You should carefully consider all of the information in this prospectus including the risks and uncertainties described below before making an investment in the Offer Shares. You should pay particular attention to the fact that the legal and regulatory environment in which our Group operates may differ in some respects from that which prevails in other countries. The business, financial condition or results of operations of our Group could be materially adversely affected by any of these risks and uncertainties. The trading price of the Shares could decline due to any of these risks and uncertainties, and you may lose all or part of your investment.

RISKS RELATING TO OUR BUSINESS

We experienced net current liabilities during the Track Record Period.

For the two years ended 31 May 2016 and the four months ended 30 September 2016, we had net current liabilities of approximately HK$8.4 million, HK$4.8 million and HK$6.0 million. For details, see "Financial Information — Net current liabilities". Our net current liabilities position exposes us to liquidity risk. Our future liquidity, the payment of trade and other payables and the repayment of our outstanding debts will primarily depend on our ability to generate adequate cash inflows from our operations and sufficient external financing. We cannot assure you that we will not have net current liabilities in the future. If we fail to secure adequate funds as working capital, our financial condition and results of operations will be adversely affected.

If our expansion plan proves to be unsuccessful, or if we fail to obtain sufficient funding for our expansion plans, our business and growth prospects may be adversely affected.

Our Directors believe that our future growth relies on our ability to open and operate new outlets in a profitable manner. We expect to open two sports-themed bars and five "Tiger" branded restaurants in Hong Kong. For details, see "Business — Business strategies". The food and beverage and entertainment industry in Hong Kong is highly competitive. Our ability to successfully open new outlets is subject to a number of risks and uncertainties, including identifying suitable locations and/or securing leases on reasonable terms, timely securing necessary governmental approvals and licences, ability to hire quality personnel, timely delivery in decoration and renovation works, securing sufficient customer demand, securing adequate suppliers and inventory that meet our quality standards on timely basis, reducing potential cannibalisation effects between the locations of our outlets and the general economic conditions. The costs incurred in opening of new outlets and the expansion plans may place substantial strain on our managerial, operational and financial resources. There is no assurance that our managerial, operational and financial resources will be adequate to support the relatively rapid pace of our expansion plans. We have limited experience and expertise in operating restaurant outlets and entertainment venues in multiple locations across the city concurrently. We have no experience in operating a bar. We may not be able to successfully manage all our outlets under our multi-branding strategy. As such, we cannot assure that we can always operate the expanded network on a profitable basis or that any new outlet will reach the planned operating levels. If any new outlet experiences prolonged delays in breaking even or achieving our desired level of profitability or operate at a loss, our operational and financial resources could be strained and our overall profitability could be affected. As at the Latest Practicable Date, one of our restaurants had not achieved the investment payback point. One of our restaurants was loss making during the Track Record Period. For details on the breakeven period and investment payback period of our outlets, see "Business — Our restaurants — General information and operating data" and "Business — Our clubs — General information and operating data".

For the three years ending 31 May 2017, 2018 and 2019, we expect we will require approximately HK$4.0 million, HK$22.2 million and HK$11.3 million for expand and diversify our outlet network and upgrade our club facilities for our expansion plan. Accordingly, in the event that our expansion plan proves to be unsuccessful, our overall cash flow position, as well as our profitability, will be materially and adversely affected. We may, however, require additional cash resources to finance our continued growth or other future developments, including any investments we may decide to pursue. The amount and timing of such additional financing needs will vary depending on the timing of our new outlet openings, our investments and the amount of cash flow from our operations. Our ability to obtain additional capital on acceptable terms is subject to a variety of uncertainties, some of which are beyond our control, including general economic and capital market conditions, credit availability from banks or other lenders, investors' confidence in us, the performance of the food and beverage and entertainment industry in general, and our operating and financial performance in particular. We cannot assure you that future financing will be available in amounts or on terms acceptable to us, if at all. The unavailability of financing on terms acceptable to us or at all may adversely affect our business, results of operations and growth prospects.

We have conducted a feasibility study to assess both the feasibility and the profitability of our expansion plan. However, actual results may differ significantly from those currently estimated by our feasibility studies. We cannot assure you that we will achieve our operation estimates. Our failure to achieve our operation estimates could have a material and adverse effect on our business, results of operations and financial position.

We derive a substantial portion of our revenue from Volar. Any significant operational or other difficulties in the business at or from Volar may reduce, disrupt or halt our operation and business at the premises.

For the two years ended 31 May 2016 and the four months ended 30 September 2016, revenue generated from Volar accounted for approximately 92.1%, 70.6% and 64.4% of our total revenue, respectively. Our success therefore depends significantly on our ability to attract beverage sales, entrance income and market our other offerings under our "Volar" brand, which in turn depends on, among other things, the market perception and acceptance of the brand. Negative publicity about our "Volar" brand, the premises on which Volar operates or its offerings, us or our management could materially and adversely affect public perception of this brand. Any significant operational or other difficulties in the business at or from Volar may reduce, disrupt or halt our operation and business at the premises, which would materially and adversely affect our business, prospects, reputation, financial condition and results of operation. Experiencing problems in operation which result in the need to close the club temporarily or permanently will materially and adversely affect our results of operations and financial condition.

Tiger Curry Jr., Tiger Curry & Cafe and Fly have a short operating history in our Group and our multi-brand strategy may not be successful.

Tiger Curry Jr. and Tiger Curry & Cafe commenced business in May 2015 and July 2015, respectively. We acquired Grand Diamond, the operating company of Fly, in November 2015. We are exposed to uncertainties in relation to their long-term performance. Any evaluation of their prospects and profitability are based on their relatively short operating history in our Group and therefore such prospects and profitability must be considered in light of the risks, uncertainties, expenses and difficulties encountered by any of our new outlets. If any or all of them fail to perform as expected, our total revenue could fall and we might have to rely on the business and performance of our other outlets. We have expanded and intend to continue to expand at a relatively rapid pace. However, we have limited experience and expertise in operating restaurant outlets and entertainment venues in multiple locations concurrently. We will need to continue to improve our operation and administration systems, strengthen our relationships with our suppliers, promote our new outlets and maintain the quality of our food and beverage products and services to accommodate our expanded operating network, which could strain our operational, financial and other resources.

Tiger Curry Jr. and Tiger Curry & Cafe are a result of our efforts in reaching out to shopping mall customers and an integral part of our multi-brand strategy. We have no prior experience in operating a restaurant in a food court or shopping mall. We have adjusted our pricing strategy and menu offerings for Tiger Curry Jr. and Tiger Curry & Cafe, taking into account that customers who dine in a shopping mall restaurant may have different preferences and spending patterns compared to customers of standalone restaurants on street level. However, we cannot assure that our strategies will be successful. If we have not correctly anticipated and identified such preferences and patterns, we will need to further adjust our strategies or further develop our menu offerings. We cannot assure that customers will become familiar with our two relatively new sub-brands, Tiger Curry Jr. and Tiger Curry & Cafe, or if these brands will successfully enhance our main "Tiger" brand as originally planned. For these brands, we will need to make additional investments to build brand awareness among our target customers. Similarly, acquiring the operating company of Fly and adding it to our portfolio is part of our multi-brand strategy. For this club, we need to identify and respond to competitive conditions, consumer preferences and spending patterns which may be different from those of Volar. Experiencing significant operational or other difficulties which result in the closing of any of our outlets could materially and adversely affect our results of operations and financial conditions.

