March 2008 or to cease the operation of Shenzhen Weiqian. In such event, our Group will make an announcement of its decision not to exercise the call option and will state in the announcement Poon Wai's undertaking as aforesaid.

The Management Agreement was entered into in the ordinary course of our Group's business and is on normal commercial terms which are fair and reasonable. The Directors have advised that the terms of the Management Agreement, including the amount of the service fee, were negotiated on an arm's length basis between the parties involved and the transactions contemplated thereby are in the interests of our Group and the shareholders taken as a whole.

Assuming that the Management Agreement had been in place since 1st January 2003, the service fees payable by Shenzhen Weiqian to our Group would be:

	Total turnover *(approximate)*	**Service fee** *(approximate)*
For the year ended 31st December 2003	RMB1,001,110	RMB220,244
For the year ended 31st December 2004	RMB23,796,158	RMB5,235,155
For the year ended 31st December 2005	RMB59,547,195	RMB13,100,383
For the nine months ended 30th September 2006	RMB85,382,723	RMB18,784,199

(b) Trademark Licence Agreement

Pursuant to the trademark licence agreement, which was signed between Shenzhen Weiqian and Shanghai Lead Food, Shenzhen Weiqian has been granted a licence to use the Ajisen trademark in its Ajisen restaurant business for a period of 3 years commencing from 1st January 2006 (the "Trademark Licence Agreement"). The licence fee payable by Shenzhen Weiqian to our Group is equivalent to 2% of the total turnover of Shenzhen Weiqian, payable annually. This licence fee has already been included as part of the 22% management fee paid by Shenzhen Weiqian. Shenzhen Weiqian is prohibited from sub-licensing the Ajisen trademark or using the Ajisen trademark in sub-franchising without the consent of our Group.

The Trademark Licence Agreement was entered into in the ordinary course of our Group's business and is on normal commercial terms which are fair and reasonable. The Directors have advised that the terms of the Trademark Licence Agreement, including the amount of the licence fee, were negotiated on an arm's length basis between the parties involved and the transactions contemplated thereby are in the interests of our Group and the shareholders taken as a whole.

Assuming that the Trademark Licence Agreement had been in place since 1st January 2003, the licence fees payable would be:

	Total turnover *(approximate)*	**Licence fee** *(approximate)*
For the year ended 31st December 2003	RMB1,001,110	RMB20,022
For the year ended 31st December 2004	RMB23,796,158	RMB475,923
For the year ended 31st December 2005	RMB59,547,195	RMB1,190,944
For the nine months ended 30th September 2006	RMB85,382,723	RMB1,707,654

(c) Sales Agreement (Shenzhen)

Pursuant to the sales agreement signed between Shenzhen Factory and Shenzhen Weiqian (the "Sales Agreement (Shenzhen)"), Shenzhen Factory agrees to sell various goods, including noodles, condiments and ingredients to Shenzhen Weiqian for its Ajisen restaurant business for a term of 3 years commencing 1st January 2006.

The price of the goods supplied under the Sales Agreement (Shenzhen) will be determined with reference to the prevailing market prices and will be no more favourable than those offered by our Group to its other purchasers.

The Directors have advised that the terms of the Sales Agreement (Shenzhen) were negotiated on an arm's length basis between the parties involved and on normal commercial terms in the parties' ordinary course of business.

For the three years ended 31st December 2005 and the nine months ended 30th September 2006, the amounts of the goods supplied to Shenzhen Weiqian by our Group are set out as follows:

For the year ended 31st December 2003	For the year ended 31st December 2004	For the year ended 31st December 2005	For the nine months ended 30th September 2006
RMB351,850	RMB1,220,175	RMB2,524,303	RMB2,270,384

The increase in the amounts payable by Shenzhen Weiqian to our Group during the Track Record Period was primarily due to the expansion of restaurants business by Shenzhen Weiqian.

