JIA GROUP HOLDINGS LIMITED
佳民集團有限公司

(incorporated in the Cayman Islands with limited liability)
Stock code: 8519

SHARE OFFER

Sole Sponsor

Innovax Capital

Sole Bookrunner

GREAT ROC CAPITAL SECURITIES LIMITED 鴻鵬資本證券有限公司

Joint Lead Managers

GREAT ROC CAPITAL SECURITIES LIMITED 鴻鵬資本證券有限公司

平安證券有限公司 Ping An Securities Limited

Innovax Securities

IMPORTANT

If you are in any doubt about any of the contents of this prospectus, you should obtain independent professional advice.

Jia Group Holdings Limited
佳民集團有限公司

(incorporated in the Cayman Islands with limited liability)

LISTING ON THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED BY WAY OF SHARE OFFER

Number of Offer Shares	**:**	**215,000,000 Shares**
Number of Public Offer Shares	**:**	**21,500,000 New Shares (subject to reallocation)**
Number of Placing Shares	**:**	**193,500,000 Shares comprising 146,950,000 New Shares and 46,550,000 Sale Shares (subject to reallocation)**
Offer Price	**:**	**HK$0.30 per Offer Share, plus brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005% (payable in full on application in Hong Kong dollars and subject to refund)**
Nominal value	**:**	**HK$0.01 per Share**
Stock code	**:**	**8519**

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Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

A copy of this prospectus, having attached thereto the documents specified in the paragraph headed "Documents delivered to the Registrar of Companies and available for inspection" in Appendix VI to this prospectus, has been registered with the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility for the contents of this prospectus or any other document referred to above.

The Offer Price is HK$0.30 per Offer Share. Investors applying for Public Offer Shares must pay, on application, the Offer Price of HK$0.30 for each Offer Share together with a brokerage of 1.0%, a SFC transaction levy of 0.0027% and a Stock Exchange trading fee of 0.005%.

The Sole Bookrunner (for itself and on behalf of all the Underwriters) may, with the consent of our Company, reduce the number of Offer Shares being offered at any time on or prior to the morning of the last day for lodging applications under the Public Offer. In such a case, a notice of any such reduction will be published not later than the morning of the last day for lodging applications under the Public Offer on our Company's website at **www.jiagroup.co**, the Stock Exchange's website at **www.hkexnews.hk** and the GEM website at **www.hkgem.com**. If applications for Public Offer Shares have been submitted prior to the last day for lodging applications under the Public Offer, such applications cannot subsequently be withdrawn. Further details are set out in the sections headed "Structure and conditions of the Share Offer" and "How to apply for the Public Offer Shares" in this prospectus.

Prior to making an investment decision, prospective investors should consider carefully all of the information set forth in this prospectus, including the risk factors set forth in the section headed "Risk factors" in this prospectus.

Prospective investors should note that the Sole Bookrunner, may in its discretion, terminate the Public Offer Underwriting Agreement by notice in writing to be given by the Sole Bookrunner upon the occurrence of any of the events set forth in the section headed "Underwriting — Underwriting arrangements and expenses — Public Offer — Grounds for termination" in this prospectus at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date. Should the Sole Bookrunner terminate its obligations under the Public Offer Underwriting Agreement in accordance with its terms, the Share Offer, will not proceed and will lapse. It is important that prospective investors refer to that section for further details.

29 January 2018

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspaper. Accordingly, prospective investors should note that they need to have access to the website of the Stock Exchange at www.hkexnews.hk and the GEM website at www.hkgem.com in order to obtain up-to-date information on GEM-listed issuers.

Latest time to complete electronic applications under the **HK eIPO White Form** service through the designated website at **www.hkeipo.hk**[2]	11:30 a.m. on Thursday, 1 February 2018
Application lists open[3]	11:45 a.m. on Thursday, 1 February 2018
Latest time for lodging **WHITE** and **YELLOW** Application Forms and giving **electronic application instructions** to HKSCC[4]	12:00 noon on Thursday, 1 February 2018
Latest time to complete payment of **HK eIPO White Form** applications by effecting internet banking transfers(s) or PPS payment transfer(s)	12:00 noon on Thursday, 1 February 2018
Application lists of the Public Offer close[3]	12:00 noon on Thursday, 1 February 2018
Announcement of the level of indication of interests in the Placing, the level of applications in respect of the Public Offer and the basis of allotment of the Public Offer Shares under the Public Offer to be published on our Company's website (**www.jiagroup.co**)[5], the Stock Exchange's website (**www.hkexnews.hk**)[6] and the GEM website (**www.hkgem.com**) on or before	Wednesday, 7 February 2018
Results of allocations in the Public Offer (with successful applicants' identification document numbers, where appropriate) to be available through a variety of channels as described in "How to apply for the Public Offer Shares" from	Wednesday, 7 February 2018
Results of allocations in the Public Offer will be available at **www.tricor.com.hk/ipo/result** with a "search by ID Number/Business Registration Number" function from	Wednesday, 7 February 2018
Despatch/Collection of share certificates in respect of wholly or partially successful applications pursuant to the Public Offer on or before[7]	Wednesday, 7 February 2018

Despatch/Collection of **HK eIPO White Form** e-Auto Refund payment instructions/refund cheques in respect of wholly successful (if applicable) or wholly or partially unsuccessful applications pursuant to the Public Offer on or before[(8)]	Wednesday, 7 February 2018
Dealings in our Shares on GEM to commence at 9:00 a.m. on	Thursday, 8 February 2018

Notes:

(1) All times refer to Hong Kong local time. Details of the structure of the Share Offer, including its conditions, are set out in "Structure and Conditions of the Share Offer". If there is any change in this expected timetable, an announcement will be published on the our Company's website at **www.jiagroup.co**, the Stock Exchange's website at **www.hkexnews.hk** and the GEM website at **www.hkgem.com**.

(2) You will not be permitted to submit your application through the designated website at **www.hkeipo.hk** after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained an application reference number from the designated website prior to 11:30 a.m., you will be permitted to continue the application process (by completing payment of application monies) until 12:00 noon on the last day for submitting applications, when the application lists close.

(3) If there is a "black" rainstorm warning or a tropical cyclone warning signal number 8 or above in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Thursday, 1 February 2018, the application lists will not open or close on that day. Please see the section headed "How to apply for the Public Offer Shares — 10. Effect of bad weather on the opening of the application lists" in this prospectus. If the application lists do not open and close on Thursday, 1 February 2018, the dates mentioned in "Expected timetable" may be affected. We will make an announcement in such event.

(4) Applicants who apply for the Public Offer Shares by giving **electronic application instructions** to HKSCC should see the section headed "How to apply for the Public Offer Shares — 6. Applying by giving **electronic application instructions** to HKSCC via CCASS" in this prospectus.

(5) None of the websites or any of the information contained on those websites form part of this prospectus.

(6) The announcement will be available for viewing on the "GEM Board — Allotment of results" page on the website of the Stock Exchange at **www.hkexnews.hk.**

(7) Applicants who apply for 1,000,000 Shares or more and have provided all information required may collect any share certificate(s) (if applicable) and/or refund cheque(s) (if applicable) in person, they may do so from our Hong Kong Branch Share Registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong from 9:00 a.m. to 1:00 p.m. on Wednesday, 7 February 2018 or any other date as notified by us in the newspapers as the date of despatch of share certificates/e-Auto Refund payment instructions/refund cheques. Applicants being individuals who is eligible for personal collection must not authorise any other person to make collection on their behalf. Applicants being corporations who is eligible for personal collection must attend by their authorised representatives each bearing a letter of authorisation from their corporation stamped with the corporation's chop. Both individuals and authorised representatives (if applicable) must produce, at the time of collection, evidence of identity acceptable to our Hong Kong Branch Share Registrar. Applicants who have applied on **YELLOW** Application Forms may not elect to collect their share certificates, which will be deposited into CCASS for credit of their designated CCASS Participants' stock

accounts or CCASS Investor Participant stock accounts, as appropriate. Uncollected share certificates (if applicable) and refund cheques (if applicable) will be despatched by ordinary post to the addresses specified in the relevant applications at the applicants' own risk. Further information is set out in the section headed "How to apply for the Public Offer Shares" in this prospectus.

(8) e-Auto Refund payment instructions/refund cheques will be issued in respect of wholly or partially unsuccessful application. Part of your Hong Kong identity card number/passport number or, if you are joint applicants, part of the Hong Kong identity card number/passport number of the first- named applicant, provided by you may be printed on your refund cheque, if any. Such data would also be transferred to a third party for refund purposes. Your banker may require verification of your Hong Kong identity card number/passport number before encashment of your refund cheque. Inaccurate completion of your Hong Kong identity card number/passport number may lead to delay in encashment of your refund cheque or may invalidate your refund cheque. Further information is set out in the section headed "How to apply for the Public Offer Shares" in this prospectus.

Share certificates will only become valid certificates of title provided that the Public Offer has become unconditional in all respects and neither of the Underwriting Agreements has been terminated in accordance with its terms. Investors who trade Shares on the basis of publicly available allocation details prior to the receipt of their share certificates or prior to the share certificates becoming valid certificates of title do so entirely at their own risk.

Particulars of the structure of the Share Offer, including the conditions thereto, are set out in "Structure and conditions of the Share Offer". Details relating to how to apply for the Public Offer Shares are set out in "How to apply for the Public Offer Shares".

IMPORTANT NOTICE TO INVESTORS

This prospectus is issued by our Company solely in connection with the Public Offer and does not constitute an offer to sell or a solicitation of an offer to buy any securities other than the Public Offer Shares offered by this prospectus pursuant to the Public Offer. This prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any other jurisdiction or in any other circumstances.

You should rely only on the information contained in this prospectus to make your investment decision. Our Company, the Selling Shareholder, the Sole Sponsor, the Sole Bookrunner, the Joint Lead Managers and the Underwriters have not authorised anyone to provide you with information that is different from what is contained in this prospectus. Any information or representation not made in this prospectus must not be relied on by you as having been authorised by our Company, the Selling Shareholder, the Sole Sponsor, the Sole Bookrunner, the Joint Lead Managers, the Underwriters, any of their respective directors, officers or representatives, or any other person or party involved in the Share Offer.

CONTENTS

This summary aims to give you an overview of the information contained in this prospectus. Since it is a summary, it does not contain all the information that may be important to you. You should read this prospectus in its entirety before you decide to invest in our Shares.

There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in the section headed "Risk factors" in this prospectus. You should read that section carefully before you decide to invest in our Shares.

BUSINESS OVERVIEW

We are a well-established restaurant group in Hong Kong with award-winning restaurants serving a variety of cuisines including Chinese, Spanish, Thai, British, Italy and Southern Californian dishes under different brands and themes. Since the opening of the first restaurant, 208 Duecento Otto, in May 2010, we have established our reputation and strengthened our presence in the Hong Kong restaurant market through our multi-brand business model. As at the Latest Practicable Date, we owned and operated 10 independent full-service restaurants. We plan to open a new restaurant, namely the CPS Restaurant, at the revitalised Central Police Station Compound by the end of the first half of 2018.

We strive to offer our customers exceptional dining experience based on simplicity and originality, authentic cuisine, attentive services and comfortable environment. Our restaurants have received various awards and international recognitions. Among our many accolades, Duddell's, our flagship restaurant, was awarded one Michelin star in 2014 and 2018 and two Michelin stars in 2015, 2016 and 2017. 22 Ships was awarded the Michelin Bib Gourmand status in 2014, and was listed as one of CNN's Hong Kong's best "no reservation" restaurants in 2013. Aberdeen Street Social was listed as a recommended restaurant in the 2017 Michelin Guide Hong Kong and Macau. For details of our awards and recognition, please refer to the section headed "Business — Awards and recognition".

The table below sets forth the details of our restaurants as at the Latest Practicable Date:

	Name of restaurant	% of ownership by our Group	Location	Lease expiry date	Approximate floor area (sq. m.)	Date of commencement of operations	Breakeven period (Note 1)	Investment payback period (Note 2 and 3)
1	208 Duecento Otto	100%	Hollywood Road, Hong Kong	30 November 2018 with an option to renew for a further 3 years	358.74	7 May 2010	2 months	22 months
2	22 Ships	75%	Johnston Road, Wanchai, Hong Kong	15 July 2018	87.98	15 October 2012	2 months	18 months
3	Duddell's	100%	Duddell Street, Central, Hong Kong	31 October 2020	694.75	15 May 2013	2 months	44 months
4	Chachawan	100%	Hollywood Road, Hong Kong	21 April 2022	101.16	15 July 2013	4 months	22 months
5	Ham & Sherry	75%	Ship Street, Wanchai, Hong Kong	7 October 2019	131.87	16 December 2013	4 months	Not yet achieved
6	Aberdeen Street Social	75%	Aberdeen Street, Hong Kong	30 November 2020 with an option to renew for a further 36 months	437.91	13 May 2014	3 months	Not yet achieved
7	Meen & Rice	100%	Repulse Bay, Hong Kong	31 December 2020	155.03	5 March 2015	2 months	Not yet achieved
8	Mak Mak	100%	Landmark Atrium, Hong Kong	31 October 2018 with an option to renew for a further 3 years	171.05	19 December 2015	3 months	Not yet achieved
9	RHODA	85%	Connaught Road West, Hong Kong	16 March 2019 with an option to renew for a further 3 years	192.31	18 June 2016	3 months	Not yet achieved
10	Commissary	100%	Pacific Place, Hong Kong	31 August 2020	214.10	14 November 2016	2 months	Not yet achieved

Notes:

1. The approximate period from a restaurant's commencement of operations to the time when its monthly revenue first sufficiently covers its monthly operating expenses.

2. The approximate period from a restaurant's commencement of operations to the time when its accumulated net cash inflow is able to cover the total initial investment amount for its establishment (which includes investment by equity and shareholder loans).

3. The expected year of investment payback is calculated based on the performance of the restaurant for the year ended 31 December 2016 and the seven months ended 31 July 2017 and its estimated or forecasted EBITDA for the five months ended 31 December 2017 and the year ending 31 December 2018.

4. When deciding whether to dispose of a restaurant we will take into consideration, among other things, the investment amount, the investment payback period, whether or not a potential buyer can be identified, the price of and the potential gain or loss from the disposal and the overall financial impact of the disposal.