We lease or license all the properties on which our outlets operate. Any failure to secure renewal of leases or licences on commercially acceptable terms or at all could adversely affect our growth prospects and business condition. We are also exposed to the commercial real estate rental market, including unpredictable and potentially high rental costs and competition for prime locations.

We cannot assure you that we will be able to renew our current leases or licence upon expiry or that the terms, including tenure and rental charges or licence fees, will remain at least the same as those of our current leases or licence upon renewal. We also cannot guarantee that our landlords or licensors will not terminate our current leases or licence prior to expiry.

As we lease or license all of the properties on which our outlets operate, we are exposed to the fluctuations in the commercial real estate market. Such leases and licence will expire between 30 April 2017 and 31 January 2020. For the two years ended 31 May 2016 and the four months ended 30 September 2016, our property rentals and related expenses were approximately HK$16.1 million, HK$20.9 million and HK$7.7 million, representing approximately 23.8%, 23.5% and 25.3% of our total revenue, respectively. There is no objective way for us to accurately predict the rental rates in the commercial real estate market in Hong Kong, and our substantial operating lease obligations expose us to potentially significant risks, including increasing our vulnerability to adverse economic conditions, limiting our ability to obtain additional financing and reducing our cash available for other purposes.

Any non-renewal (whether a result of the landlord's or licensor's or our decision) or termination of any of our leases or licence or substantial increased rentals or licence fees could cause us to close the relevant outlet or relocate to another site, depending on our business needs or performance from time to time. In such events, we could face a drop in sales, write off leasehold improvements, and could incur relocation costs for renovation, removal and resources allocation, which could in turn result in financial strain in our operations and diversion of management resources. Failing to secure a prompt relocation on commercially acceptable terms when we decide to relocate could adversely impact our business condition. In addition, we compete with other club and restaurant operators for prime locations. Volar has been operating in its current location in Lan Kwai Fong, one of the most established entertainment districts in Hong Kong, and for over 11 years. We believe our customers are highly familiar with Volar's current location and associate its location with our brand image. Our Directors consider suitable premises in such district for clubbing operations are scarce. If Volar is forced to relocate to a less established entertainment district, we could lose our customers to competitors and our brand, which could in turn harm our reputation. Any revenue and profit generated at the relocated outlet could be less than the revenue and profit of the closed outlet. Failure or prolonged delay in securing suitable or prime locations for our new outlets will affect our expansion plan and materially affect our business condition and results of operations.

Our current outlet locations may become unattractive, and attractive new locations may not be available for a commercially reasonable price, if at all.

We cannot assure that the current sites of our outlets would remain attractive or always commensurate with our site selection criteria as demographic patterns of the surrounding environment could decline or otherwise adversely change in the future. If there are adverse changes to the surroundings of the areas where our outlets are currently located, such as the closure of transportation system or the development of heavy construction works affecting pedestrian flow, sales from our outlets could drop significantly. According to the F&S Report, a club which was opened in 1982 in Lan Kwai Fong recently closed down. The closure of a long standing club in Lan Kwai Fong could adversely affect the image of the area. As at the Latest Practicable Date, two of our restaurants were located in major shopping malls in Hong Kong. We are thus subject to the development and management of such premises, which are outside our control. If these premises are required to close or temporarily suspend operations due to natural or other causes, such as weather, riots, natural disaster, fire or other technical and mechanical problems, or if the management company or office of these premises introduces operational policies unfavourable to tenants or licensees such as stringent requirements in refurbishment and restrictions in store front design, we could experience a drop in profitability of the relevant restaurants. We have no control over the mix and placement of tenants or licensees of the premises where our outlets are located. Any substantial increases in the number and proximity levels of competitors in these premises would intensify surrounding competition and could in turn affect our business performance. If we decide to relocate from a location that has become unattractive but fail to find an attractive location that is available on commercially acceptable terms, we could experience delay in implementation of our business strategies, which could adversely affect our business performance.

The availability and price fluctuations of beverage and food ingredients could adversely affect our margins, business and results of operations.

Our profitability depends significantly on our ability to anticipate and react to changes in purchase costs of beverage and food ingredients. Our costs of inventories sold accounted for approximately 19.7%, 20.4% and 19.3% of our total revenue for the two years ended 31 May 2016 and the four months ended 30 September 2016, respectively. Purchases of beverages accounted for approximately 86.9%, 77.9% and 74.8% of our total costs of inventories sold for the two years ended 31 May 2016 and the four months ended 30 September 2016, respectively. Food ingredients costs accounted for approximately 12.0%, 21.1% and 24.3% of our total costs of inventories sold for the two years ended 31 May 2016 and the four months ended 30 September 2016, respectively.

The availability, in terms of type, variety and quality, and prices of beverage and food supplies can fluctuate and be volatile and are subject to factors beyond our control, including seasonal fluctuations, climate conditions, natural disasters, general economic conditions, global demand, governmental regulations, exchange rates and availability, each of which may affect our beverage and food costs or cause a disruption in our supply. Our suppliers may also be affected by higher costs to produce the goods and services supplied to us, rising labour costs and other expenses that they pass through to their customers, which could result in higher costs for goods and services supplied to us. We source alcoholic beverages from the brands' designated distributors or agents. Increases in prices obtained by such distributors or agents from beverage brand owners for any reason could cause them to pass on the additional costs to us. We purchase beverage and food ingredients from our suppliers in Hong Kong who, we believe, in turn source the raw material and food ingredients from various overseas countries. According to the F&S Report, alcoholic beverage prices worldwide had been generally increasing slowly in recent years. In addition, any appreciation of foreign currencies in these countries against the Hong Kong dollar will increase the price of our beverage and food ingredients in Hong Kong dollars. We do not enter into any long-term contract with our beverage and food ingredient suppliers. We and our suppliers typically set the purchase prices for our beverages and food ingredients at a fixed price by way of purchase orders. We do not enter into futures contracts or engage in other financial risk management strategies against potential price fluctuations in beverage and food costs. We may not be able to anticipate and react to changes in beverage and food costs through our purchasing practices or by changing menu offerings and menu price adjustments in the future, or we may be unwilling or unable to pass these cost increases onto our customers, the failure of any of which could cause our operating margins to fall and materially and adversely affect our business and results of operations.

Our purchases from our largest supplier accounted for a majority of our total purchases throughout the Track Record Period. If our arrangements with our largest supplier is terminated, interrupted, or adversely modified, our business, financial condition and results of operations could be adversely affected.