(d) Tenancy Agreements

Pursuant to the two separate tenancy agreements signed between Shenzhen Factory as landlord and Shenzhen Weiqian as tenant (the "Tenancy Agreements"), Shenzhen Factory leases to Shenzhen Weiqian the following premises for use as office and retail shop for a term of 3 years commencing from 1st January 2006:

Premises	Approximate gross floor areas *(sqm)*	Monthly rental *(RMB)*	Annual rental *(RMB)*
1. Units 903-908, Block A, Xi Nian Centre, South of Shen Nan Ave, West of Tai Ran Jiu Road, Shenzhen, Guangdong Province, The PRC.	433.27	39,000	468,000

Premises	Approximate gross floor areas (sqm)	Monthly rental (RMB)	Annual rental (RMB)
2. Unit 107, Jin Bao Garden, West of Chang Xing Road, Nan Shan District, Shenzhen, Guangdong Province, The PRC.	132.17	33,050	396,600

CB Richard Ellis Limited, an independent professional property valuer, has reviewed the Tenancy Agreements and confirmed that the terms of the Tenancy Agreements are normal commercial terms and that the rentals payable under the Tenancy Agreements correspond to the fair market rentals.

Since the Framework Agreement is made by our Group with the same party, the transaction sums under these agreements would be aggregated by the Stock Exchange under Rule 14A.25 and Rule 14A.26 of the Listing Rules.

Based on the figures as listed above and having taken into account of the market conditions and the potential growth of Shenzhen Weiqian, the Directors anticipate that the annual caps for Shenzhen Weiqian's total amount payable to our Group under the Framework Agreement (together with the Management Agreement, the Trademark Licence Agreement, the Sales Agreement (Shenzhen) and the Tenancy Agreements) for the three years ending 31st December 2008 would be no more than HK$36,320,348, HK$43,027,191 and HK$43,027,191 respectively. The applicable percentage ratio(s) under the Listing Rules will, on an annual basis, be more than 25%. Accordingly, the connected transactions under the Framework Agreement will be subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

Design Union Transactions

1. *Design, decoration and renovation services provided by Design Union Interior Contracting Limited ("Design Union")*

Design Union is jointly owned by Poon Ka Man, Jason and his wife. Poon Ka Man, Jason is the younger brother of Poon Wai. He is also an executive Director of the Company. Design Union is thus a Connected Person of the Company under the Listing Rules.

Design Union had during the three years ended 31st December 2005 provided design, decoration and renovation services to our Group, more specifically, to the restaurants operated by our Group in Hong Kong. Design Union's services will be required by our Group even after the Company has been listed on the Stock Exchange.

A framework agreement was entered into between Design Union and Fine Fit Profits on 8th March 2007 (the "Design Union Agreement"). Pursuant to the Design Union Agreement, Design Union agrees to provide services and materials for design, decoration and renovation for restaurants operated or to be operated by our Group in Hong Kong.

The term of the Design Union Agreement is for three years commencing from 8th March 2007.

The Directors have also advised that the terms and conditions under the Design Union Agreement were negotiated on an arm's length basis between the parties involved. They consider that the transactions contemplated therein are in the interests of our Group and the shareholders taken as a whole.

For the three years ended 31st December 2005 and the nine months ended 30th September 2006, the approximate amounts paid by our Group to Design Union for its services are set out as follows:

For the year ended 31st December 2003	For the year ended 31st December 2004	For the year ended 31st December 2005	For the nine months ended 30th September 2006
HK$3,286,999	HK$1,551,556	HK$1,453,437	HK$2,673,428

The decrease in the amount paid by our Group to Design Union for its services in 2004 as compared to 2003 was primarily due to the fewer number of restaurants opened in Hong Kong in 2004 as compared to 2003.