Our restaurants served two categories of cuisines during the Track Record Period. The table below sets forth a breakdown of our revenue by type of cuisine and as a percentage of our total revenue and net profit margin for each type of cuisine during the Track Record Period:

	Year ended 31 December									Seven months ended 31 July					
	2014			2015			2016			2016			2017		
	Revenue	% of total revenue	Net profit margin	Revenue	% of total revenue	Net profit margin	Revenue	% of total revenue	Net profit margin	Revenue	% of total revenue	Net profit margin	Revenue	% of total revenue	Net profit margin
	(HK$'000)		*(%)*	*(HK$'000)*		*(%)*	*(HK$'000)*		*(%)*	*(HK$'000)*	*(unaudited)*	*(%)*	*(HK$'000)*		*(%)*
European[Note 1]	94,320	55.3	1.0	116,072	56.2	4.0	122,419	52.7	(3.8)	66,772	51.7	(3.5)	70,248	52.1	(4.4)
Asian[Note 2]	76,167	44.7	4.9	90,404	43.8	1.5	109,956	47.3	5.7	62,358	48.3	3.8	64,607	47.9	6.1
Total	170,487	100.0		206,476	100.0		232,375	100.0		129,130	100.0		134,855	100.0	

Notes:

1. 208 Duecento Otto, 22 Ships, Ham & Sherry, Aberdeen Street Social, Esquina Tapas Bar, Fishschool Restaurant, RHODA and Commissary are classified as European restaurants.

2. Duddell's, Chachawan, Meen & Rice and Mak Mak are classified as Asian restaurants.

We set out below the financial information of 208 Duecento Otto, 22 Ships, Duddell's, Chachawan and Ham & Sherry (collectively, the "**Full-period-operations Restaurants**"), all of which had operated throughout the full period of the Track Record Period and considered by our Directors to be more indicative for evaluation of the financial performance of our restaurants, as compared to the remaining restaurants (namely Aberdeen Street Social, Meen & Rice, Esquina Tapas Bar, Fishschool Restaurant, Mak Mak, RHODA and Commissary, collectively the "**Partial-period-operations Restaurants**"), during the Track Record Period:

	Year ended 31 December			Seven months ended 31 July	
	2014	**2015**	**2016**	**2016**	**2017**
Full-period-operations Restaurants:					
Number of restaurants	5	5	5	5	5
Total revenue *(HK$'000)*	141,979	143,522	136,401	77,982	79,331
Contribution to our total revenue	83.3%	69.5%	58.7%	60.4%	58.8%
Partial-period-operations Restaurants:					
Number of restaurants	1	5	7	6	6
Total revenue *(HK$'000)*	28,508	62,954	95,974	51,148	55,524
Contribution to our total revenue	16.7%	30.5%	41.3%	39.6%	41.2%

	Year ended 31 December 2014	2015	2016	Seven months ended 31 July 2016	2017
Net profit margin of:					
Full-period-operations Restaurants	5.6%	4.9%	7.0%	5.6%	7.0%
Partial-period-operations Restaurants	(11.1%)	(1.4%)	(8.1%)	(8.6%)	(8.4%)

BUSINESS MODEL

Our restaurants are independently operated (as opposed to being part of a restaurant chain) as full-service restaurants, i.e. the traditional sit-down restaurants with full table services provided by waiting staff. Customers are served at their tables from start to finish, including order taking, food delivery and payment processing. Independent full-service restaurants are generally perceived by customers to be able to provide higher quality, wider variety and understanding of local or regional cuisine, non-standardised and more creative dishes, comfortable dining atmosphere and better table services than chained restaurants and casual dining restaurants. Delivery and take-away services are also available at selected restaurants.

In addition to the provision of dine-in services, we provide event-hosting services at our restaurants or other third party venues. The events hosted include product launches, private parties, annual dinners and other corporate functions.

Our revenue was generated through our principal activities, namely the provision of dining and event hosting services. For the years ended 31 December 2014, 2015, 2016 and the seven months ended 31 July 2017, our revenue amounted to approximately HK$170.5 million, HK$206.5 million, HK$232.4 million and HK$134.9 million, respectively, and our net profit or loss for the corresponding period amounted to profit of approximately HK$4.3 million, and loss of approximately HK$4.6 million, HK$9.5 million and HK$7.3 million, respectively.

To complement and enhance our customers' dining experience, Duddell's, one of our restaurants, has established a membership programme which offers various benefits and privileges to its members for a membership fee, including, among other things, food and beverage credits. Some of our restaurants also issue and sell cash vouchers to their customers. The membership fee income from Duddell's membership programme amounted to approximately HK$1.5 million, HK$1.0 million, HK$0.5 million and HK$0.3 million for the years ended 31 December 2014, 2015, 2016 and the seven months ended 31 July 2017, respectively.

From time to time, we invite strategic partners to co-invest in our business ventures. For example, we invited key chefs of selected restaurants to take up equity interest in the relevant operating subsidiaries at nominal value during the Track Record Period. For details please refer to the section headed "Business — Relationship with Mr. Jason Atherton" in this prospectus. We may from time to time invest in minority stake in business ventures from which we could benefit, *inter alia*, from captured clientele, brand advantages of our business partners and synergistic effects.

Pricing

In pricing the menu items of each of our restaurants, we mainly take into account the following factors: (i) target profit margin for the restaurant; (ii) cost of food ingredients and beverages; and (iii) prices of similar dishes set by competitors. We prepare an annual budget for each restaurant and fix the target monthly cost of food ingredients (generally ranging from 20% to 35% of the total food sales revenue) and the target monthly cost of beverages (generally ranging from 17% to 30% of total beverage sales for each restaurant).

Seasonality

Our business is subject to seasonal fluctuations. During the Track Record Period, we generally recorded relatively higher monthly revenue in March, May, November and December, and relatively lower monthly revenue in January, February, July and August.

Customers and suppliers

Our customers are mainly retail customers. For each of the three years ended 31 December 2016 and the seven months ended 31 July 2017, our largest customer and top five customers accounted for less than 5% and 30% of our total revenue. Our customers settle their bills mainly by credit cards or cash.

During the Track Record Period, our suppliers mainly included the suppliers of food ingredients, beverage ingredients, utensils and other ancillary equipment. We have also engaged external licensing consultants, pest control companies, renovation, repair and maintenance service companies, and cleaning companies. Our suppliers generally grant us credit periods of 30 days after the issuance of invoice or 30 days after the relevant month end.

For each of the three years ended 31 December 2016 and the seven months ended 31 July 2017, save for Altaya Wines Limited (indirectly held as to 33% by Mr. Pong Kin Yee (one of our Shareholders) and 67 % by his associate), our top five suppliers were Independent Third Parties, and our total purchases attributable to them amounted to approximately HK$12.9 million, HK$12.6 million, HK$14.4 million and HK$8.8 million, representing approximately 29.2%, 24.1%, 24.7% and 26.7% of our total raw materials and consumables used, respectively. During the same periods, our total purchases attributable to our largest supplier amounted to approximately HK$3.3 million, HK$3.4 million, HK$3.7 million and HK$2.2 million, representing approximately 7.4%, 6.5%, 6.4% and 6.8% of our total raw materials and consumables used, respectively. During the same period, our total purchases attributable to Altaya Wines Limited amounted to approximately HK$3.3 million, HK$1.9 million, HK$1.2 million and HK$0.6 million, representing approximately 7.4%, 3.6%, 2.1% and 1.7% of our total raw materials and consumables used, respectively.

Major licences and qualifications

The major licences and permits necessary for the operations of a restaurant in Hong Kong include the general restaurant licence issued by the FEHD and, if liquor is served for consumption in such restaurant, the liquor licence issued by the LLB. Since discharge of effluents is involved during the operations of a restaurant, a restaurant in Hong Kong also needs to obtain a water pollution control licence issued by the EPD.

As at the Latest Practicable Date, we had obtained all the necessary major licences and permits for our restaurant operations in Hong Kong. For further details, please refer to the sections headed "Business — Major licences and qualifications" and "Business — Legal proceedings and legal compliance — Legal compliance" in this prospectus.

COMPETITIVE LANDSCAPE

According to the Ipsos Report, competition within the independent full-service restaurant industry in Hong Kong is intense. There are no dominant players among the independent full-service Asian and European restaurants in Hong Kong. As of 2016, our Group owned 11 restaurants in Hong Kong, seven of which served European cuisine and four of which served Asian cuisine. Our Company recorded approximately HK$122.4 million of revenue and accounted for approximately a 2.7% share of the total industry revenue in the independent full-service European restaurant industry and approximately HK$110.0 million of revenue and accounted for approximately a 0.2% share of the total industry revenue in the Asian independent full-service restaurant industry in 2016. The key factors of competition are (i) quality of food and services; (ii) prices; and (iii) location.

OUR COMPETITIVE STRENGTHS

Even though it is expected that the competition within the independent full-service restaurant industry in Hong Kong will continue to be fierce in the future, our Directors are confident that the following competitive strengths we possess will enable us to withstand the intense competition, overcome the threats to the food service industry and catch up with the future trends:

— We are committed to offering our customers boutique dining experience based on quality cuisine, attentive services and comfortable dining environment;

— We have a proven track record in the restaurant business in Hong Kong and host a number of widely acclaimed brands of restaurants;

— Our restaurants are strategically located;

— We implement stringent quality control measures to ensure food quality and hygiene; and

— We have an experienced and dedicated management team.

BUSINESS STRATEGIES

We intend to implement the following strategies to expand our market share and enhance our recognition in Hong Kong:

— To develop new dining concepts and restaurants, including opening the CPS Restaurant by the end of the first half of 2018 which will offer Chinese provincial cuisine with an estimated seating capacity of 80. We expect the average spending per customer in the CPS Restaurant will be approximately HK$300 and based on the current market conditions, the restaurant is expected to achieve a breakeven in approximately four months and investment payback to be achieved in three years;

— To carry out maintenance at our existing restaurants to maintain competitiveness; and

— To repay our term loan and reduce our level of indebtedness.

SELECTED KEY OPERATIONAL AND FINANCIAL DATA

Financial position	**As at 31 December**			**As at 31 July**
	2014	**2015**	**2016**	**2017**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Non-current assets	45,476	55,198	61,858	53,808
Current assets	31,032	35,528	30,312	27,885
Current liabilities	66,994	34,126	39,033	29,367
Net current (liabilities)/assets *(Note 1)*	(35,962)	1,402	(8,721)	(1,482)
Total assets less current liabilities	9,514	56,600	53,137	52,326
Non-current liabilities	2,450	3,316	9,143	16,239
Net assets	7,064	53,284	43,994	36,087

Results of operations	Year ended 31 December			Seven months ended 31 July	
	2014	2015	2016	2016	2017
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Revenue	170,487	206,476	232,375	129,130	134,855
Other income and other gains and losses	420	550	2,465	754	1,136
Raw materials and consumables used *(Note 2)*	(44,582)	(52,501)	(58,184)	(32,446)	(33,095)
Staff costs *(Note 3)*	(59,847)	(73,000)	(79,514)	(44,992)	(50,529)
Property rentals and related expenses *(Note 3)*	(20,586)	(24,326)	(31,698)	(17,493)	(19,186)
Utility expenses *(Note 3)*	(5,258)	(6,651)	(7,718)	(4,354)	(4,437)
Advertising and promotion expenses *(Note 4)*	(5,933)	(7,502)	(6,788)	(3,682)	(3,899)
Other operating expenses *(Note 5)*	(19,367)	(24,868)	(33,431)	(18,877)	(14,419)
Depreciation	(9,842)	(11,188)	(13,670)	(7,537)	(8,611)
Finance costs					
- interest expenses on bank borrowings	—	—	(313)	(155)	(274)
Share of loss of an associate *(Note 6)*	—	—	(6,467)	(3,930)	(433)
Listing expenses	—	(9,750)	(4,588)	(2,919)	(7,239)
Income tax expense	(1,194)	(1,832)	(2,012)	(967)	(1,167)
Profit (loss) for the year/period	4,298	(4,592)	(9,543)	(7,468)	(7,298)
Adjusted net profit (loss) for the year/period *(Note 7)*	4,298	5,158	(4,955)	(4,549)	(59)
Adjusted net profit (loss) margin for the year/period	2.5%	2.5%	(2.1%)	(3.5%)	(0.04%)

Notes:

1. The improvement of net current liabilities as at 31 July 2017 compared with 31 December 2016 was primarily resulted from the decrease in current portion of bank borrowings of approximately HK$3.7 million after the restructuring of banking facilities in which a revolving loan was changed to a term loan, decrease in amounts due to non-controlling shareholders of subsidiaries of approximately HK$2.6 million, decrease in trade and other payables and accrued charges of HK$3.6 million, increase in trade and other receivables, deposits and prepayments of approximately HK$1.6 million, partially offset by the decrease in amounts due from non-controlling shareholders of subsidiaries of approximately HK$6.4 million and the decrease in bank balances and cash of approximately HK$2.5 million.

2. The increase in cost of raw materials and consumables used in 2016 was generally in line with the increase in revenue during the Track Record Period.

3. The increase in staff costs, property rentals and related expenses and utility expenses in 2016 was primarily due to (i) the full-year operations of Meen & Rice, Fishschool Restaurant and Mak Mak (which commenced operation in March, October and December 2015, respectively); (ii) the full-year operations of Esquina Tapas Bar (which was acquired in July 2015); and (iii) the commencement of operations of RHODA and Commissary in June and November 2016, respectively.

4. The decrease in advertising and promotion expenses in 2016 was primarily a result of our cost control measures.

5. The increase in other operating expenses was mainly attributable to the increase in management service fee, cleaning and laundry expenses, operating supplies and repair and maintenance expenses.

6. We incurred a share of loss of an associate of approximately HK$6.5 million and HK$0.4 million for the year ended 31 December 2016 and the seven months ended 31 July 2017 as a result of our investment in Potato Head (HK) due to the underperformance of Potato Head (HK) which led to net loss for the year/period. When our Group's share of loss of an associate exceeds our interest in that associate which includes amount due from an associate, we will discontinue recognising share of losses. Hence we considered the share of loss of an associate to be a non-recurring item.

7. Adjusted net profit (loss) for the year/period is calculated by net profit (loss) for the year/period excluding the Listing expenses charged in the relevant year/period. The terms of adjusted net profit (loss) for the year/period is not defined under HKFRS. Please refer to section headed "Financial information — Non-HKFRS measures" in this prospectus for further details.