For the two years ended 31 May 2016 and the four months ended 30 September 2016, purchases from our largest supplier, Moët Hennessy Diageo Hong Kong Limited ("**MHD**"), amounted to approximately HK$8.4 million, HK$9.4 million and HK$3.3 million, respectively, representing approximately 65.0%, 53.4% and 51.5% of our total purchases, respectively. As at the Latest Practicable Date, we entered into a purchasing and sponsorship agreement with MHD which stipulates, among others, the selling prices of beverages during the contract period and sponsorship arrangements. Such agreement will expire on 31 March 2017. As at the Latest

Practicable Date, as confirmed by MHD in writing, MHD will sign a new agreement with us on substantially the same terms as the current agreement on or before 31 March 2017. For details of our relationship with MHD, see "Business — Suppliers — Relationship with MHD". MHD mainly supplied alcoholic beverages for use in our clubs during the Track Record Period. We cannot assure you that we will able to renew our contract with MHD. If MHD for any reason reduces the volume supplied to us or cease to supply to us, we will need to find alternative suppliers on similar sale terms and conditions acceptable to us. If we fail to do so in a timely manner, the operations of our clubs will be interrupted, our costs may increase and our business, financial condition, results of operations and growth prospects may therefore be materially and adversely affected. Moreover, we generate sponsorship income (in the form of sponsorship fees and beverage products equivalent to a certain value) from MHD. In the event of termination of our business relationship with MHD, we may not be able to locate another supplier which would provide such level of income, or if all, to us.

The stability of operations and business strategy of MHD, which is beyond our control, will also affect us. Any material disruption to its operations due to natural or other causes, such as bad weather, riots, natural disaster, fire or other technical and mechanical problems could adversely affect our procurement process and, in turn, could adversely affect our business and results of operations. If MHD changes its business strategy substantially, it could reduce its volume of supply to or cease business relationship with us, which could in turn materially affect our volume of business and performance. If any distribution arrangement relating to the beverage brands we source from MHD between MHD and the beverage brand owners cease or if MHD is no longer entitled to distribute any beverage brand which is popular among our customers, we may need to incur investment costs to locate another supplier or beverage brand and to build brand awareness.

We may have to suspend or cease the sale of liquor in our clubs and restaurants if the relevant employee who holds the relevant liquor licence fails to transfer the licence in a timely manner.

As at the Latest Practicable Date, all holders of our liquor licences were our full-time employees. Details of our liquor licences are set out in "Business — Licences and permits". Under regulation 15 of the DCR, any transfer of a liquor licence must be made on the form as determined by the LLB which, as at the Latest Practicable Date, required the holder of the licence to give consent to the transfer. If the relevant employee refuses to give such consent when we require a transfer due to the resignation of the relevant employee or other reasons, fails to make an application in respect of illness or temporary absence, or makes a cancellation application without our consent, or if an application for new issue of a liquor licence is required to be made to the LLB in case of death or insolvency of the relevant employee, it may cause the relevant club or restaurant to suspend or cease the sale of liquor for a certain period, which may adversely affect our business and profitability.

Our financial results for the year ending 31 May 2017 are expected to be adversely affected by the non-recurring Listing expenses.

Our financial results may be materially and adversely affected by the non-recurring Listing expenses. The total Listing fee in relation to the Share Offer, primarily consisting of fees paid or payable to professional parties and underwriting fees and commission, are estimated to be approximately HK$21.2 million (based on the mid-point of the indicative Offer Price range of HK$0.30 per Offer Share). Among the estimated total Listing fees, (i) approximately HK$7.9 million is expected to be accounted for as a deduction from equity upon Listing; and (ii) approximately HK$13.3 million is expected to be recognised as expenses in our consolidated statements of comprehensive income, for the year ending 31 May 2017. The amount of the Listing expense is a current estimate for reference only and the final amount to be recognised in our consolidated financial statements for the year ending 31 May 2017 is subject to adjustment based on audit and the then changes in variables and assumptions. Prospective investors should note that we expect the estimated non-recurring Listing expenses mentioned above to adversely affect our financial performance for the year ending 31 May 2017, and may or may not be comparable to our financial performance in the past.

We have no long-term contract with our existing suppliers for the constant supply of beverage and food ingredients.

We have no long-term contract with our existing beverage and food ingredients suppliers. For the two years ended 31 May 2016 and the four months ended 30 September 2016, purchases from our five largest suppliers accounted for approximately 82.7%, 70.2% and 67.7% of our total purchases, respectively. Our suppliers may reduce their volume of supplies to us or cease supplies to us for a variety of reasons, many of which are beyond our control, including unanticipated demand, adverse weather conditions, natural disasters, diseases, changes in the operations or business strategies of suppliers or unexpected production shortages. There is no assurance that our current suppliers will always be able to meet our stringent selection criteria and quality control requirements. If we fail to maintain business relationships with our key suppliers, or if any of our key suppliers do not perform adequately or otherwise fail to make supplies to us in a timely manner, and if we fail to locate replacement suppliers on comparable terms in a timely manner or at all, we could face shortage in supply or increases in costs of purchases, which could cause us to remove items from our menus or adjust our recipes or cooking methods. If popular items are removed from our menus or any food items prepared with adjusted recipes or cooking methods are not acceptable to our target customers, we could lose our customers to competitors and our brand and reputation could be harmed. If we are no longer able to source the curry sauce we currently use which is popular among our customers from our supplier for any reason, we may need to divert extra costs and time to design a replacement sauce recipe or menu items.

Any incidents of food poisoning and related liability claims, regulatory investigations, customer complaints and adverse publicity resulting therefrom could adversely affect our reputation and our business.

Our business is susceptible to the inherent risk of food contamination or poisoning and related liability claims. While we have taken measures to mitigate such risk, we cannot guarantee that it can be completely eliminated. Incidents of food contamination caused by our suppliers or reasons beyond our control could affect a number of our restaurants. Our employees may fail to adhere to our food and beverage handling, hygiene and other quality control procedures. Any outbreak of allegations against us relating to food contamination or poisoning or poor standards of hygiene (whether with merit or not), or any investigation on our food quality or club or restaurant premises covered by press, could significantly harm our reputation and result in significant reduction in customer traffic at our outlets. For any related liability claims, regulatory investigations and customer complaints, we will also need to incur extra time, costs and resources to handle. Successful claims against us may result in imposition of penalties or severe liabilities or suspension of our relevant operating licences or even closure of our outlets, which would adversely affect our financial position and results of operations. In the event that our insurance coverage is inadequate, we may have to pay out of our own resources to cover our liabilities or compensate our customers for any illness or injuries.