The Directors confirm that during the Track Record Period the contractual agreement between the Group and Design Union regarding the design, decoration and renovation services was on a case-by-case basis; there was no framework contract or continuing contract. The Directors also confirm that apart from Design Union, some other Independent Third Parties had been engaged to provide design, decoration and renovation services to our Group, and that the amounts so incurred were approximately HK$537,448, HK$531,271, HK$347,283 and HK$579,050 for each of the three financial years ended 31st December 2005 and the nine months ended 30th September 2006 respectively.

The Board, including the independent non-executive Directors, considers that all the previous transactions with Design Union were entered into in the normal and ordinary course of business of our Group and all these transactions were conducted on arm's length basis on normal commercial terms which were fair and reasonable.

Based on the total consideration payable by our Group for those services provided by Design Union for the three years ended 31st December 2005, and the expected expansion of the business of our Group in Hong Kong, we anticipate that the annual caps for the consideration payable to Design Union for each of the three financial years ending 31st December 2008 would be no more than HK$4,171,232, HK$16,445,000 and HK$16,445,000 respectively. The applicable percentage ratio(s) under the Listing Rules will, on an annual basis, be less than 25% but the annual amount will be more than HK$10,000,000. Accordingly, the connected transactions under the Design Union Agreement are subject to the reporting, announcement and independent shareholders' approval requirements of the Listing Rules.

Application for Waivers from the Stock Exchange

Following completion of the Global Offering, each of the Franchise Agreements, the Supply Agreement (as supplemented by the Supplemental Supply Agreement), the Sales Agreement (Japan), the Framework Agreement and the Design Union Agreement will constitute a continuing connected transaction subject to applicable reporting, announcement and independent shareholders' approval requirements.

Rule 14A.35(1) of the Listing Rules requires that the terms of an agreement governing continuing connected transactions of an issuer must not exceed three years except in special circumstances. The term of the Franchise Agreements will exceed three years following the Global Offering.

We are of the view that since our Group carries on the Franchise Businesses, it is beneficial to our Group to have a long term franchise arrangement with Shigemitsu so as to sustain our Group's business and development.

The Directors have advised that the terms of the Franchise Agreements, the Supply Agreement, the Sales Agreement (Japan), the Framework Agreement and the Design Union Agreement have been negotiated on an arm's length basis between the parties involved.

The Directors are of the opinion that the annual caps for the Franchise Agreements, the Supply Agreement (as supplemented by the Supplemental Supply Agreement), the Sales Agreement (Japan), the Framework Agreement and the Design Union Agreement are arrived at after due and careful consideration.

The Directors (including the independent non-executive Directors) and the Sponsor also confirm that the transactions pursuant to the Franchise Agreements, the Supply Agreement (as supplemented by the Supplemental Supply Agreement), the Sales Agreement (Japan), the Framework Agreement and the Design Union Agreement are on normal commercial terms, in the ordinary and usual course of business, fair and reasonable and in the interests of the Company and its shareholders as a whole and that the proposed annual caps are fair and reasonable.

Accordingly, pursuant to Rule 14A.42(3) of the Listing Rules, we have applied to the Stock Exchange for, and the Stock Exchange has granted to us, a waiver from strict compliance with the announcement and independent shareholders' approval requirements under Rule 14A.35 of the Listing Rules in respect of the Franchise Agreements, the Supply Agreement (as supplemented by the Supplemental Supply Agreement), the Sales Agreement (Japan) and the Framework Agreement and the Design Union Agreement. We confirm that we shall comply/continue to comply with the relevant provisions of Chapter 14A of the Listing Rules including the proposed annual caps and to comply with Rules 14A.35(1), 14A.35(2) and 14A.36 to 14A.40 of the Listing Rules in respect of the Franchise Agreements, the Supply Agreement (as supplemented by the Supplemental Supply Agreement), the Sales Agreement (Japan) and the Framework Agreement and the Design Union Agreement.

As Poon Wai, Poon Ka Man, Jason and Katsuaki Shigemitsu have interests in Shenzhen Weiqian, Design Union and Shigemitsu respectively, they will abstain from physically attending meetings on any such board resolution of the Company in relation to the continuing connected transactions.