Our adjusted net profit for the year remained stable between the year ended 31 December 2014 and 2015 and further decreased from adjusted net profit of approximately HK$5.2 million for the year ended 31 December 2015 to adjusted net loss of approximately HK$5.0 million for the year ended 31 December 2016. Our adjusted net profit margin also decreased from approximately 2.5% in 2015 to adjusted net loss margin of approximately 2.1% in 2016. The decrease was mainly due to (i) the decrease in revenue from restaurants with two full years of operations during the Track Record Period which led to a higher fixed costs over revenue for the year; (ii) the commencement of operations of two new restaurants in 2016 which led to higher expenses incurred for initial set up compared to a relatively lower turnover, and (iii) the non-recurring expense of share of loss of an associate of approximately HK$6.5 million due to the underperformance of Potato Head (HK).

Our adjusted net losses for the seven months ended 31 July 2016 and 2017 were approximately HK$4.5 million and HK$59,000, respectively. The improvement was mainly due to (i) the improved net profit margin of 22 Ships, Duddell's, Meen & Rice and Mak Mak; (ii) the disposal of Fishschool Restaurant in March 2017, thereby lowering our overall net loss, and (iii) the decrease in share of loss of an associate of approximately HK$3.5 million as our Group's share of loss of an associate exceeds our Group's interest in that associate. As a result, our Group discontinued recognising share of losses in March 2017.

The following table sets forth a breakdown of our revenue (including membership fees) as derived from each of our restaurants and as a percentage of our total revenue and net profit (loss) margin for each restaurant for each of the three years ended 31 December 2016 and the seven months ended 31 July 2017:

	Year ended 31 December									Seven months ended 31 July		
	2014			2015			2016			2017		
	Revenue	% of total revenue	Net profit (loss) margin	Revenue	% of total revenue	Net profit (loss) margin	Revenue	% of total revenue	Net profit (loss) margin	Revenue	% of total revenue	Net profit (loss) margin
	(HK$'000)	*(%)*	*(%)*	*(HK$'000)*	*(%)*	*(%)*	*(HK$'000)*	*(%)*	*(%)*	*(HK$'000)*	*(%)*	*(%)*
208 Duecento Otto	31,207	18.3	8.4	26,745	13.0	1.7	24,009	10.3	6.5	14,209	10.5	6.7
22 Ships	21,398	12.6	7.0	21,950	10.6	10.3	18,196	7.8	2.9	10,177	7.5	4.1
Duddell's	57,255 *(Note 4)*	33.6	3.2	60,576 *(Note 4)*	29.3	4.3	61,378 *(Note 4)*	26.5	7.3	36,460 *(Note 4)*	27.1	7.2
Chachawan	18,912	11.1	10.1	20,393	9.9	8.4	19,620	8.5	13.4	10,973	8.1	11.8
Ham & Sherry	13,207	7.7	0.4	13,858	6.7	(0.3)	13,198	5.7	2.1	7,512	5.6	3.6
Aberdeen Street Social *(Note 1)*	28,508	16.7	(11.1)	44,714	21.7	5.6	33,727	14.5	(2.5)	17,110	12.7	(5.1)
Meen & Rice *(Note 1)*	—	—	N/A	9,179	4.4	(16.0)	10,982	4.7	(5.4)	7,210	5.3	0.3
Esquina Tapas Bar *(Note 2)*	—	—	N/A	6,095	3.0	2.4	11,726	5.0	0.5	—	—	N/A
Fishschool Restaurant *(Note 3)*	—	—	N/A	2,710	1.3	(24.0)	9,244	4.0	(30.0)	2,372	1.8	(4.8)
Mak Mak *(Note 1)*	—	—	N/A	256	0.1	(568.3)	17,976	7.7	(1.2)	9,964	7.4	0.1
RHODA *(Note 1)*	—	—	N/A	—	—	N/A	9,475	4.1	(18.9)	8,390	6.2	(17.2)
Commissary *(Note 1)*	—	—	N/A	—	—	N/A	2,844	1.2	(57.2)	10,478	7.8	(21.6)
Total	170,487	100.0		206,476	100.0		232,375	100.0		134,855	100.0	

Notes:

1. Aberdeen Street Social commenced operations in May 2014. Meen & Rice and Mak Mak commenced operations in March and December 2015, respectively. RHODA and Commissary commenced operations in June and November 2016, respectively.

2. In December 2016, we disposed of the entire interest in Esquina Tapas Bar which we acquired with effect from July 2015.

3. In March 2017, we disposed of the entire interest in Fishschool Restaurant which commenced operations in October 2015.

4. The revenue included revenue attributable to membership fees and sponsorship income from Duddell's wine and spirits supplier amounted to approximately HK$2.3 million, HK$1.8 million, HK$1.3 million and HK$0.8 million for each of the three years ended 31 December 2016 and the seven months ended 31 July 2017, respectively.

We recognised an increase in total revenue by approximately HK$36.0 million or approximately 21.1% for the year ended 31 December 2015 compared to the year ended 31 December 2014, which was mainly due to the additional revenue contribution for (i) the full-year operations of Aberdeen Street Social (which commenced operations in May 2014); (ii) the commencement of operations of Meen & Rice and Fishschool Restaurant in March and October 2015, respectively; and (iii) the acquisition of Esquina Tapas Bar with effect from 1 July 2015.

We recognised an increase in total revenue by approximately HK$25.9 million or approximately 12.5% from 2015 to 2016, which was mainly due to the additional revenue contribution as a result of the full-year operations of Meen & Rice, Fishschool Restaurant, Mak Mak and Esquina Tapas Bar and the commencement of operations of RHODA and Commissary in 2016. We recognised an increase in total revenue by approximately HK$5.8 million for the seven months ended 31 July 2017 compared with the same period in 2016, which was mainly due to (i) the full-period operations of RHODA (which commenced operations in June 2016); and (ii) the commencement of operations of Commissary in November 2016; but was offset by the decrease in revenue generated from Esquina Tapas Bar and Fishschool Restaurant which were disposed of in December 2016 and March 2017, respectively.

For the year ended 31 December 2014, one out of six restaurants operated by us was loss-making, namely Aberdeen Street Social, which only commenced operations in May 2014. For the year ended 31 December 2015, four out of 10 restaurants operated by us were loss-making, namely, Ham & Sherry, Meen & Rice, Fishschool Restaurant and Mak Mak, because Meen & Rice and Mak Mak commenced operations in March and December 2015, respectively and Fishschool Restaurant commenced operations in October 2015. Ham & Sherry turned from a net profit position for the year ended 31 December 2014 to a net loss position for the year ended 31 December 2015, which was mainly because of an increase in staff costs. For the year ended 31 December 2016, six out of 12 restaurants operated by us were loss-making, namely Aberdeen Street Social, which was due to the decrease in both number of customer visits and the average spending per customer per meal; Meen & Rice, which was due to insufficient revenue generated; Fishschool Restaurant, which was due to the lack of customer traffic at the restaurant location; Mak Mak, which was due to insufficient revenue generated; and RHODA and Commissary which commenced operations in June and November 2016, respectively. For the seven months ended 31 July 2017, four out of 11 restaurants operated by us were loss-making, namely Aberdeen Street Social, Fishschool Restaurant, RHODA which commenced operations in June 2016 and Commissary, which commenced operations in November 2016. In March 2017, we disposed of the entire interest in Fishschool Restaurant.

Except Duddell's, the revenue of the other five restaurants with two full years of operations declined for the year ended 31 December 2016 as compared with that for the year ended 31 December 2015. The declining revenue was generally a result of competition with nearby restaurants. Despite the declining revenue, we have timely implemented effective cost control measures during the same period to improve the overall net profit margin of three of our restaurants, namely 208 Duecento Otto, Chachawan and Ham & Sherry. For Ham & Sherry, we were able to turn a net loss position in 2015 to a net profit margin of 2.1% in 2016. As for the remaining two restaurants with declining revenue, 22 Ships recorded a drop in net profit margin from 10.3% to 2.9% due to the decrease in revenue. Aberdeen Street Social turned from a net profit in 2015 to a net loss in 2016, due to a lack of customer traffic at the restaurant location and less than optimal reception to the concept of the restaurant. During the seven months ended 31 July 2017, except for Aberdeen Street Social, the other seven restaurants with two full periods of operations either showed improvement in net profit margins or in a net profit positions. Our management will continue to monitor our performance by regularly comparing the actual operating data against the budget of each restaurant and devise improvement strategies when necessary.

With a view to streamlining our business and concentrate on our restaurant operations in Hong Kong, we disposed of the business and assets of Esquina Tapas Bar. The disposal of Esquina Tapas Bar to J C Tapas has been properly and legally completed with effect from 31 December 2016 and the consideration was settled on 16 January 2017.

Our Directors, after considering its continuing underperformance and assessing the likely investment payback period, were of the view that it was unlikely for Fishschool Restaurant to achieve investment payback within the term of its lease. Hence our Directors decided to disposed of it in 2017.

Please refer to the section headed "Financial information — Factors affecting the results of our Group's operations — Opening of new restaurants" in this prospectus for details.

Cash flows

	Year ended 31 December			**Seven months ended 31 July**	
	2014	**2015**	**2016**	**2016**	**2017**
	(HK$'000)	*(HK$'000)*	*(HK$'000)*	*(HK$'000)* *(unaudited)*	*(HK$'000)*
Operating cash flows before movements in working capital	15,334	7,640	11,740	4,890	3,287
Net cash generated from/(used in) operating activities	16,725	7,232	2,777	(4,635)	283
Net cash used in investing activities	(16,913)	(14,124)	(26,281)	(17,300)	(6,236)
Net cash from financing activities	6,653	1,659	14,443	9,081	3,499
Net increase/(decrease) in cash and cash equivalents	6,465	(5,233)	(9,061)	(12,854)	(2,454)
Cash and cash equivalents at beginning of the year/period	15,455	21,920	16,687	16,687	7,626

	Year ended 31 December			Seven months ended 31 July	
	2014	2015	2016	2016	2017
	(HK$'000)	*(HK$'000)*	*(HK$'000)*	*(HK$'000)* *(unaudited)*	*(HK$'000)*
Cash and cash equivalents at end of the year/period	21,920	16,687	7,626	3,833	5,172
Adjusted operating cash flows before movements in working capital[(1)]	15,334	17,390	16,328	7,809	10,526

Notes:

(1) Adjusted operating cash flows before movements in working capital is calculated by operating cash flows before movements in working capital excluding the listing expenses charged in the relevant year/period. The terms of adjusted operating cash flows before movements in working capital is not defined under HKFRS. Please refer to section headed ''Financial information — Cash flows and working capital — Cash flows from operating activities" in this prospectus for further details.

(2) Based on the estimated combined loss of our Group attributable to the owners of our Company of not more than HK$5.6 million for the year ended 31 December 2017 set out in Appendix III to this prospectus, our Directors confirm the estimated operating cash flows before movements in working capital for the year ended 31 December 2017 is not less than approximately HK$12.0 million.

BUSINESS SUSTAINABILITY

Notwithstanding that some of our restaurants were unprofitable in certain financial periods during the Track Record Period, our Directors believe that our business is sustainable on the back of, among other things, (i) our improved financial performance as evidenced by the financial results for the seven months ended 31 July 2017 as compared to the corresponding period in 2016; (ii) the expected improvement in our financial performance for the year ended 31 December 2017 (based on the loss estimate set out in Appendix III to this prospectus and the listing expenses expected to be recognised in the year ended 31 December 2017) as compared to the year ended 31 December 2016; (iii) the expected recovery of the full-service restaurant industry in Hong Kong; and (iv) our proven track record after seven years in the restaurant business in Hong Kong.

Based on the prevailing market condition and barring the occurrence of any unforeseen events which may have material adverse effect on our operations (such as the materialisation of any of the risks set out in the section headed "Risk factors" of this prospectus), our Directors also have reasons to believe that we are able to continue to improve our operating and financial performance going forward as compared to that for the year ended 31 December 2016.

Set out below are further analysis about the sustainability of our business.

Unprofitable restaurants

During the Track Record Period, some of our restaurants, namely, Ham & Sherry, Aberdeen Street Social, Meen & Rice, Fishschool Restaurant, Mak Mak, RHODA and Commissary, were unprofitable in certain financial years or periods.

The table below sets forth the number of restaurants that were unprofitable for the periods indicated:

	For the year ended 31 December			For the seven months ended 31 July
	2014	2015	2016	2017
Number of unprofitable restaurants	1	4	6	4

The number of our restaurants that were unprofitable varied during the Track Record Period. It was mainly due to (i) a shift of dining habits of customers in Hong Kong to fast food shops and casual dining restaurants with lower average spending per meal per customer during economic slowdown; and (ii) the number of new restaurants that we opened in or around the period as a ramp-up period is normally required to allow newly-opened restaurants to build up its customer base, increase awareness and to be able to generate stable income.

Set out below are further details and reasons for the unprofitability of our restaurants during the Track Record Period.

Ham & Sherry

Despite the increase in revenue, Ham & Sherry turned from a net profit position for the year ended 31 December 2014 to a net loss position for the year ended 31 December 2015 primarily due to the increase in staff costs. However, the restaurant's net profit margin improved to 2.1% for the year ended 31 December 2016 and 3.6% for the seven months ended 31 July 2017. Although the net profit margin of Ham & Sherry was relatively thin, Ham & Sherry has been profitable during most of the Track Record Period after the year ended 31 December 2015 with an increasing net profit margin, thus contributing positively to our overall profitability. Our Directors expect that Ham & Sherry will achieve investment payback in 2018, which is within the term of its lease expiring in October 2019.

Aberdeen Street Social

Aberdeen Street Social experienced unsatisfactory patronage. With a view to improving the restaurant's performance, we have endeavored to modify its menu to offer a more relaxed dining experience and impose various staff cost control measures. However, the restaurant still recorded loss for the years ended 31 December 2014, 31 December 2016 and the seven months ended 31 July 2017, respectively, mainly due to a lack of customer traffic at the restaurant location and less than optimal market reception to the concept of the restaurant. Notwithstanding the aforesaid, our Directors reckoned that we would record significant loss if we close down Aberdeen Street Social having considered, among other things, our significant investment of approximately HK$6.9 million in the restaurant. Thus, we have negotiated with the licensor and successfully renewed the licence agreement with favourable terms, under which the restaurant will enjoy a two-month licence fee free period and secured a catering arrangement for events held at the Qube, an event venue in the PMQ premises. The fees generated from the provisions of catering services for the events held at the Qube are expected to be recognised as part of our revenue. We believe the arrangement relating to the Qube would expand our revenue source, widen our customer base, increase the publicity of Aberdeen Street Social and improving our overall profit margin, and thus further improve the performance of Aberdeen Street Social. Please refer to the section headed "Business — Operating performance of our restaurants — Aberdeen Street Social" in this prospectus for more details.