Certain kinds of food including eggs, sauces, vegetables and various kinds of seafood have been found to contain hazardous substances to human's health. Any negative publicity on or any significant food recall involving a food ingredient or a beverage product we use could affect public confidence in our food and beverage products and may lead to a loss in consumer confidence and reduction in consumption of the food and beverage item concerned. We may have to look for alternative sources of beverage or food ingredient, which may be more costly. We cannot assure that the quality of any existing or future beverage and food ingredients used by us will not decline due to factors beyond our control, such as change in weather conditions, decline of quality of animal feed and change of feeding conditions and methods, which may adversely affect the quality of the beverage and food ingredients and in turn have an adverse effect on our business and financial results.

Any failure or perceived failure to deal with customer complaints or adverse publicity involving our products or services could materially and adversely impact our business and results of operations.

We operate a business with multiple locations and substantially all our customers are retail customers from the general public. Any negative publicity or news reports, whether with merit or not, regarding food and service quality issues, public health concerns, illness, safety, injury, loss of property, or government or industry findings concerning our clubs and restaurants or other clubs and restaurants in Hong Kong could materially harm our business and results of operations and result in damage to our brands.

We cannot assure you that we can successfully prevent all customer complaints in the future. Significant numbers of complaints or claims against us, even if meritless or unsuccessful, could force us to divert management and other resources from other business concerns, which may adversely affect our business and operations. Adverse publicity resulting from such allegations, even if meritless or unsuccessful, could cause customers to lose confidence in us and our brands, which may not only adversely affect the business of the relevant club or restaurant being the subject of such complaints, but also our other clubs and restaurants under the same or related brand. As a result, we may experience significant declines in our revenues and customer traffic from which we may not be able to recover.

Any failure to maintain an effective quality control system could have a material adverse effect on our reputation, operations and financial condition.

We rely on our internal quality control system to ensure the levels of quality of our products and services. We cannot assure that we would be able to discover all defects in our procurement process and food handling procedures. Our current quality control measures may fail to ensure a high quality of our food and beverage products, our service and our operating premises. Any significant failure or deterioration of our Group's quality control systems could have a material adverse effect on our reputation, results of operations and financial condition.

Our business depends significantly on the market recognition of our brands, and any damage to our brands could materially and adversely impact our business and results of operations.

We believe our success depends substantially on the popularity of our brands and our reputation. As at the Latest Practicable Date, we operated our clubs under our "Volar" and "Fly" brands and our restaurant operations under our "Tiger" brand. We have invested significant effort and financial resources to establish brand recognition. Any incident that erodes consumer trust in or affinity for our brands could significantly reduce their value. As we continue to grow in size, expand our food and beverage and entertainment offerings and services and extend our geographic reach, maintaining quality and consistency may become more difficult and we cannot assure you that customer confidence in our brands will not diminish. If consumers perceive or experience a reduction in food and beverage quality, service, ambiance or believe in any way that we are failing to deliver a consistently positive experience, our brand value could suffer, which could have a material adverse effect on our business.

It is common in the industry we operate in that random food and beverage critics analyse food, beverage and services of clubs and restaurants and publish their recommendations, experience and other comments. We may not be informed of such critics' visits to our clubs and restaurants and we have no control on what could be written about us. Negative comments or reviews published by such critics, regardless of their validity, may result in negative publicity which could adversely affect our brands and reputation.

Our future success depends on our ability to meet customer expectations and anticipate and respond to changing customer preferences.

Our future success depends to a large extent on our ability to increase customer traffic and average spending. We aim to achieve that by offering new menu items, creatively designed clubbing and restaurant venues and featured events based on changing market trends and changing tastes, dietary habits, expectations and other preferences of our target customers. The food and beverage and entertainment industry is characterised by the continuous introduction of new concepts and is subject to rapidly changing customer preferences. If we are unable to identify new customer trends or preferences and offer new products and services accordingly, or if we lag behind our competitors in introducing new or popular products or services that appeal to our customers, our business and results of operations may be adversely affected. Changing customer preferences may require us to incur significant costs to survey and research customer trends and preferences as well as develop and market new menu items, clubbing and restaurant venues and featured events, which may place substantial strain on our managerial and financial resources.

Our sales and profit may be adversely affected from temporary closure of our operations for club and restaurant renovations to accommodate the changes in customer tastes and preferences.

To counteract any changes in customer preference, we may re-design our menus to suit a new concept and upgrade or renovate our clubs and restaurants which may cause us to temporarily suspend operations for renovation. We plan to upgrade our club facilities, including renovating Fly in or around the second quarter of 2017 and Volar in or around the first quarter of 2018 and we may suspend the operations of the relevant club or part of it depending on the extent of renovation required. During the period of temporary closure, we will not be able to record any revenue while incurring additional capital expenditures relating to renovation. We may record a decline in the operating margin or net profit margin due to such temporary closure.

We experienced net operating cash outflow for the four months ended 30 September 2016.

We recorded net cash outflows in operating activities of approximately HK$7.6 million for the four months ended 30 September 2016. For details, see "Financial Information — Cash flows — Cash flows in operating activities". While our Directors believe that we have sufficient funds to finance our current working capital requirements, our operating cash flow may be adversely affected by unforeseeable factors. As such, we cannot assure you that we will not experience net operating cash outflow in the future. In the event that we fail to maintain sufficient cash inflows, we may default on our payment obligations and may not be able to meet our capital expenditure requirements which may in turn have a material adverse impact on our business, financial condition, results of operations and our business prospects.

We recognised deferred tax assets during the Track Record Period and some or all of them may not be utilisable.

As at 31 May 2015 and 2016 and 30 September 2016, we had estimated tax losses of approximately HK$2.1 million, HK$6.2 million and HK$5.9 million respectively, which were available for offsetting against future taxable profits. These tax losses are subject to the final assessment by the Inland Revenue Department of HK Government. Deferred tax assets of approximately HK$0.3 million, HK$1.1 million and HK$1.0 million had been recognised in respect of such estimated tax losses as at 31 May 2015, 31 May 2016 and 30 September 2016 respectively. If there is a significant adverse change in the business and performance of our clubs and restaurants, some or all of these deferred tax assets may not be utilised, which could have an adverse effect on our financial condition and results of operations.

Goodwill impairment could negatively affect our reported results of operations.

At 31 May 2016 and 30 September 2016, we had approximately HK$2.2 million of goodwill, which was related to our acquisition of Grand Diamond on 1 November 2015. The recoverable amount of the goodwill has been determined from value-in-use calculation based on cash flow projections from formally approved budgets covering a five-year period. Cash flow beyond the five-year period is extrapolated using an estimated weighted average growth rate of 0%. For details, see "note 17 goodwill" to the Accountant's Report. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Testing for impairment requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires us to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. There are inherent uncertainties related to these factors and to our judgement in applying these factors to the assessment of goodwill recoverability. We could be required to evaluate the recoverability of goodwill prior to the annual assessment if there are any impairment indicators which could potentially be caused by our failure to successfully integrate the operations of Grand Diamond with our other operations. Impairment charges could substantially affect our reported results of operations in the periods of such charges. In addition, impairment charges would negatively impact our financial ratios and could limit our ability to obtain financing in the future.

The application of HKFRS 16 on our operating lease commitments may materially affect the amounts of right-of-use asset, financial liability, property rental and related expenses, depreciation and amortisation and interest expense.

As at the Latest Practicable Date, we leased or licensed all of the properties for our outlets under which the relevant leases or licence were classified as operating leases. Our current accounting policy for such leases or licence is set out in note 5.8 to the Accountant's Report. As at 30 September 2016, our future minimum operating lease commitments under current valid leases and licence amounted to approximately HK$48.9 million.

During the Track Record Period, our future operating lease commitments were not reflected in our consolidated statements of financial position. HKFRS 16, which is expected to be effective for financial periods beginning on or after 1 January 2019, provides new provisions for the accounting treatment of leases and will in the future no longer allow lessees to recognise certain leases outside of the consolidated statements of financial position. Instead, all non-current leases must be recognised in the form of an asset (for the right of use) and a financial liability (for the payment obligation). Short-term leases of less than 12 months and leases of low-value assets are exempt from the reporting obligation. The new standard will therefore result in an increase in right-of-use asset and an increase in financial liability in the consolidated statements of financial position. This will affect related ratios, such as increase in debt to equity ratio. In the consolidated statements of comprehensive income, leases and licences will be recognised in the future as depreciation and amortisation and will no longer be recorded as property rental and related expenses. Interest expense on the lease liability will be presented separately from depreciation and amortisation under finance costs. As a result, the property rental and related expenses under otherwise identical circumstances will decrease, while depreciation and amortisation and the interest expense will increase. The combination of a straight-line depreciation of the right-of-use asset and the effective interest rate method applied to the lease liability will result in a higher total charge to profit or loss in the initial year of the lease, and decreasing expenses during the latter part of the lease term. The new standard is not expected to apply until financial year 2019, including the adjustment of prior years. The application of HKFRS16 may affect our financial position and results of operations.

As we generate all our revenues in Hong Kong, we are susceptible to developments and economy in Hong Kong.

We anticipate that our business in Hong Kong will continue to be our core business following the completion of the Share Offer. Hong Kong may experience adverse economic conditions due to events beyond our control, such as a local economic downturn, natural disasters, contagious disease outbreaks or terrorist attacks, or the local authorities may adopt regulations that place additional restrictions or burdens on us or on our industry in general, and the occurrence of any of which could materially and adversely affect our overall business and results of operations. In addition, we have limited experience in operating businesses in other places, and may have difficulties in relocating our business to other geographic markets. For instance, the recent economic downturn and deterioration in the consumer market in Hong Kong may have further adverse effect on our business as consumers may spend less on night entertainment or dining outside, which may result in a decrease in the number of customer visits and the average spending per customer in our clubs and restaurants. There is no assurance that our target customers are able to maintain their spending power under economic downturn and political and social instability. Therefore, any deterioration in the economic, political and regulatory environment in Hong Kong may materially and adversely affect our business.

Our self-developed dishes may face competition from competitors' imitation dishes.

Competition in the restaurant industry is intense. One way we compete is to review and adjust our menu offerings and develop new dishes to cater to ever-evolving customer tastes from time to time. Our self-developed dishes are not protected by any registered intellectual property, nor are such practice customary in our industry. We are subject to the risk that our competitors may imitate or develop more popular versions of our self-developed dishes and offer them at highly competitive prices. These imitation products and price competition may adversely affect our sales and profitability.

We require various approvals, licences and permits to operate our business and the loss of or failure to obtain or renew any or all of these approvals, licences, and permits could materially and adversely affect our business and results of operations.

Our operations are subject to various laws and regulations of Hong Kong which may be subject to change from time to time. For details of the regulatory environment regarding the key licences for our operations, see "Regulatory Overview — Hong Kong regulatory overview — (A) Key licences for business operation". Volar and Fly each currently has the light refreshment restaurant licence, the liquor licence and the water pollution control licence. Tiger Curry and Tiger Curry & Cafe each currently has the general restaurant licence, the liquor licence and the water pollution control licence. The light refreshment restaurant licence and the general restaurant licence are typically granted for a period of one year. The liquor licence is typically granted for two years or such lesser period as the Liquor Licensing Board of Hong Kong shall determine. The water pollution control licences are normally granted for a period of not less than two years.

New clubs and restaurants may be granted provisional licences which are valid for a period of six months pending the issue of full licences. Volar, Fly, Tiger Curry and Tiger Curry & Cafe also have certain music-related licences. For details of our licences, see "Business — Licences and permits". There is no assurance that our existing licences can be successfully renewed upon their expiry. Further, there is no assurance that any new outlet to be opened by us can obtain all the requisite licences as intended. Failing to obtain or renew all or some of the requisite licences will adversely affect our business and the results of operations.

For details of the regulatory environment regarding the licences, see "Regulatory Overview — Hong Kong regulatory overview — (B) Licence required for environmental protection". Failure to comply with such laws or regulations may result in fines, suspension of operations, revocation or suspension of licences and, in more extreme cases, criminal proceedings against us and our management within our Group. In addition, compliance with these changing laws and regulatory requirements may cause us to incur considerable time and significant expenses, which we may be unable to pass on to our customers and which, in turn, may adversely affect our business and results of operations.

Our acquisition within the Track Record Period may not perform as desired.

We acquired Grand Diamond, the operating company of Fly, our second club within our Group, in November 2015. For details, see "History, Reorganisation and Corporate Structure — Corporate development — Our corporate history — Grand Diamond". Although our senior management team has considerable experience in the night entertainment industry, synergy of our newly acquired business may take longer than expected. Since the acquisition of Grand Diamond, the operating company of Fly, in November 2015 and up to 31 May 2016, Fly's overall revenue was approximately HK$10.1 million, representing approximately 11.4% of our total revenue for the same period and its overall revenue was approximately HK$4.5 million for the four months ended 30 September 2016, representing 14.8% of our total revenue for the same period. The integration of our newly acquired business may be costly and time-consuming and could present us with significant risks and difficulties, including (i) integrating the operations and personnel of the acquired business and implementing uniform IT systems, procedures and policies; (ii) retaining relationships with customers, business partners and suppliers of the acquired business, and (iii) achieving the anticipated synergies and strategic or financial benefits from the acquisition. If any of the above risks cannot be mitigated, the financial performance of our newly acquired business may not achieve its desire result, and in turn may adversely affect our business and results of operations.

We may not be able to secure a stable supply of skilled labour such as managers, food preparation staff and DJs due to escalation of labour costs or other reasons.