Meen & Rice and Mak Mak

Meen & Rice and Mak Mak commenced operations in March 2015 and December 2015, respectively, and recorded negative net profit margins for the years ended 31 December 2015 and 31 December 2016 due to the ramp-up period of newly-opened restaurants. Meen & Rice and Mak Mak achieved breakeven in April 2015 and March 2016, respectively, and both restaurants achieved positive operating margin for the seven months ended 31 July 2017.

Fishschool Restaurant

Fishschool Restaurant commenced operations in October 2015 and recorded negative net profit margin throughout the Track Record Period before its disposal. The restaurant's financial performance was impacted by the lack of customer traffic and the liquor licence conditions imposed by the LLB. Our Directors, having considered its continuing underperformance and prolonged investment payback period which would extend beyond the lease period, decided to dispose of Fishschool Restaurant in March 2017 to mitigate its negative impact on our financial performance and operating results.

RHODA and Commissary

RHODA and Commissary only commenced operations in June 2016 and November 2016, and achieved breakeven in August 2016 and December 2016, respectively.

Challenges encountered during the Track Record Period

Our Group also encountered the following challenges during the Track Record Period:

- **Shifting of dining habits** — economic slowdown has created a shift in dining habits of customers in Hong Kong to fast food shops and casual dining restaurants with lower average spending per meal per person;

- **Intense competition** — the intense competition in the food and beverage industry in Hong Kong has created a consistently high demand for attractive locations from, amongst others, other food and beverage operators that compete directly with us for the same locations. Our lease-related expenses amounted to approximately HK$18.0 million, HK$21.0 million, HK$26.1 million and HK$16.4 million representing approximately 10.6%, 10.2%, 11.2%, and 12.2% of our revenue for the three years ended 31 December 2016 and the seven months ended 31 July 2017, respectively;

- **Increasing salary expenses** — the expense on employees' salary in the food and beverage industry in Hong Kong has been increasing in recent years. For more details please refer to the section headed "Industry overview — Independent full-service restaurants in Hong Kong — Threats to the food service industry in Hong Kong" in this prospectus;

- **Fall in number of tourists** — the Hong Kong restaurant industry has been, and will continue to be, significantly affected by the robustness of the tourism industry in Hong Kong. According to the Industry Report, the total number of visitors to Hong Kong reduced by approximately 4.4% from 2015 to approximately 57 million in 2016;

- **Increasing cost of raw materials and consumables used** — the pressure of increasing cost of raw materials and consumables used, which accounted for approximately 26.2%, 25.4%, 25.0% and 24.5% of our revenues for the three years ended 31 December 2016 and the seven months ended 31 July 2017, respectively, has affected and will continue to affect our profitability; and

- **Impact of pre-opening expense of newly opened restaurants** — the profitability of new restaurants in the first year of business will usually be negatively affected by the incurrence of capital expenditure and pre-opening expenses and operating costs (such as fitting out expenses, staff costs, restaurant supplies costs, and promotion and advertising expenses). The amount of time needed for new restaurants to achieve breakeven and investment payback varies. For details of the breakeven and investment payback periods of our restaurants, please refer to the section headed "Business — Expansion plan, site selection and dish development — Breakeven and investment payback" in this prospectus.

Cost control and revenue boosting measures

Our Group has adopted the following cost control and revenue boosting measures to weather through the challenging operating environment:

- **Broadening income sources** — we have endeavoured to broaden our income sources by entering into trade-mark sub-licensing arrangements and offering restaurant consultancy services which will generate fixed recurring income. We have also secured catering rights which would provide additional revenue source.

- **Review and adjust headcounts** — we have and will continue to review our headcount as well as the mix of full-time employees and casual workers from time to time in order to optimise the size of our workforce and its efficiency.

- **Reduce raw material and consumable costs** — we will continue to monitor the costs of food ingredients and negotiate for favourable terms for the purchase of food and beverages to reduce our costs on raw materials and consumables used.

- **Maintain relationship with landlords** — we will continue to maintain amicable relationship with our landlords and as such we are able to negotiate favorable terms (such as rent-free periods) when renewing our leases or licences.

- **Enhance promotion of restaurants** — we will continue to promote our restaurants visibility by partnering with delivery service providers, changing the menus, and organising different events and promotions to attract different segment of customers.

- **Optimise our restaurant mix** — we will continue to review our restaurant mix and consider adding casual dining restaurants of lower price to reduce the impact of a shift of dining habit at times of economic slowdown.

As evidenced by our improved financial performance for the seven months ended 31 July 2017, our Directors believe that the above measures were and are sufficiently effective in alleviating the effect of the challenges we face. For further details of our measures, please refer to the section headed “Business — Operating performance of our restaurants” in this prospectus.

Basis of sustainability

Our Directors believe that our business will be sustainable based on the following:

- we have taken various measures with a view to weathering through the challenging operating environment, including exploring additional income streams from trade-mark sub-licensing and providing restaurant consultancy services, negotiating for better terms with landlords, bargaining for bulk purchases discounts for food and beverages, disposals of underperforming restaurants, implementing more stringent cost controls, etc. As a result, the operating performance for seven out of eight of our restaurants which were in operation for full period in both the seven months ended 31 July 2016 and 2017, respectively, recorded net profit during the seven months ended 31 July 2017. Among which six of them have shown improvement in net profit margins. Two of them have shown a turnaround from net loss to net profit;

- for the seven months ended 31 July 2017, we recorded adjusted net loss of approximately HK$59,000, representing a net loss margin of 0.04%. This shows notable improvement as compared to the same period in 2016 which recorded adjusted net loss of approximately HK$4.5 million, representing a net loss margin of approximately 3.5%;

- our liquidity for the seven months ended 31 July 2017 has notably improved compared to the same period in 2016. Our net current liabilities have significantly reduced, while our adjusted net operating cash flow significantly increased. Also, we had managed to maintain a positive operating cash flow for the years ended 31 December 2015, 2016 and the seven months ended 31 July 2017. We also had unutilised banking facility of HK$8.0 million as at 30 November 2017, which can be used to supplement its working capital if needed;

- according to the Industry Report, the full-service restaurant industry is expected to have a moderate recovery over 2017 to 2020 with a CAGR of 3.2%;

- according to the Industry Report, rental rates fell for the first time during the past few years within Hong Kong Island in 2015, and rent further decreased considerably by 7% for 2016. Continued underperformance in the retail sector is forecasted to continue to ease rents further and malls are expected to redevelop their properties to accommodate more food and beverage options; and

- we have a proven track record after seven years in the restaurant business in Hong Kong. We have received various awards and recognition from numerous awarding bodies such as Michelin Guide, Time Out Hong Kong, Foodie Magazine, Hong Kong Tatler, WOM Guide, South China Morning Post etc. These awards and recognition were a testimony to our experience and successful implementation of our business strategies in the mid-to-high-end restaurant market in Hong Kong. For a complete list of the awards and recognition received by us, please refer to the section headed "Business — Awards and recognition" in this prospectus.

In light of the significant reduction in net current liabilities from approximately HK$8.7 million as at 31 December 2016 to approximately HK$1.5 million as at 31 July 2017 and the availability of banking facilities (see the discussion in the section headed "Financial information - Current assets and current liabilities — Net current (liabilities) assets" in this prospectus for further details), we also believe that we will be able to meet our obligations, including our current liabilities, in near future.

We may distribute dividend by way of cash or by other means that our Board considers appropriate and our Board may recommend a distribution of dividend in the future only after taking into account our results of operations, financial condition, operating requirements, capital requirements, shareholders' interests and any other conditions that our Board may deem relevant.

Our senior management team has regularly updated the budgets of our restaurants with reference to actual operating data to enable us to monitor performance and devise improvement strategies. Generally, if a restaurant's performance shows no observable improvement after the implementation of the improvement strategies for a prolonged period, we would consider other measures, including but not limited to changing the concepts, negotiating more favourable terms with the landlord in relation to the tenancy agreements or closing down restaurants we consider to be continuously underperformed with prolonged investment payback period.

Key financial ratios

	Year ended 31 December			Seven months ended 31 July
	2014	2015	2016	2017
Net profit margin before interest, tax and listing expenses	3.2%	3.4%	N/A	1.0%
Gearing ratio *(Note)*	842.4%	44.8%	69.6%	84.9%
Trade receivables turnover days	1.9 days	2.4 days	3.0 days	3.4 days
Trade payables turnover days	44.9 days	50.6 days	60.7 days	65.1 days

Note: Gearing ratio is calculated based on the total debt (representing all liabilities excluding trade payables, tax payables, deferred tax liabilities and provision) divided by the total equity. Our gearing ratio decreased from approximately 842.4% as at 31 December 2014 to approximately 44.8% as at 31 December 2015, primarily due to the reserve arising from the Reorganisation and the decrease in the amounts due to non-controlling shareholders of subsidiaries. Our gearing ratio increased to approximately 69.6% as at 31 December 2016 from 44.8% as at 31 December 2015, primarily as a result of the bank borrowing of HK$14.1 million outstanding as at 31 December 2016 and further increased to approximately 84.9%, which was primarily as a result of the increase in bank borrowings amounted to approximately HK$3.6 million from 31 December 2016 to 31 July 2017.

Breakeven analysis

For illustration purpose only, the following table summarised the result of breakeven analysis on the combined effects of the increases in (i) raw materials and consumables used; (ii) staff costs; (iii) depreciation; (iv) property rentals and related expenses; (v) utility expenses; (vi) advertising and promotion expenses; and (vii) other operating expenses on the adjusted profit (loss) excluding non-recurring listing expenses for the year/period and the adjusted operating cash flows before movements in working capital after excluding listing expenses, with all other variables remaining constant.

	For the year ended 31 December			For the seven months ended 31 July
	2014	2015	2016	2017
Break-even on adjusted profit (loss) for the year/period	3.1%	3.1%	(2.6%)	(0.1%)
Break-even on adjusted operating cash flows before the changes in working capital	9.9%	9.2%	7.5%	8.4%

RECENT DEVELOPMENTS

Since 1 August 2017, we had the following major recent developments:

- We disposed of Maggie & Rose on 11 September 2017 for a consideration of approximately HK$3.0 million to a shareholder of the Maggie & Rose Group, an independent third party. Our Directors are of the view that the disposal of Maggie & Rose was in light of the continuing underperformance and loss making results. As a result of the disposal, any future potential impairment recognised in Maggie & Rose will no longer impact our Group's financial statements;

- On 13 October 2017, we managed to successfully negotiate and renew our tenancy arrangement with PMQ where Aberdeen Street Social is located. Our renewed terms included a rent-free period of two months and an arrangement with PMQ where PMQ appointed Aberdeen Street Social as a designated caterer for certain events. Our Directors confirmed that up to 31 December 2017, the events arrangement with PMQ in which we were the designated caterer have been profitable and since the commencement of the events arrangement with PMQ, the overall performance for the two months ended 31 December 2017 of Aberdeen Street Social have also been profitable. Our Directors further confirmed that since 1 January 2018 and up to the Latest Practicable Date, there have not been any material adverse change to the arrangement with PMQ. As at Latest Practicable Date, our Group have secured four events at the Qube, among which three were referred by PMQ, with the rental value payable by the venue user to PMQ being less than HK$800,000 and event duration of one day. Further information on the arrangements is set out in the section headed "Business — Our business model — Operating performance of our restaurants — Aberdeen Street Social" in this prospectus; and

- On 23 January, 2018, we entered into a formal agreement with an investment company that owns and operates a hotel in Taiwan for the purposes of providing consultancy services related to a restaurant and a rooftop bar located in the hotel. Our Group is providing pre-opening services such as preparation, consultation, concept design, kitchen design and input, hiring and training of general manager and executive chef, marketing and public relation, concept integration application, etc. In addition, our Group will also provide assistance and recommendations in relation to menu creation, uniform designs and concepts, post-opening operation activities and loose furniture, interior design and lighting design proposal. Upon entering into a letter of intent in September 2017, we have received initial non-refundable payment of approximately HK$374,000 in November 2017 for the provision of services mentioned. Based on the formal agreement, upon the opening date of the hotel, our Group is expected to receive ongoing management fees of a certain percentage of the revenue generated from the restaurant and club and room services for the provision of post-completion services such as operational review of the restaurant and club, review marketing and promotional plans and review and provide menu items. In addition, senior management of our Group has visited the hotel and attended meetings with the investment company in Taipei in November 2017. Under the proposed consultancy arrangements, our Group is obliged to provide advice on restaurant operation and management (based on our Group's expertise and know-how on operations) as and when required by our Group's clients. However, our Directors emphasise that our Group are not involved in the decision making of restaurant operation and management at the relevant restaurants in UK and Taiwan and shall not be considered as involving in the day-to-day operations of the overseas restaurants. Our Group will earn royalty (for use of the Group's trademark) and consultancy fees (such as a percentage of the relevant restaurants' revenue) based on the terms of the consultancy contracts, but our Group's financial performance is insulated from the profit and loss of such restaurants. As our Group does not have to bear the capital investment and cost of operations of these restaurants, our Directors believe that the provision of consultancy services will be profitable to the Group.

Our average monthly revenue for the eleven months ended 30 November 2017 was higher than the corresponding period in 2016. The increase in average monthly revenue was due to the revenue contributed by the new restaurants opened after 30 April 2016, namely RHODA and Commissary and the increase in revenue particularly from Duddell's and Meen & Rice, notwithstanding the disposal of Esquina Tapas Bar in December 2016 and Fishschool Restaurant in March 2017, while being partially offset by the decrease in revenue of the other restaurants as a result of their reduced number of visits per day and/or lowered average spending per customer per meal.