We rely on skilled labour force with technical capabilities to monitor, operate and administer our outlets and equipment including restaurant and club managers, food preparation staff as well as DJs. If we fail to retain our existing skilled labour and/or recruit sufficient skilled labour in a timely manner, we may not be able to cope with operation needs or our expansion plans. If we are not able to meet our operation needs and standard or if we are unable to implement our expansion plans, our business, financial condition, results of operations and prospects would be materially and adversely affected. In relation to DJs, we engage resident DJs who play in our clubs on regular basis and local or overseas guest DJs to perform at featured events. We believe engaging internationally renowned DJs to perform in our clubs is critical to attracting customer traffic and sponsorship income. For the two years ended 31 May 2016 and the four months ended 30 September 2016, expenses for engaging DJs directly or through third-party agents represented approximately 4.4%, 3.5% and 4.0% of our total revenue, respectively. Currently, we have not entered into any annual agreement with any agent that the agent would make a commitment in relation to the number and identity of DJs which it may successfully procure. There is also no guarantee that the agents who represent the DJs will continue working with us. Failing to successfully attract internationally renowned DJs to perform in our clubs may adversely affect our ability to attract customer traffic and sponsorship income.

If there is a significant increase in our labour costs due to increase in the statutory minimum wage (currently at HK$32.5 per hour in Hong Kong), shortage of labour or other reasons, our cost of sales will increase thereby reducing our profit margin. According to the F&S Report, the median monthly wage in the clubbing market has seen a steady growth, with monthly wages of bartenders, waiters and waitresses, and security guards having increased from 2010 to 2015 at a CAGR of 5.5%, 6.1% and 6.2%, respectively. The salary level of employees in the restaurant industry in Hong Kong has also been increasing in recent years and the average hourly wage of an employee in the restaurant industry has increased from HK$33.7 per hour per employee in 2010 to HK$42.3 per hour per employee in 2015, representing a CAGR of approximately 4.7%. For the two years ended 31 May 2016 and the four months ended 30 September 2016, our staff costs represented approximately 11.4%, 14.7% and 19.4% of our total revenue, respectively. We expect our staff costs to continue to increase as inflationary pressures in Hong Kong will continue to drive up salary levels and under the arrangements currently in force, the aggregate remuneration (excluding any discretionary bonus) payable by our Group to our Directors for the year ending 31 May 2017 will be approximately HK$0.9 million. We may not be able to increase our prices sufficiently to pass these increased staff costs onto our customers, which in turn would materially and adversely affect our business and results of operations.

We may not be able to detect, deter and prevent all instances of illegal activities or other misconduct committed by our employees, customers or other third parties. Any wrongdoing by our employees and/or outsiders may harm our reputation and business.

Our customers who have consumed excess alcohol may not maintain sobriety and disturb other customers and the operation of our clubs. We are susceptible to illegal activities or misconduct, including pilferage, theft, fights, drug abuse, sexual harassment, bribery, usage of false personal identification, corruption, among others and we may not be able to detect, deter and prevent all instances of misconduct committed by our employees, customers or other third parties in our clubs. Such wrongdoing may harm our reputation, profits and operation results. For the two years ended 31 May 2016 and the four months ended 30 September 2016, 14, 38 and eight checks have been conducted by the Hong Kong Police Force. If our customers were repeatedly found conducting illegal activities in our club premises during inspection or being reported, the HK Government authorities may take into account of such factor for vetting the application of our clubs when applying for the renewal of its licences. Such incidents may also seriously harm our reputation, which may affect our customer traffic and ability to attract sponsorship income, business results and financial condition. We handle cash and credit card transactions in our daily operations. We cannot assure that there will not be any instances of fraud, theft and other misconduct involving employees, customers and other third parties in future. We may be unable to prevent, detect or deter all instances of misconduct. Any misconduct committed against our interests, which may include past acts that have gone undetected or future acts, could subject us to financial losses, harm our reputation and may have a material adverse effect on our business and results of operations.

Information technology system failures could interrupt our operations and adversely affect our business.

We rely on computer systems and network infrastructure across our operations to monitor our daily operations and to collect accurate up-to-date financial and operating data for business analysis and enhance our inventory management. Our information technology systems may be vulnerable to various interruptions which are beyond our control, including telecommunications failures, computer viruses, cyber-attacks, hackers, unauthorised access attempts and other security risks. We also maintain information of customers of our prepaid beverage packages. If the network security is breached and such information is stolen or obtained by unauthorised persons or used inappropriately, we may become subject to litigation or other proceedings brought by the our customers. Any such litigation or proceedings may distract the management from running our operation and cause us to incur significant unplanned expenses. Any damage or failure of our computer systems or network infrastructure that causes an interruption in our operations could also have a material and adverse effect on our business and results of operations.

We may not be able to secure the continued service of our key management personnel.

The development of our business is, to a large extent, attributable to the contribution of our management, including our executive Directors and members of senior management. There could be an adverse impact on our operations should any of our senior management personnel cease to serve our Group.

We may not be able to adequately protect its intellectual property, which could harm the value of our brands and adversely affect our business.

As at the Latest Practicable Date, we were the owner of six trademarks registered in Hong Kong and four trademarks registered in Macau. There is no assurance that any of the pending trademark applications would be successful and we may not be able to protect our intellectual property adequately. Unauthorised use of our brand names by third parties may adversely affect our business and reputation. We rely on trademark law, company brand name protection policies and agreements with our employees and business partners and others to protect the value of our brand name. We cannot assure you that procedures we have taken will provide effective prevention for unauthorised third party use of our brand name. In addition, we currently own the exclusive right to use three domain names containing or relating to our company name and brands. We may be unable to prevent third parties from acquiring and maintaining domain names that infringe or otherwise decrease the value of our brand name, trademarks and other proprietary rights. Failure to protect our domain names could adversely affect our reputation and brand, and make it more difficult for users to find our websites. In addition, we may not be able to complete relevant trademark registration prior to the opening of any new outlet. Third parties may obtain intellectual property rights in the future and claim that our brands infringe their intellectual property rights. Even if we were to prevail against such claims, there is no assurance that such party may not launch any claims in future against any of our outlets. Future litigation could also result in substantial costs and diversion of our resources, and could adversely affect our business, financial condition and results of operations.

Record labels, recording associations or other third parties may make claims against our Group.

We play music in our outlets during our operation of business. The record labels, recording association or other third parties may make claims against us for copyright infringement. We have reached an agreement with three licensing bodies which are registered with the Copyright Licensing Bodies Registry of the Intellectual Property Department of Hong Kong, namely PPSEAL, HKRIA and CASH as to the amounts of the licensing fees and have settled licensing fees for the usage of music until between mid-2017 and early 2018. For further details, see "Business — Our clubs — Our key offerings — Music and other entertainment facilities".

However, it is possible that (i) the copyright owners of some music may not have licensed their musical work with those record labels that are covered under the three licensing bodies and the copyright owners of the music, which are not members of the three licensing bodies, may claim against us if such music is played in our outlets; and (ii) after the expiration of the licensing agreements, the relevant licensing bodies may refuse to grant further licence for the usage of the music. We may be required to stop using the music in our outlets or even institute litigation, arbitration or other proceedings to defend ourselves, which would likely consume our management's time and attention. Such proceedings are likely to be expensive to resolve regardless of its outcome.

Any unforeseeable disruptions to our outlets could materially and adversely affect our business, reputation and financial condition.

Our operations are vulnerable to interruption by accidents, natural disasters and events beyond our control such as typhoons, fires, floods, earthquakes, power failures and power shortages, blackouts or shortage of electricity/water, computer hardware and software failures, computer viruses and massive riots, which may lead to evacuations and other disruptions in our operations, and may also prevent us from providing quality food and service to customers for an indefinite period of time. Any prolonged interruption to the operation of our outlets could have a material adverse effect on our business and financial results. Further, our business also relies on prompt delivery and quality transportation of our beverage and food ingredients by our suppliers and the provision of services by certain third-party vendors. Perishable food ingredients, such as fresh, chilled or frozen food ingredients may deteriorate due to delivery delays, malfunctioning of refrigeration facilities or poor handling during transportation by our suppliers or our logistics partners. Certain events, such as adverse weather conditions, riots, natural disasters, severe traffic accidents and delays, suspension of public transportation systems, non-cooperation of our suppliers or their logistics partners and labour strikes, could lead to delayed or lost deliveries, cancellation of featured events, reduced customer traffic at our outlets and our outlets could result in the loss of revenue.

Our insurance policies may not provide adequate coverage for all claims associated with our business operations.

There are types of losses we may incur that cannot be insured against or that we believe are not commercially reasonable to insure, such as loss of reputation. Being held liable for uninsured losses or amounts and claims for insured losses exceeding the limits of our insurance coverage may materially and adversely affect our business and results of operations.

Our results of operations may fluctuate significantly from period to period due to seasonality and other factors.

Our overall results of operations may fluctuate significantly from period to period because of various factors, including the timing of new outlet openings and the incurrence of associated pre-opening costs and expenses, operating costs for our newly opened outlets, any losses associated with our outlet closings and seasonal fluctuations that may vary depending upon the region in which a particular restaurant is located. We experience seasonality in sales. For details, see "Business — Sales and marketing — Seasonality". As a result of the above factors, our results of operations may fluctuate significantly from period to period and a comparison of different periods may not be meaningful. Our results for a given fiscal period are not necessarily indicative of results to be expected for any other fiscal period.

RISKS RELATING TO OUR INDUSTRY

Our business depends on the macro-economic situation in Hong Kong and may be adversely affected by reductions in discretionary consumer spending as a result of downturns in the economy and increase in inflation.

The performance of our club and restaurant operations in Hong Kong is closely related to the economic conditions of Hong Kong. In the event of an economic downturn and increase in inflation, consumers will tend to become more budget conscious and sensitive to the amounts they spend on entertainment and dining out. As our clubs and restaurants are operated in Hong Kong, our business and performance is heavily dependent on the economy of Hong Kong. Our inability to direct our business to other geographic locations in case of changes in consumers' spending pattern changes or any deterioration of the economy of Hong Kong will materially affect our revenue, profitability and business prospects will be materially affected.

We operate in a highly competitive industry.

We face intense competition from other night entertainment venues, various restaurant chains and individual restaurant operators which target the same or similar group of customers. There are numerous night entertainment venues in Hong Kong that serve alcoholic beverages in venues that open at night and restaurants in Hong Kong offering Japanese-style cuisine. These establishments compete with us in terms of, among other things, taste, quality, price, customer service, ambience, and the overall entertainment and dining experience. Some of our competitors may have longer operating history, larger customer bases, better brand recognition and reputation, and better financial position, marketing strategies and public relations resources. We face intense competition from other competitors as well as new market entrants. Our failing to stay competitive in terms of our pricing or any deterioration in the quality of our products and services may adversely affect our business and results of operations.

As we intend to expand our outlet network, we have to compete with other night entertainment business owners, restaurant operators and retailers for space and experienced employees. The competition for prime locations may increase the bargaining power of landlords and thus leading to potentially high rents for prime locations. Consequently, we may not be able to secure these prime locations on terms comparable to those offered to our existing outlets, or our competitors may offer better terms than those offered by us. We may also have to offer experienced management staff higher wages in order to recruit or retain them. Such instances will increase our operating costs, thereby affecting our financial performance.

Our business is subject to stringent licensing requirements, environmental protection regulations and hygiene standards which can increase the operating costs of the business.

The operations of clubs and restaurants in Hong Kong is highly regulated under Hong Kong law. We are required to comply with numerous legislations, including environmental protection regulations, hygiene standards and liquor licence. There can be no assurance that the requirements for obtaining the licences we require in Hong Kong will not become more stringent or that we will be able to comply with the relevant regulations or even be able to renew the existing licences in a timely manner or at all.

Any failure by us to comply with the existing regulations, or any future legislative changes, could result in our Group incurring significant compliance costs or expenses or result in the assessment of damages, imposition of fines against us or a suspension of any part of our business, which could materially and adversely affect our financial condition and results of operations. We may have to incur more costs in complying with any changing laws and regulations in relation to the food and beverage industry on hygiene, fire and safety standards. In addition, should we fail to comply with these stringent requirements and are unable to timely renew our licences, the relevant authority may require our clubs and restaurants to temporarily or permanently cease operation which in turn may adversely affect our profitability.

Incidents of outbreaks of diseases such as contagious disease of animals, food borne illness as well as negative publicity relating to such incidents in Hong Kong could adversely affect our business.

Hong Kong may be prone to epidemic outbreak, such as severe acute respiratory syndrome, which is known as SARS, and avian influenza, outbreak of which could severely reduce customer traffic of our restaurants and adversely affect our results of operations. In addition, any outbreak of food-borne disease such as Swine Influenza, which is also known as pig flu, and Bovine Spongiform Encephalopathy, which is also known as mad cow disease, may lead to a loss in customer confidence and reduce customer traffic and results of operations. In addition, any negative publicity relating to these and other health-related matters may affect consumers' perception of our restaurants and our food safety, which will consequently reduce customer traffic of our restaurants and adversely affect our results of operations. We do not have any specific insurance coverage for any of our loss as a result of any outbreak of the abovementioned contagious disease.

RISKS RELATING TO THE SHARE OFFER

There has been no prior public market for our Shares, and the liquidity, market price and volume of our Shares may be volatile.

Prior to the completion of the Capitalisation Issue and the Share Offer, there has been no public market for our Shares. An active trading market for our Shares may not develop after the Share Offer and this may adversely affect the market price and liquidity of our Shares.

The determination of the indicative Offer Price range stated in this prospectus was a result of negotiations between the Joint Lead Managers (for themselves and on behalf of the Underwriters) and our Company. As such, the Offer Price may not be an indicative trading price of our Shares on the Stock Exchange. Future sales by our Group or its existing Shareholders of substantial amounts of our Shares after the Share Offer could adversely affect the prevailing market prices from time to time.

In view of the aforesaid, we could not assure you that an active trading market for our Shares will develop, or, if it does develop, that it will sustain after the Listing Date, or that the market price of our Shares will not fall below the Offer Price.