We plan to open the CPS Restaurant at the revitalised Central Police Station Compound before the end of the first half of 2018. We expect the initial opening and ramp-up capital expenditure for the CPS Restaurant to be approximately HK$5.0 million, such amount is expected to be recognised largely as property, plant and equipment in the financial statements for the year ending 31 December 2018. Having considered that (i) a ramp-up period is normally required to allow a newly opened restaurant to build up its customer base, increase awareness and to be able to generate stable income; and (ii) depreciation expenses of the capitalised initial opening and ramp-up costs, it is highly likely that the CPS Restaurant will incur a net loss at the start-up stage based on our historical operating performance.

Despite the slowdown of tourism in Hong Kong in 2015 and 2016, our Directors believe that tourists and travelers will remain one of the biggest customer segments of the food service industry in Hong Kong. There are signs of recovery of Hong Kong's tourism. According to the Hong Kong Tourism Board's monthly statistics, visitor arrivals were up by 3.1% for the eleven months ended 30 November 2017 compared to the same period in 2016. Overnight visitor arrivals were up by 5.0%. Our Directors therefore consider it reasonable to include restaurants which target tourists and travelers in our Group's restaurant portfolio. For more information about our restaurant expansion plans, please refer to the section headed "Business — Expansion plans, site selection and dish development" in this prospectus. In addition, in light of the shift in diners' habit caused by the economic slowdown in Hong Kong, we have adopted various measures to increase our income while rein in its operational costs. Please refer to the discussions set out in the section headed "Business — Operating performance of our restaurants" in this prospectus. In addition, our Directors will consider adding lower average spending per customer restaurants to our restaurant mix to mitigate the operational risk caused by an economic slowdown.

Recently, support measures were announced in the Financial Secretary's 2017 — 2018 budget for the Government. In the budget, the Financial Secretary proposed short-term measures which includes waiving licence fees for restaurants for one year. We expect to benefit from these measures for the year ended 31 December 2017 as we will be able to save on licensing-related expenses.

The recognition of part of the non-recurring listing expenses (of approximately HK$9.8 million in 2015, approximately HK$4.6 million in 2016 and approximately HK$7.2 million for the seven months ended 31 July 2017) resulted in net losses for the two years ended 31 December 2016 and the seven months ended 31 July 2017 of approximately HK$4.6 million, HK$9.5 million and HK$7.3 million, respectively. Accordingly, investors should be aware that we estimate to record a combined loss attributable to the owners of our Company of not more than HK$5.6 million for the year ended 31 December 2017 primarily due to the recognition of the remaining non-recurring listing expenses.

Save for the listing expenses to be recognised for the year ended 31 December 2017, our Directors confirm that (i) there has been no material adverse change in the general economic and market condition, legal, industry and operating environment in which we operate that has materially and adversely affected our financial or operating position or prospect since 31 July 2017 (being the date to which the latest audited combined financial statements of our Group were made up and recorded in the Accountants' Report set out in Appendix I to this prospectus) and up to the date of this prospectus; and (ii) no event has occurred since 31 July 2017 that would materially and adversely affect the information shown in the Accountants' Report set out in Appendix I to this prospectus. Based on the estimated combined loss of our Group attributable to the owners of our Company for the year ended 31 December 2017 of not more than HK$5.6 million set out in Appendix III to this prospectus, our Directors confirm the estimated operating cashflows before movements in working capital for the year ended 31 December 2017 is not less than approximately HK$12.0 million.

Save as the aforesaid, our business model, revenue structure and cost structure had remained unchanged since 1 August 2017 and up to the Latest Practicable Date.

LISTING EXPENSES

Our estimated expenses in relation to the Listing primarily consist of legal and professional fees, the underwriting commissions together with SFC transaction levy and Stock Exchange trading fee. Based on the Offer Price of HK$0.30 per Offer Share, our total listing expenses are estimated to be approximately HK$40.1 million, of which HK$3.2 million will be borne by the Selling Shareholder. The listing expenses to be borne by our Company are estimated to be approximately HK$36.9 million, of which approximately HK$9.1 million is directly attributable to the issue of New Shares and will be accounted for as a deduction from equity upon the Listing. The remaining amount of approximately HK$27.8 million is chargeable to the combined statements of profit or loss and other comprehensive income, of which approximately HK$9.8 million, HK$4.6 million and HK$7.2 million were recognised in our Group's combined statements of profit or loss and other comprehensive income for the two years ended 31 December 2016 and the seven months ended 31 July 2017, respectively, and approximately HK$3.2 million and HK$3.0 million is expected to be charged for the five months ended 31 December 2017 and the year ending 31 December 2018. We emphasise that the amount of the listing expenses is a current estimate for reference only and the final amount to be recognised in the combined financial statements of our Group for the year ended 31 December 2017 and the year ending 31 December 2018 is subject to adjustment based on audit and possible changes in variables and assumptions.

STATISTICS OF THE SHARE OFFER

The Share Offer comprises 168,450,000 New Shares conditionally offered for subscription by our Company and 46,550,000 Sale Shares conditionally offered for purchase by Giant Mind. Our Company and the Selling Shareholder are together offering 215,000,000 Offer Shares for subscription and/or purchase.

	Based on the Offer Price of HK$0.30 per Share
Market capitalisation of our Share(Note 1)	HK$258.0 million
Unaudited pro forma adjusted combined net tangible assets of our Group attributable to the owners of our Company per Share as at 31 July 2017(Note 2)	HK$0.08
Board lot	10,000 Shares

Notes:

(1) The market capitalisation is based on 860,000,000 Shares in issue immediately after completion of the Capitalisation Issue and the Share Offer and does not take into account any Shares which may be allotted and issued pursuant to the exercise of options which may be granted under the Share Option Scheme or any Shares which may be issued or repurchased by our Company pursuant to the general mandates granted to our Directors to issue or repurchase Shares or otherwise.

(2) For the assumptions and calculation method, please refer to the unaudited pro forma financial information set out in Appendix II to this prospectus.

REASONS FOR THE SHARE OFFER, OUR FUTURE PLANS AND USE OF PROCEEDS

Our Directors consider that the Share Offer and the Listing will enhance our Group's profile, recognition and capital base, and provide our Group with additional working capital to implement the future plans. Further, our Directors consider that the Listing and the Share Offer will provide us with access to capital market for future corporate finance exercises to assist in our future business development and further strengthen and enhance our competitiveness, and a broader shareholder base which could potentially lead to a more liquid market in the trading of the Shares.

The total amount of listing expenses in connection with the Share Offer will be borne by our Group, save for underwriting commission, fees and expenses relating to the sale of the Sale Shares by the Selling Shareholder which will be borne by the Selling Shareholder. Based on the Offer Price of HK$0.30 per Offer Share, our Directors estimate that the net proceeds to be received by us from the Share Offer in respect of the New Shares will be approximately HK$13.6 million. We intends to apply such net proceeds from the Share Offer for the period up to 31 December 2019 as follows:

Use	**Approximate percentage or amount of net proceeds to be applied**
To develop new dining concepts and restaurants	56.5% or HK$7.7 million
To carry out maintenance to our existing restaurants	26.5% or HK$3.6 million
To repay our term loan	7.0% or HK$1.0 million
To be used for working capital and other general corporate purposes	10.0% or HK$1.3 million

For further details on our future plans and the proposed use of proceeds, please refer to the section headed "Future plans and use of proceeds" in this prospectus.

LOSS ESTIMATE FOR THE YEAR ENDED 31 DECEMBER 2017

Our unaudited pro forma estimated loss per Share for the year ended 31 December 2017 has been prepared on the basis as set out in Appendix III to this prospectus for the purpose of illustrating the effect of the Share Offer as if they had taken place on 1 January 2017 and a total number of 860,000,000 Shares were in issue during such year, and the estimated combined loss of our Group attributable to the owners of our Company has taken into account of the expected listing expenses to be incurred during the year ended 31 December 2017 of approximately HK$10.4 million. This unaudited pro forma estimated loss per Share has been prepared for illustrative purposes only and, because of its hypothetical nature, may not provide a true picture of our financial results following the Share Offer and Capitalisation Issue. Please refer to Appendix III to this prospectus for further information.

Estimated combined loss of our Group attributable to the owners of our Company for the year ended 31 December 2017 (1)	not more than HK$5.6 million
Unaudited pro forma estimated loss per Share for the year ended 31 December 2017(2)	not more than HK$0.01

Notes:

(1) The bases on which the loss estimate has been prepared are set out in Appendix III to this prospectus. The estimated combined loss and total comprehensive expense for the year ended 31 December 2017 is based on the audited combined results of our Group for the seven months ended 31 July 2017 and the unaudited combined results of our Group's management accounts for the five months ended 31 December 2017.

(2) The calculation of the unaudited pro forma estimated loss per Share is based on the estimated combined loss of our Group attributable to the owners of our Company for the year ended 31 December 2017, assuming a total of 860,000,000 Shares in issue during the entire year without taking into account any Shares which may be issued upon the exercise of the any options which may be granted under the Share Option Scheme.

OUR SHAREHOLDERS

Prior to the Reorganisation, while Ms. PY Wong did not hold a majority equity interest in some of the companies that comprise the Group including Gain Long, Ideal Profit, Profit Holder, Rising Mark and Victory Rich, all such companies were under the common control of Ms. PY Wong, and are regarded as subsidiaries of the Group in accordance with HKFRS 10 by virtue of her being the single largest shareholder of the relevant companies within the Group, and her ability to exert absolute control over the companies at the board level (i.e. the governing bodies of these companies) and/or control through her controlled entities and/or the voting arrangement of the Relevant Minority Shareholders with Ms. PY Wong and Giant Mind, in a manner as set out in the section headed "Financial information — Ms. PY Wong's unilateral control over the companies comprising our Group" in this prospectus. Such voting arrangement shall last up until the time immediately before the Share Offer becoming unconditional. For the sole purpose of the GEM Listing Rules, the Relevant Minority Shareholders together with Ms PY Wong and Giant Mind were and will continue to be a group of Controlling Shareholders up until the time immediately before the Share Offer becoming unconditional. Therefore, the Relevant Minority Shareholders together with Ms. PY Wong and Giant Mind would be subject to, among others, the undertaking pursuant to Rule 13.16A(1) of the GEM Listing Rules. The Relevant Minority Shareholders will cease to be Controlling Shareholders upon the Listing.

So far as our Directors are aware, immediately following the completion of the Capitalisation Issue and the Share Offer (but not taking into account of any options that may be granted under the Share Option Scheme), our Company will be owned as follows:

	Name	Shareholding %
Controlling Shareholders:	Giant Mind	47.64%
	Ms. PY Wong(Note 1)	6.05%
Significant Shareholder:	J C Tapas	5.30%
Other Shareholders:	Yellow Remnant(Note 2)	3.97%
	Mr. Pong Kin Yee(Note 2)	2.56%
	Resto Holdings(Note 2)	1.92%
	Mr. Sun Tao Hung Stanley(Note 2)	1.92%
	Mr. Darrin Woo(Note 2)	1.28%
	Mr. Chu Lawrence Sheng Yu(Note 2)	1.28%
	Mr. Zhao Lingyong(Note 2)	1.28%
	Ka Ka International	1.08%
	Ms. Yeow Yin Peh, Lynn(Note 2)	0.24%
	Mr. Hong Ching Seng(Note 2)	0.24%
	Ms. Loi Yan Yi(Note 2)	0.24%
	Ms. Lo Kit Yee Grace(Note 2)	N/A(Note 1)

Notes:

1. As at the Latest Practicable Date, the issued shares of Giant Mind were owned as to 89.8% by Ms. PY Wong and 10.2% by Ms. Lo Kit Yee Grace. The net proceeds from the sale of the Sale Shares will serve as the consideration for a share repurchase by Giant Mind in relation to the 10.2% of the issued shares held by Ms. Lo Kit Yee Grace, after which the entire issued share capital of Giant Mind shall be held solely by Ms. PY Wong.

2. Being the Relevant Minority Shareholders who are also Controlling Shareholders up until the time immediately before the Share Offer becoming unconditional for the purpose of the GEM Listing Rules. For details, please refer to the section headed "Relationship with the Controlling Shareholders — Our Controlling Shareholders" in this prospectus.

Our Controlling Shareholders will hold approximately 53.69% of our entire issued share capital immediately upon completion of the Share Offer and the Capitalisation Issue (without taking into account any options which may be granted under the Share Option Scheme) and upon repurchase by Giant Mind of the 10.2% the issued shares in Giant Mind held by Ms. Lo Kit Yee Grace. Please refer to the section headed "Relationship with the Controlling Shareholders — Our Controlling Shareholders" in this prospectus for further details.

As at the Latest Practicable Date, Mr. Lo Yeung Kit, Alan (the spouse of Ms. PY Wong) and Mr. Pong Kin Yee, each held 15.25% of Classified Group Holdings, the holding company of Classified Group. The Classified Group is engaged in the business of restaurant operations in Hong Kong and had interests in 12 restaurants in Hong Kong as at the Latest Practicable Date, including 11 restaurants comprised in "Classified" chain of restaurants and The Pawn (a "gastropub" serving British cuisine). Our development, management and operations are independent of the Classified Group, and we are financially independent of the Classified Group. Please refer to the section headed "Relationship with the Controlling Shareholders — Interests of our Controlling Shareholders and their respective close associates in the restaurant business" for further details.

We have entered into, and expected to continue after the Listing, certain transactions with companies controlled by our Controlling Shareholders or their close associates which will constitute continuing connected transactions of our Company under the GEM Listing Rules after the Listing, which are fully exempt from shareholders' approval, annual review and all disclosure requirements. These transactions include (i) a tenancy agreement in respect of an office in Hong Kong; (ii) the master purchase agreement in respect of the supply of cigar, tobacco and cigarettes and other related products; and (iii) the service/employment agreements with the culinary director/executive chef of certain restaurants of our Group. Please refer to the sections headed "Continuing connected transactions" in this prospectus for further details.

DIVIDENDS

During the year ended 31 December 2015, Ideal Profit, a non-wholly owned subsidiary of our Company, declared and paid dividends of HK$625,000 to its non-controlling shareholder and HK$1,875,000 to its immediate holding company, namely Big Team. During the seven months ended 31 July 2017, Ideal Profit declared and paid dividend of HK$200,000 to its non-controlling shareholders and HK$600,000 to Big Team. Other than disclosed above, no dividend had been paid or declared by any group entities to external parties during the Track Record Period. All dividends declared have been fully settled.

After the completion of the Share Offer, our Shareholders will be entitled to receive dividends only when declared by our Directors. Our Company does not have any pre-determined dividend policy or dividend distribution ratio. Cash dividends on the Shares, if any, will be paid in Hong Kong dollars. Please refer to the section headed "Financial information — Dividend" in this prospectus for information about the determination of our future dividend.

RISK FACTORS

Potential investors are advised to carefully read the section headed "Risk factors" in this prospectus before making any investment decision in the Offer Shares. Some of the more particular risk factors include:

— Our Group recorded net current liabilities as at 31 December 2014, 31 December 2016 and 31 July 2017.

— We may experience weak liquidity as we had recorded negative cash flow from our operating activities in the past.

— We have not registered one of our leases relating to Duddell's and may face vacation.

— Our financial results depend on the success of our existing and new restaurants.

— The lack of attractive locations, the increase in rental expenses and the failure to renew existing leases of our leased properties may adversely affect our business and operating results.

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

— Our operations are susceptible to increases in purchase cost for raw materials such as food and beverage ingredients, which could adversely affect our profitability and results of operations.

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

HISTORICAL NON-COMPLIANCE INCIDENTS

There were instances where our Group failed to comply with certain applicable laws and regulations in Hong Kong during the period commencing from 1 January 2015 and up to the Latest Practicable Date, including non-compliance with: (i) the Food Business Regulation; (ii) the Dutiable Commodities Ordinance; (iii) the Water Pollution Control Ordinance; and (iv) the Mandatory Provident Fund Schemes Ordinance. For details of such non-compliance incidents and the respective rectification actions taken, please refer to the section headed "Business — Legal proceedings and legal compliance" in this prospectus.

In this prospectus, unless the context otherwise requires, the following terms shall have the meanings set forth below.

"168 Limited"	168 Limited, being a company incorporated in Hong Kong on 14 August 2015 with limited liability and wholly-owned by an Independent Third Party as at the Latest Practicable Date, holding 15% of the issued shares our More Earn (or indirect non-wholly owned subsidiary)
"22 Ships"	22 Ships, a Spanish-style restaurant operating under Ideal Profit (an indirect subsidiary of our Company) which is situated at Shop No. 6, G/F, Commercial Portion of J Residence, 60 Johnston Road, Wanchai, Hong Kong
"208 Duecento Otto"	208 Duecento Otto, an Italian-style restaurant operating under Luck Wealthy (an indirect subsidiary of our Company) which is situated at Shop A, G/F & Portion of Shop A & B, 1/F, Tai Ping Mansion, 208-214 Hollywood Road, Hong Kong
"Aberdeen Street Social"	Aberdeen Street Social, a British-style restaurant operating under Profit Holder (an indirect subsidiary of our Company) which is situated at LG/F and G/F, JPC Building, PMQ, 35 Aberdeen Street, Central, Hong Kong
"affiliate(s)"	any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"APCO"	the Air Pollution Control Ordinance (Chapter 311 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"APC Reg"	the Air Pollution Control (Furnaces, Ovens and Chimneys) (Installation and Alteration) Regulations (Chapter 311A of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
"Application Form(s)"	**WHITE** application form(s), **YELLOW** application form(s) and **GREEN** application form(s), or where the context so requires, any one of them, relating to the Share Offer

"Articles of Association" or "Articles"	the amended and restated articles of association of our Company, adopted on 23 January 2018 and with effect from the Listing Date and as amended from time to time, a summary of which is set forth in the section headed "Summary of the constitution of our Company and Cayman Islands Company Law" in Appendix IV to this prospectus
"associate(s)"	has the meaning ascribed to it under the GEM Listing Rules
"Big Team"	Big Team Ventures Limited, being a company incorporated in the BVI with limited liability on 18 June 2015 and a direct wholly-owned subsidiary of our Company
"Board"	our board of Directors
"Brightsome"	Brightsome Investments Limited (光熙投資有限公司), being a company incorporated in the BVI with limited liability on 14 July 2015, registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on 11 September 2015 and an indirect wholly-owned subsidiary of our Company operating Mak Mak
"Business Day"	any day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong are generally open for normal banking business to the public
"BVI"	the British Virgin Islands
"Capitalisation Issue"	the issue of 691,500,000 Shares to be made upon capitalisation of part of the amount standing to the credit of our share premium account as referred to in the paragraph headed "A. Further information about our Company — 3. Written resolutions" in Appendix V to this prospectus
"Capital Creative"	Capital Creative Limited (建京有限公司), being a company incorporated in Hong Kong with limited liability on 12 September 2014 and an indirect wholly-owned subsidiary of our Company operating Meen & Rice
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"CCASS Clearing Participant(s)"	a person admitted to participate in CCASS as a direct clearing participant or a general clearing participant

"CCASS Custodian Participant(s)"	a person admitted to participate in CCASS as a custodian participant
"CCASS Investor Participant(s)"	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
"CCASS Participant(s)"	a CCASS Clearing Participant or a CCASS Custodian Participant or a CCASS Investor Participant
"Chachawan"	Chachawan, a Thai-style restaurant operating under Kingswide (an indirect subsidiary of our Company) which is situated at Major Portion of Lower G/F & Cockloft, 206 Hollywood Road, Sheung Wan, Hong Kong
"Chairperson"	the chairperson of the Board, Ms. PY Wong
"Classified Group"	a group of companies comprising Classified Group Holdings, Classified Limited, The Pawn Limited, Small Medium Large Limited and Classified Group Management Limited (formerly known as Classified Bread and Cheese Limited), each of their direct and indirect holding companies and fellow subsidiaries and the restaurants identified under the section headed "Relationship with the Controlling Shareholder — Interests of our Controlling Shareholders and their respective close associates in the restaurant business — Classified Group" in this prospectus
"Classified Group Holdings"	Classified Group (Holdings) Limited, the holding company of the companies comprising the Classified Group and whose shares are listed on the GEM of the Stock Exchange (stock code: 8232)
"close associate(s)"	has the meaning ascribed to it under the GEM Listing Rules
"Commissary"	Commissary, a restaurant of trans-pacific all-day dining concept operating under King Access (an indirect subsidiary of our Company) which is situated at Shop 405, 4/F Pacific Place, 88 Queensway, Admiralty, Hong Kong
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time

"Companies Law" or "Cayman Companies Law"	the Companies Law (as revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
"Company"	Jia Group Holdings Limited (佳民集團有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 21 August 2015 and registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on 9 October 2015
"Concept Wise"	Concept Wise Global Limited, being a company incorporated in the BVI with limited liability on 12 February 2015 and was disposed of to an Independent Third Party on 31 March 2017
"connected person(s)"	has the meaning ascribed to it under the GEM Listing Rules
"Controlling Shareholder(s)"	has the meaning ascribed to it under the GEM Listing Rules, and for the purpose of this prospectus and in respect of our Company, means Ms. PY Wong and Giant Mind, and up until the time immediately before the Share Offer becoming unconditional, includes the Relevant Minority Shareholders
"core connected person(s)"	has the meaning ascribed to it under the GEM Listing Rules
"Corporate Governance Code"	the Corporate Governance Code as set out in Appendix 15 to the GEM Listing Rules, as amended, supplemented or otherwise modified from time to time
"CPS Restaurant"	a restaurant and a lounge yet to be named to be operated under Ultra Wealth (an indirect subsidiary of our Company) which is situated at the Central Police Station Compound, No. 10 Hollywood Road, Central, Hong Kong (which is under redevelopment and revitalisation)
"Dazzle Long"	Dazzle Long Limited, being a company incorporated in the BVI with limited liability on 15 June 2015 and an indirect wholly-owned subsidiary of our Company

"DCO" or "Dutiable Commodities Ordinance"	the Dutiable Commodities Ordinance (Chapter 109 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"DCR"	the Dutiable Commodities (Liquor) Regulations (Chapter 109B of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Deed of Indemnity"	the deed of indemnity dated 23 January 2018 entered into by Ms. PY Wong and Giant Mind in favour of our Company regarding certain indemnities, details of which are set out in the paragraph headed "E. Other information — 1. Tax indemnity and indemnity relating to compliance matters" in Appendix V to this prospectus
"Deed of Non-competition"	the deed of non-competition dated 23 January 2018 executed by Ms. PY Wong and Giant Mind in favour of our Company regarding certain non-competition undertakings, details of which are set out in the section headed "Relationship with the Controlling Shareholders — Non-competition undertaking and corporate governance measures to manage conflicts of interests" in this prospectus
"DEP"	the Director of Environmental Protection of EPD
"DFEH"	the Director of Food and Environmental Hygiene of FEHD
"Director(s)"	the director(s) of our Company
"Duddell's"	Duddell's (都爹利會館), a Chinese-style restaurant operating under Top Glorification (an indirect subsidiary of our Company) which is situated at 3/F & 4/F, No. 1 Duddell Street, Central, Hong Kong
"Duddell's (HK)"	Duddell's Hong Kong Limited, being a company incorporated in Hong Kong with limited liability on 18 April 2013 and an indirect wholly-owned subsidiary of our Company, which is a membership operator in relation to Duddell's
"Employees' Compensation Ordinance" or "ECO"	the Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Employment Ordinance" or "EO"	the Employment Ordinance (Chapter 57 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

"EPD"	the Environmental Protection Department of Hong Kong
"Esquina Tapas Bar"	Esquina Tapas Bar, a European-style restaurant in Singapore, which we acquired in July 2015 and disposed of in December 2016
"Factories and Industrial Undertakings (Fire Precautions in Notifiable Workplaces) Regulations" or "FIU(F)R"	Factories and Industrial Undertakings (Fire Precautions in Notifiable Workplaces) Regulations (Chapter 59V of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Fair Dollar"	Fair Dollar Ventures Limited, being a company incorporated in the BVI with limited liability on 12 August 2015 and an indirect wholly-owned subsidiary of our Company, holding our investment in Maggie & Rose Group, which we disposed of in September 2017
"FEHD"	the Food and Environmental Hygiene Department of Hong Kong
"Fine Wisdom"	Fine Wisdom Holdings Limited, being a company incorporated in the BVI with limited liability on 18 February 2016 and an indirect wholly-owned subsidiary of our Company
"Fishschool Restaurant"	Fishschool Restaurant, a western-style seafood restaurant operating under More Earn which is situated at Shop 1, Upper Ground Floor, True Light Building, 100 Third Street, Sai Ying Pun, Hong Kong and disposed of on 31 March 2017
"Fit Asia"	Fit Asia Inc Limited (快亞有限公司), being a company incorporated in Hong Kong with limited liability on 20 February 2013 and an indirect wholly-owned subsidiary of our Company holding the trademark of Chachawan
"Food Business Regulation"	the Food Business Regulation (Chapter 132X of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Gain Long"	Gain Long Corporation Limited (嶺瑞有限公司), being a company incorporated in Hong Kong with limited liability on 9 May 2013 and an indirect non-wholly owned subsidiary of our Company operating Ham & Sherry
"GBP" of "£"	Great British Pound, the lawful currency of United Kingdom

"GEM"	the Growth Enterprise Market of the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on the GEM, as amended, supplemented or otherwise modified from time to time
"Giant Mind" or "Selling Shareholder"	Giant Mind International Limited, being a company incorporated in the BVI with limited liability on 15 June 2015, owned by Ms. PY Wong as to 89.8% and Ms. Lo Kit Yee Grace as to 10.2% and a Controlling Shareholder
"Government"	the Government of Hong Kong
"**GREEN** Application Form(s)"	the application form(s) to be completed by **HK eIPO White Form** Service Provider
"Group" or "our Group" or "we" or "us"	our Company and our subsidiaries at the relevant time or, where the context refers to any time prior to our Company's becoming the holding company of our present subsidiaries, such subsidiaries and the businesses carried on by such subsidiaries or (as the case may be) our predecessors, and "we", "our" or "us" shall be construed accordingly
"Ham & Sherry"	Ham & Sherry, a Spanish style restaurant operating under Gain Long (an indirect subsidiary of our Company) which is situated at Shop 3-4, G/F, Pao Yip Building, 1-7 Ship Street, Wanchai, Hong Kong
"HIBOR"	Hong Kong Interbank Offered Rate
"Hidden Glory"	Hidden Glory Limited, being a company incorporated in the BVI with limited liability on 15 September 2011 and an indirect wholly-owned subsidiary of our Company
"**HK eIPO White Form**"	the application for the Public Offer Shares to be issued in the applicant's own name by submitting applications online through the designated website at **www.hkeipo.hk**
"**HK eIPO White Form** Service Provider"	the **HK eIPO White Form** service provider designated by our Company, as specified on the designated website at **www.hkeipo.hk**
"HK$" or "HK dollars" or "Hong Kong dollars" and "cents"	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
"HKFRS"	Hong Kong Financial Reporting Standards issued by the HKICPA

"HKICPA"	Hong Kong Institute of Certified Public Accountants
"HKSCC"	Hong Kong Securities Clearing Company Limited
"HKSCC Nominees"	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Branch Share Registrar"	Tricor Investor Services Limited, the Hong Kong branch share registrar of our Company
"Ideal Profit"	Ideal Profit Corporation Limited (潤賢有限公司), being a company incorporated in Hong Kong with limited liability on 14 May 2012 and an indirect non-wholly owned subsidiary of our Company operating 22 Ships
"Ideal Profit Shareholders Agreement"	a shareholders' agreement dated 18 April 2013 among Many Good, J C Tapas, Yellow Remnant, Mr. Jason Atherton and Ideal Profit for the purpose of regulating their relationships with each other, and the managing the restaurant business and other aspects, affairs and dealings of Ideal Profit. For details, please refer to the section headed "History, reorganisation and group structure — Our operating subsidiaries — Ideal Profit (HK) (Owner of 22 Ships)" in this prospectus
"Incredible Resources"	Incredible Resources Limited, being a company incorporated in the BVI with limited liability on 2 April 2013 and is wholly owned by Ms. PY Wong
"Independent Third Party(ies)	an individual(s) or a company(ies) who or which is/are independent of and not connected with (within the meaning of the GEM Listing Rules) any directors, chief executive or substantial shareholders of our Company, our subsidiaries or any of their respective close associates
"Innovax Capital" or "Sole Sponsor"	Innovax Capital Limited, the sole sponsor for the Listing and a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO
"Innovax Securities"	Innovax Securities Limited, a licensed corporation to carry out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO

"Ipsos"	Ipsos Limited, an Independent Third Party, being a professional market research company
"Ipsos Report"	the commissioned industry report dated 29 January 2018 on the market and competitive landscape of the independent full-service restaurant compiled by Ipsos, the content of which is quoted in this prospectus
"Issue Mandate"	the general unconditional mandate to issue Shares granted to our Directors pursuant to the written resolutions of all our Shareholders passed on 23 January 2018 as described in the paragraph headed "A. Further information about our Company — 3. Written resolutions" in Appendix V to this prospectus
"J C Tapas"	J C Tapas Bar Pte. Ltd., being a company incorporated in Singapore with limited liability on 9 September 2011 and is owned by K.M.C. Holdings, Ms. Khoo Bee Geok Mavis and Mr. Eu Yee Kwong Geoffrey in equal share, of approximately 33.33% each as at the Latest Practicable Date, a Significant Shareholder holding approximately 5.30% of the issued share capital of our Company upon Listing
"Jia Boutique Hotels"	Jia Group Limited (previously known as Jia Boutique Hotels Limited), principally engaged in the provision of management services, being a company incorporated in Hong Kong with limited liability on 4 October 2006 and is indirectly and wholly owned by PC Asia
"Joint Lead Managers"	Great Roc Capital Securities Limited, Ping An Securities Limited and Innovax Securities Limited, being the joint lead managers of the Share Offer
"Ka Ka International"	Ka Ka International Holdings Limited (嘉嘉國際集團有限公司), being a company incorporated in Hong Kong with limited liability on 8 January 2008 and is wholly-owned by an Independent Third Party as at the Latest Practicable Date, holding approximately 1.08% of the issued share capital of our Company upon Listing
"King Access"	King Access Corporation Limited (帝承有限公司), being a company incorporated in Hong Kong with limited liability on 19 February 2016 and an indirect wholly-owned subsidiary of our Company operating Commissary
"Kingswide"	Kingswide Limited (君勤有限公司), being a company incorporated in Hong Kong with limited liability on 2 May 2013 and an indirect wholly-owned subsidiary of our Company operating Chachawan

"K.M.C. Holdings"	K.M.C. Holdings Pte Ltd, being a company incorporated in Singapore with limited liability on 1 August 1987 and is owned by Mr. Loh Hung Soo and Ms. Chan Pek Har (alias, Loh Pek Har) in equal share of 50% each
"Latest Practicable Date"	22 January 2018, being the latest practicable date prior to the publication of this prospectus for ascertaining certain information contained in this prospectus
"Legal Counsel"	Mr. Chan Chung, Barrister-at-law, Hong Kong
"Listing"	the listing of our Shares on GEM
"Listing Date"	the date on which dealings in our Shares first commence on GEM, which is expected to be on or around Thursday, 8 February 2018
"Listing Division"	the Listing Department of the Stock Exchange (with responsibility for GEM)
"LLB"	the Liquor Licensing Board of Hong Kong
"Luck Wealthy"	Luck Wealthy Limited, being a company incorporated in Hong Kong with limited liability on 27 March 2009 and an indirect wholly-owned subsidiary of our Company, operating 208 Duecento Otto
"Maggie & Rose"	Maggie & Rose, a membership based family gathering house with a restaurant facility situated at Shop No. 301 on Level 3, The Pulse, 28 Beach Road, Repulse Bay, Hong Kong, owned, controlled and operated by the Maggie & Rose Group, which we disposed of in September 2017
"Maggie & Rose Group"	a group of companies comprising the direct and indirect holding companies holding Maggie & Rose and is ultimately held by Maggie & Rose Holdco
"Maggie & Rose Holdco"	Selecta Holdings Limited, being a company incorporated in the BVI with limited liability and the ultimate holding company of Maggie & Rose Group, owned by Fair Dollar (an indirect subsidiary of our Company), a company controlled and owned by the spouse of Mr. Chu Lawrence Sheng Yu and two Independent Third Parties as to approximately 25.57%, 39.16%, 21.68% and 13.59% respectively

"Magistrates Ordinance"	Magistrates Ordinance (Chapter 227 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Main Board"	the stock market (excluding the options market) operated by the Stock Exchange which is independent from and operated in parallel with GEM. For the avoidance of doubt, the Main Board excludes GEM
"Mak Mak"	Mak Mak, a Thai style restaurant operating under Brightsome (an indirect subsidiary of our Company) which is situated at Shop 217A, Second Floor, Landmark Atrium, 15 Queen's Road Central, Hong Kong
"Mandatory Provident Fund Schemes Ordinance"	Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Many Good"	Many Good Limited (多優有限公司), being a company incorporated in Hong Kong with limited liability on 7 December 2011 and is wholly owned by Ms. PY Wong
"Maxmount"	Maxmount Global Limited (萬峰環球有限公司), being a company incorporated in the BVI with limited liability on 16 July 2015 and an indirect wholly-owned subsidiary of our Company
"Meen & Rice"	Meen & Rice (粥粉麵飯), a Chinese-style restaurant operating under Capital Creative (an indirect subsidiary of our Company) which is situated at Shop No. 113, Level 1, The Pulse, 28 Beach Road, Hong Kong
"Memorandum of Association" or "Memorandum"	the amended and restated memorandum of association of our Company adopted on 23 January 2018 and with effect from the Listing Date and as amended from time to time a summary of which is set forth in the section headed "Summary of the constitution of our Company and Cayman Islands Company Law" in Appendix IV to this prospectus
"Minimum Wage Ordinance" or "MWO"	Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Moore Stephens"	Moore Stephens Advisory Services Limited, an independent internal control adviser engaged by us

"More Earn"	More Earn Limited, being a company incorporated in Hong Kong with limited liability on 1 April 2015 operating Fishschool Restaurant and is owned as to 60% by Concept Wise, as to 25% by Mr. Sun Tao Hung Stanley and as to 15% by 168 Limited
"More Earn Shareholders Agreement"	a joint venture agreement dated 7 October 2015 among Concept Wise, Mr. Sun Tao Hung Stanley, 168 Limited and More Earn for the purpose of regulating their relationship and the management of More Earn. For details, please refer to the section headed "History, reorganisation and group structure — Our operating subsidiaries — More Earn (HK)" in this prospectus
"MPF"	mandatory provident fund
"MPF Schemes Authority"	the Mandatory Provident Fund Schemes Authority of Hong Kong
"Mr. Chu Lawrence Sheng Yu"	Mr. Chu Lawrence Sheng Yu, a Relevant Minority Shareholder, holding approximately 1.28% of the issued share capital of our Company upon Listing
"Mr. Darrin Woo"	Mr. Darrin Woo, a Relevant Minority Shareholder, holding approximately 1.28% of the issued share capital of our Company upon Listing
"Mr. Hong Ching Seng"	Mr. Hong Ching Seng, a Relevant Minority Shareholder, holding approximately 0.24% of the issued share capital of our Company upon Listing
"Mr. Jason Atherton"	Mr. Jason Atherton, being our culinary director and holding 25% of the issued shares of Gain Long, Profit Holder and Ideal Profit (all being indirect subsidiaries of our Company)
"Mr. Lo Yeung Kit, Alan"	Mr. Lo Yeung Kit, Alan, being the spouse of Ms. PY Wong, a director of and a controlling shareholder of Classified Group Holdings
"Mr. Nathan Daniel Green"	Mr. Nathan Daniel Green, being the executive chef of RHODA and holding 15% of the issued shares of Pure Love (an indirect subsidiary of our Company)
"Mr. Pong Kin Yee"	Mr. Pong Kin Yee, a Relevant Minority Shareholder, holding approximately 2.56% of the issued share capital of our Company upon Listing, and a director of and a controlling shareholder of Classified Group Holdings

"Mr. Sun Tao Hung Stanley"	Mr. Sun Tao Hung Stanley, a shareholder holding 25% of the issued shares of More Earn and a Relevant Minority Shareholder, holding approximately 1.92% of the issued share capital of our Company upon Listing
"Mr. Wong Kiam Seng"	Mr. Wong Kiam Seng, being the father of Ms. PY Wong
"Mr. Zhao Lingyong"	Mr. Zhao Lingyong, a Relevant Minority Shareholder, holding approximately 1.28% of the issued share capital of our Company upon Listing
"Ms. Lo Kit Yee Grace"	Ms. Lo Kit Yee Grace, being a sister of Mr. Lo Yeung Kit, Alan, and sister-in-law of Ms. PY Wong holding 10.2% of the issued shares of Giant Mind and a Relevant Minority Shareholder
"Ms. Loi Yan Yi"	Ms. Loi Yan Yi, a Relevant Minority Shareholder, holding approximately 0.24% of the issued share capital of our Company upon Listing
"Ms. PY Wong"	Ms. Wong Pui Yain (黃佩茵女士), being our Chairperson, chief executive officer, executive Director and a Controlling Shareholder
"Ms. Wong Pik Ching"	Ms. Wong Pik Ching, being the mother of Ms. PY Wong, a former registered shareholder of Victory Rich (an indirect subsidiary of our Company) and Incredible Resources (a company wholly-owned by Ms. PY Wong)
"Ms. Yeow Yin Peh, Lynn"	Ms. Yeow Yin Peh, Lynn, a Relevant Minority Shareholder, holding approximately 0.24% of the issued share capital of our Company upon Listing
"NCO"	Noise Control Ordinance (Chapter 400 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Next Forward"	Next Forward Global Limited, being a company incorporated in the BVI with limited liability on 23 March 2015 and is wholly owned by Ms. PY Wong
"New Shares"	the 168,450,000 new Shares to be offered for subscription pursuant to the Share Offer
"Occupational Safety and Health Ordinance" or "OSHO"	Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

"Occupiers Liability Ordinance" or "OLO"	Occupiers Liability Ordinance (Chapter 314 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Offer Price"	HK$0.30 per Share (exclusive of brokerage, the Stock Exchange trading fee and SFC transaction levy)
"Offer Shares"	the Public Offer Shares and the Placing Shares
"Oman International"	Oman International Investment Limited (安萬國際投資有限公司), being a company incorporated in Hong Kong with limited liability on 12 March 2012 and an indirect wholly-owned subsidiary of our Company
"PC Asia"	PC Asia Limited (沛峻亞洲有限公司), an investment holding company with subsidiaries principally engaged in various activities including trading of cigars and accessories, property holding, and provision of management services, being a company incorporated in Hong Kong with limited liability on 22 November 2000, which is owned as to 50% by Ms. PY Wong and as to 50% by Mr. Wong Kiam Seng, father of Ms. PY Wong
"Placing"	the offer for subscription or sale of the Placing Shares at the Offer Price to institutional and professional investors and other investors at the Offer Price in Hong Kong, as further described in the section headed "Structure and Conditions of the Share Offer" in this prospectus
"Placing Shares"	the 193,500,000 Offer Shares (comprising 146,950,000 New Shares and 46,550,000 Sale Shares) initially being offered for subscription and purchase at the Offer Price under the Placing (subject to reallocation as described in the section headed "Structure and Conditions of the Share Offer" in this prospectus)
"Placing Underwriters"	the underwriters in respect of the Placing, who are expected to enter into the Placing Underwriting Agreement
"Placing Underwriting Agreement"	the underwriting agreement expected to be entered into between, among others, our Company, the Selling Shareholder, Ms. PY Wong, Giant Mind, the Sole Sponsor, the Sole Bookrunner and the Placing Underwriters

"Potato Head"	Potato Head, a mixed-use entertainment venue which will comprise, among others, retail shop, bar and restaurant operating under Potato Head (HK) (an associate of our Company) situated at Shops 2 and 3, Upper Ground Floor, True Light Building, 100 Third Street, Sai Ying Pun, Hong Kong
"Potato Head (HK)"	Potato Head Hong Kong Limited, being a company incorporated in Hong Kong with limited liability on 15 October 2015 and an indirect 30%-owned associated company of our Company as at Latest Practicable Date
"Potato Head Shareholders Agreement"	a joint venture agreement entered into between Season Luck, an Independent Third Party and Potato Head (HK) on 13 January 2016 to set out their respective rights and obligations with regard to the organisation and conduct of the business of Potato Head (HK).
"PRC" or "China"	the People's Republic of China which, for the purpose of this prospectus, excludes Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"Predecessor Companies Ordinance"	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) as in force from time to time before 3 March 2014
"Profit Holder"	Profit Holder Limited (盈控有限公司), being a company incorporated in Hong Kong with limited liability on 16 August 2013 and an indirect non-wholly owned subsidiary of our Company operating Aberdeen Street Social
"Public Offer"	the offer to the public in Hong Kong for subscription of the Public Offer Shares at the Offer Price, on and subject to the terms and conditions stated in this prospectus and the Application Forms, as further described in the section headed "Structure and conditions of the Share Offer" in this prospectus
"Public Offer Shares"	the 21,500,000 Offer Shares being initially offered by us for subscription at the Offer Price under the Public Offer (subject to reallocation as described in the section headed "Structure and Conditions of the Share Offer" in this prospectus)

"Public Offer Underwriters"	the underwriters in respect of the Public Offer named in the section headed "Underwriting — Public Offer Underwriters" in this prospectus
"Public Offer Underwriting Agreement"	the public offer underwriting agreement dated 26 January 2018 entered into by, among others, our Company, Ms. PY Wong, Giant Mind, the Sole Sponsor, the Sole Bookrunner and the Public Offer Underwriters, details of which are summarised in the section headed "Underwriting" in this prospectus
"Pure Love"	Pure Love Restaurant Limited, being a company incorporated in the BVI with limited liability on 17 November 2015, registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on 28 January 2016 and an indirect non-wholly owned subsidiary of our Company operating RHODA
"Relevant Minority Shareholder"	has the meaning ascribed to it in the paragraph headed "Relationship with the Controlling Shareholders — Relevant Minority Shareholders" in this prospectus
"Reorganisation"	the corporate reorganisation of our Group prior to the issue of this prospectus, details of which are set out in the paragraph headed "A. Further information about our Company — 4. Corporate reorganisation" in Appendix V to this prospectus
"Resto Holdings"	Resto Holdings Limited, being a company incorporated in Hong Kong with limited liability on 5 March 2013, a Relevant Minority Shareholder, holding approximately 1.92% of the issued share capital of our Company upon Listing
"RHODA"	RHODA, a modern western restaurant to be operated under Pure Love (an indirect subsidiary of our Company) which is situated at Shop 1A on Ground Floor, Upton, 180 Connaught Road West, Hong Kong
"RHODA Shareholders Agreement"	a joint venture agreement dated 19 May 2016 entered into between Dazzle Long, Mr. Nathan Daniel Green and Pure Love to set out their rights and obligations with regard to Pure Love. For details, please refer to the section headed "History, reorganisation and group structure — Our Group structure and history — Our operating subsidiaries — Pure Love (BVI) (Owner of RHODA)" in this prospectus