Volatility in the trading volume and price of our Shares may be caused by factors beyond our control and may be unrelated or disproportionate to our operating results. Factors affecting the volatility of the trading volume and price of our Shares include:

- investors' perception of our Group and our business plans;
- fluctuations in our operating results, such as revenue, earnings and cash flows;
- announcements of new investments, strategic alliances and/or acquisitions by our Group;
- fluctuations in market prices for services of our Group or any of our Group's comparable companies;
- changes in pricing policy adopted by us and our competitors;
- changes in our senior management personnel; and
- general economic factors.

We could not assure you that such factors will not occur and it is difficult to quantify their impact on our Group and the trading volume and price of our Shares. Any of these factors may result in substantial or sudden change in the volume and trading price of our Shares.

Stock markets and the shares of some listed companies in Hong Kong have experienced price and volume fluctuations in recent years, some of which may have been unrelated or disproportionate to the operating performance of such companies.

The market price of the Shares when trading begins could be lower than the Offer Price as a result of, among other things, adverse market conditions or other adverse developments that could occur between the time of sale and the time trading begins.

The Offer Price will be determined on the Price Determination Date. However, the Offer Shares will not commence trading on the Stock Exchange until they are delivered, which is expected to be several business days after the Price Determination Date. As a result, investors may not be able to sell or otherwise deal in the Offer Shares during that period. Accordingly, holders of the Offer Shares are subject to the risk that the price of the Offer Shares when trading begins could be lower than the Offer Price as a result of adverse market conditions or other adverse developments that may occur between the time of sale and the time trading begins.

Future sale or perceived sale of a substantial number of our Shares in the public market could materially and adversely affect the prevailing market price of our Shares.

There is no assurance that our Controlling Shareholders will not dispose of their Shares following the expiration of their respective lock-up periods after the Share Offer. We cannot predict the effect, if any, of any future sale of our Shares by any of our Controlling Shareholders, or that the availability of our Shares for sale by any of our Controlling Shareholders may have on the market price of our Shares. Sale of a substantial number of our Shares by any of our Controlling Shareholders in the public market, or the market perception that such sale may occur, could materially and adversely affect the prevailing market price of our Shares.

Investors for our Shares will experience dilution if we issue additional Shares or other securities in the future.

Additional funds may be required in the future to finance the expansion or new developments of our business and operations. If additional funds are raised through the issuance of new equity or equity-linked securities of our Company other than on a pro rata basis to the existing Shareholders, the percentage ownership of the existing Shareholders in our Company may be diluted or such new securities may confer rights and privileges that take priority over those conferred by the Offer Shares.

Also, if we fail to utilise the additional funds to generate the expected earnings, this could adversely affect our financial results and in turn exerts pressure to the market price of the Shares. Even if additional funds are raised by means of debt financing, any additional debt financing may, apart from increasing interest expense and gearing, contain restrictive covenants with respect to dividends, future fund raising exercises and other financial and operational matters.

Issue of new shares pursuant to any options granted under the Share Option Scheme may dilute the Shareholders' equity interests.

We have conditionally adopted the Share Option Scheme. Following any issue of new Shares upon exercise of any options which may be granted under the Share Option Scheme, there will be an increase in the number of issued Shares. As such, there may be a dilution or reduction of shareholding of the Shareholders which results in a dilution or reduction of the earnings per Share or net asset value per Share. In addition, the fair value of the options to be granted to the eligible participants under the Share Option Scheme will be charged to our consolidated income statements over the vesting periods, if any, of the options. The determination of the fair value of the options will take place on the date of granting of the options. Accordingly, this may adversely affect our financial results and profitability.

Shareholders and investors could face difficulties in protecting their interests because our Company was incorporated under the laws of the Cayman Islands and these laws could provide different protections to minority Shareholders than the laws of Hong Kong.

Our corporate affairs are governed by the Memorandum and Articles of Association and by the Companies Law and common law of the Cayman Islands. The laws of the Cayman Islands relating to the protection of the interests of minority shareholders could differ in some respects from those established under statutes or judicial precedent in existence in Hong Kong. Such differences could mean that the minority Shareholders could have different protections than they would have under the laws of Hong Kong.

RISKS RELATING TO THE STATEMENTS MADE IN THIS PROSPECTUS AND FROM OTHER SOURCES

Statistics and facts in this prospectus have not been independently verified.

This prospectus includes certain statistics and facts that have been extracted from government official sources and publications or other sources. We believe that the sources of these statistics and facts are appropriate for such statistics and facts and have taken reasonable care in extracting and reproducing such statistics and facts. We have no reason to believe that such statistics and facts are false or misleading or that there is omission of any material information that would render such statistics and facts false or misleading. None of our Group, our Controlling Shareholders, the Sponsor, the Sole Bookrunner, the Joint Lead Managers, the Underwriters or any of our or their respective directors, advisers, officers, employees, agents, affiliates and/or representatives or any other persons or parties involved in the Share Offer has independently verified these statistics and facts from these sources and therefore, we make no representation as to the accuracy or completeness of these statistics and facts, as such these statistics and facts should not be unduly relied upon.

Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics from official government publications referred to or contained in this prospectus could be inaccurate or there is a risk that they are not comparable to statistics produced for other economies and should not be relied upon. Furthermore, we cannot assure you that the facts and other statistics are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere.

In all cases, investors should give consideration as to how much weight or importance they should attach to, or place on, such facts or other statistics.

Forward-looking statements in this prospectus could prove inaccurate.

This prospectus contains certain forward-looking statements relating to the plans, objectives, expectations and intentions of our Directors. Such forward-looking statements are based on numerous assumptions as to our present and future business strategies and the development of the environment in which we operate. Our actual financial results, performance or achievements could differ materially from those discussed in this prospectus. Investors should be cautious against placing undue reliance on any forward-looking statements as these statements involve known and unknown risks, uncertainties and other factors which could cause our actual financial results, performance or achievements to be materially different from our anticipated financial results, performance or achievements expressed or implied by these statements. We are not obliged to update or revise any forward-looking statements in this prospectus, whether by reason of new information, future events or otherwise.

You should read the entire prospectus carefully and we strongly caution you not to place any reliance on any information contained in press articles, media coverage and/or research analyst reports regarding us and the Share Offer.

There could be press articles, media coverage and/or research analyst reports regarding us and the Share Offer, which could include certain financial information, financial projections, industry comparisons, and/or other information about us and the Share Offer that do not appear in this prospectus. We do not accept any responsibility for any such press articles, media coverage or research analyst report or the accuracy or completeness or reliability of any such information. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. We have not authorised the disclosure of any such information in the press, media or research analyst report. To the extent that any such information appearing in publications other than this prospectus is inconsistent or conflicts with the information contained in this prospectus, we disclaim it and accordingly, you should not rely on any such information. In making your decision as to whether to purchase our Shares, you should rely only on the financial, operational and other information included in this prospectus.