"Rising Mark"	Rising Mark Development Limited (陞彩發展有限公司), being a company incorporated in the BVI with limited liability on 2 January 2013 and an indirect wholly-owned subsidiary of our Company
"Sale Shares"	the 46,550,000 existing Shares to be offered for purchase by the Selling Shareholder pursuant to the Placing
"Season Luck"	Season Luck Limited, being a company incorporated in the BVI with limited liability on 8 July 2015 and an indirect wholly-owned subsidiary of our Company holding our investment in Potato Head (HK)
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) with a nominal value of HK$0.01 each in the share capital of our Company
"Shareholder(s)"	holder(s) of issued Share(s)
"Share Offer"	the Public Offer and the Placing
"Share Option Scheme"	the share option scheme conditionally adopted by our Company on 23 January 2018, the principal terms of which are set forth under the paragraph headed "D. Share Option Scheme" in Appendix V to this prospectus
"Share Swap Agreement"	the sale and purchase agreement dated 23 January 2018 entered into among (i) Giant Mind, J C Tapas, Yellow Remnant, Resto Holdings, Ka Ka International, Ms. PY Wong, Mr. Pong Kin Yee, Mr. Sun Tao Hung Stanley, Mr. Chu Lawrence Sheng Yu, Mr. Zhao Lingyong, Mr. Darrin Woo, Ms. Yeow Yin Peh, Lynn, Mr. Hong Ching Seng and Ms. Loi Yan Yi (as vendors) and (ii) our Company (as purchaser)
"Significant Shareholder(s)"	has the meaning ascribed to it under the GEM Listing Rules
"Singapore"	the Republic of Singapore
"Singapore dollars", "S$" or "SGD"	Singapore dollars, the lawful currency of Singapore

"Sole Bookrunner"	Great Roc Capital Securities Limited, being the sole bookrunner of the Share Offer
"Springlike"	Springlike Limited, being a company incorporated in the BVI with limited liability on 27 March 2015 and an indirect wholly-owned subsidiary of our Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under the Companies Ordinance
"Substantial Shareholder(s)"	has the meaning ascribed to it under the GEM Listing Rules
"Takeovers Code"	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
"Top Glorification"	Top Glorification Limited, being a company incorporated in the BVI with limited liability on 16 October 2012, registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on 14 January 2013 and an indirect wholly-owned subsidiary of our Company operating Duddell's
"Track Record Period"	the period comprising the three years ended 31 December 2016 and the seven months ended 31 July 2017
"UK"	the United Kingdom of Great Britain and Northern Ireland
"Ultra Wealthy"	Ultra Wealthy Limited (興寶有限公司), being a company incorporated in Hong Kong with limited liability on 5 February 2016 and an indirect wholly-owned subsidiary of our Company which will be operating a restaurant and a lounge situated at the revitalised Central Police Station Compound
"Underwriters"	the Public Offer Underwriters and the Placing Underwriters
"Underwriting Agreements"	the Public Offer Underwriting Agreement and the Placing Underwriting Agreement
"United States" or "US" or "USA"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction

"US$" or U.S. dollars" or "USD"	United States dollars, the lawful currency of the United States
"Vantage Luck"	Vantage Luck Limited, being a company incorporated in the BVI with limited liability on 18 February 2016 and an indirect wholly-owned subsidiary of our Company
"Victory Rich"	Victory Rich Global Group Limited (泛沃環球集團有限公司), being a company incorporated in the BVI with limited liability on 3 September 2012 and an indirect wholly-owned subsidiary of our Company
"WPCO" or "Water Pollution Control Ordinance"	the Water Pollution Control Ordinance (Chapter 358 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"**WHITE** Application Form(s)"	the form(s) of application for the Offer Shares for use by the public who require such Offer Shares to be issued in an applicant's own name
"**YELLOW** Application Form(s)"	the form(s) of application for the Offer Shares for use by the public who require such Offer Shares to be deposited directly into CCASS
"Yellow Remnant"	Yellow Remnant Limited, being a company incorporated in Hong Kong on 20 March 2012 with limited liability, a Relevant Minority Shareholder, holding approximately 3.97% of the issued share capital of our Company upon Listing

Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments. Unless otherwise stated, all the numerical figures are rounded to one decimal place. Any discrepancy in any table between totals and sums of individual amounts listed in any table is due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

Unless otherwise stated, all statements contained in this prospectus issue no exercise of any options that may be granted under the Share Option Scheme, the Issue Mandate and the Repurchase Mandate.

Unless expressly stated or the context otherwise requires, all data in this prospectus is as at the date of this prospectus.

EXCHANGE RATE CONVERSION

Solely for your convenience, this prospectus contains translations of certain S$ amounts into Hong Kong dollars at specified rates. You should not construe these translations as representations that the S$ amounts could actually be, or have been, converted into Hong Kong dollar amounts at the rates indicated or at all. Unless we indicated otherwise, the translations of S$ amounts into Hong Kong dollars have been made at the rate of S$1.00 to approximately HK$5.9.

Solely for your convenience, this prospectus contains translations of certain US$ amounts into Hong Kong dollars at specified rates. You should not construe these translations as representations that the US$ amounts could actually be, or have been, converted into Hong Kong dollar amounts at the rates indicated or at all. Unless indicated otherwise, the translations of US$ amounts into Hong Kong dollars have been made at the rate of US$1.00 to approximately HK$7.8.

Solely for your convenience, this prospectus contains translations of certain GBP amounts into Hong Kong dollars at specified rates. You should not construe these translations as representations that the GBP amounts could actually be, or have been, converted into Hong Kong dollar amounts at the rates indicated or at all. Unless indicated otherwise, the translations of GBP amounts into Hong Kong dollars have been made at the rate of GBP1.00 to approximately HK$10.8.

This glossary of technical terms contains terms used in this prospectus in connection with our business or our Group. As such, these terms and their meanings may not correspond to standard industry meanings or usages of these terms.

"breakeven"	in respect of any restaurant, the first month where its monthly revenue can cover the monthly operating costs (excluding amortisation)
"CAGR"	compound annual growth rate
"EBITDA"	earnings before interest, taxes, depreciation and amortisation
"full-service restaurant"	traditional sit-down restaurants with full table services provided by waitering staff
"GDP"	gross domestic product
"investment payback"	in respect of any restaurant, the first instance where the accumulated net cash inflow since opening can cover the total initial investment amount for the establishment of the restaurant, including investment by equity and shareholders' loans
"kg"	kilogram(s)
Michelin Guide	the title of a series of restaurant guide books published by the French tyre company Michelin which awards Michelin stars for excellence to a select few restaurants. The various Michelin statuses (such as one star, two stars and Bib Gourmand) of our restaurants referred to in this prospectus are based on the Michelin Guides Hong Kong & Macau for the relevant years
"sq. ft."	square foot (feet)
"sq. m."	square metre(s)
"%"	*per cent.*

This prospectus contains forward-looking statements that are, by their nature, subject to significant risks and uncertainties. These forward-looking statements include, without limitation, statements relating to:

- our Group's business strategies and plans of operation;
- our Group's capital expenditure and expansion plans;
- the amount and nature of, and potential for, future development of our Group's business;
- our Group's operations and business prospects;
- the regulatory environment of our Group's industry in general;
- future development in our Group's industry; and
- other factors referenced in this prospectus, including, without limitation, in the sections headed "Risk factors", "Industry overview", "Business", "Financial information" and "Future plans and use of proceeds" in this prospectus.

The words "aim", "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "seek", "will", "would" and the negative of these words or other similar expressions or statements, as they relate to our Group, are intended to identify a number of these forward-looking statements. These forward-looking statements reflecting our Group's current views with respect to future events are not a guarantee of future performance and are subject to certain risks, uncertainties and assumptions, including the risk factors described in the section headed "Risk factors" in this prospectus. One or more of these risks or uncertainties may materialise, or underlying assumptions may prove incorrect.

Subject to the requirements of the GEM Listing Rules, our Company does not intend to publicly update or otherwise revise the forward-looking statements in this prospectus, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this prospectus might not occur in the way our Company expects, or at all. Accordingly, Shareholders should not place undue reliance on any forward-looking information. All forward-looking statements contained in this prospectus are qualified by reference to this cautionary statement.

In this prospectus, statements of or references to our intentions of our Company or any of our Directors are made as at the date of the prospectus. Any such intentions may change in light of future developments.

Prospective investors should consider carefully all of the information set forth in this prospectus and, in particular, should consider the following risks and special considerations in connection with an investment in our Company before making any investment decision in relation to the Offer Shares. The occurrence of any of the following risks may have a material adverse effect on the business, results of operations, financial conditions and future prospects of our Group.

This prospectus contains certain forward-looking statements regarding our plans, objectives, expectations, and intentions which involve risks and uncertainties. Our Group's actual results could differ materially from those discussed in this prospectus. Factors that could cause or contribute to such differences include those discussed below as well as those discussed elsewhere in this prospectus. The trading price of the Offer Shares could decline due to any of these risks and you may lose all or part of your investment.

RISKS RELATING TO OUR FINANCIAL PERFORMANCE

Our Group recorded net current liabilities as at 31 December 2014, 31 December 2016 and 31 July 2017

As at 31 December 2014, we recorded net current liability of approximately HK$36.0 million, which was mainly attributable to the amounts due to our non-controlling shareholders of subsidiaries at approximately HK$32.7 million, which were used to finance the setting-up of the new restaurants, including the capital expenditure on property, plant and equipment, which will be regarded as non-current assets. As at 31 December 2016, we recorded net current liability of approximately HK$8.7 million primarily resulted from the low bank balances driven by cash for an advance made to an associate, Potato Head (HK), of HK$6.5 million. As at 31 July 2017, our Group remained in a net current liability position of approximately HK$1.5 million. The improvement of net current liabilities of our Group as at 31 July 2017 was primarily due to the decrease in current portion of bank borrowings of approximately HK$3.7 million after the restructuring of banking facilities in which a revolving loan was changed to a term loan, decrease in amounts due to non-controlling shareholders of subsidiaries of approximately HK$2.6 million, the decrease in trade and other payables and accrued charges of HK$3.6 million, increase in trade and other receivables, deposits and prepayments of approximately HK$1.6 million, partially offset by the decrease in amounts due from non-controlling shareholders of subsidiaries of approximately HK$6.4 million and decrease in bank balances and cash of approximately HK$2.4 million.

There is no assurance that our Group will not have net current liabilities in the future. Having significant net current liabilities could constrain our operational flexibility and adversely affect our ability to expand our business. If we do not generate sufficient cash inflow from our operations to meet our present and future financial needs, the performance and prospects of our Group as well as its ability to implement its business plans will be adversely affected. For further details of indebtedness and liquidity, financial resources and capital structure of our Group, please refer to the section headed "Financial information" in this prospectus.

We may experience weak liquidity as we had recorded negative cash flow from our operating activities in the past

For the seven months ended 31 July 2016, our Group recorded net cash used in operating activities of approximately HK$4.6 million, which were the combined results of (i) the profit before taxation and after adjustments of non-cash items of approximately HK$4.9 million, which were mainly attributable to the listing expense of approximately HK$2.9 million for the seven months ended 31 July 2016; (ii) the net decrease in working capital mainly as a result of the decrease in trade and other payables and accrued charges of approximately HK$5.8 million, which was mainly due to the payment of staff bonus for the year ended 31 December 2015 during the seven months ended 31 July 2016 while no staff bonus was provided for 2016; and (iii) the income tax paid of approximately HK$2.0 million during the seven months ended 31 July 2016. Please refer to the section headed "Financial information — Liquidity and capital resources" for further details.

We may continue to experience negative operation cash flow in the future as a result of our business operations and expansion. Negative operating cash flow requires us to obtain sufficient external financing to meet our financial needs and obligations. Although our Directors consider that our Company will have sufficient working capital to meet our present requirement for at least 12 months commencing from the date of this prospectus, we may be unable to obtain sufficient external financing, our business, financial condition and results of operations could be materially adversely affected.

There is no assurance that our Group's operations will generate sufficient cash inflow to finance all our Group's activities and cover its general working capital requirements in the future. In the event that our Group is unable to generate enough cash from its operations to finance its future development, the performance and prospects of our Group as well as its ability to implement its business plans will be adversely affected. For further details of indebtedness and liquidity, financial resources and capital structure of our Group, please refer to the section headed "Financial information" in this prospectus.

RISKS RELATING TO OUR BUSINESS

We have not registered one of our leases relating to Duddell's and may face vacation

Our restaurant, Duddell's was the largest contributor to our Group's revenue during the Track Record Period of approximately HK$57.3 million, HK$60.6 million, HK$61.4 million and HK$36.5 million for the three years ended 31 December 2016 and the seven months ended 31 July 2017, respectively which attributed to approximately 33.6%, 29.3%, 26.4% and 27.1% of our total revenue for the respective period. As at the Latest Practicable Date, we had not registered one lease relating to Duddell's with terms exceeding three years. Please refer to the section headed "Business — Leased properties" in this prospects for details. Under the Land Registration Ordinance (Chapter 128 of the Laws of Hong Kong), unregistered lease shall, as against any subsequent *bona fide* purchaser or mortgagee for valuable consideration of the same premises, be absolutely null and void to all intents and purposes.

If due to the non-registration, this lease is considered to be unenforceable against *bona fide* third parties, Duddell's may be required to vacate the relevant properties and relocate to other suitable locations. In the case of relocation, an additional cost of approximately HK$6.1 million is expected to be incurred in the profit or loss mainly on write-off of property, plant and equipment in existing premises and we expect that net immediate cash outflow for the relocation to be approximately HK$12.6 million primarily for the purchase of property, plant and equipment for the new premises, the reinstatement work on the existing premises and the payment of rental deposits required for the new premises, of which approximately HK$14.0 million cash outflow in relation to the purchase of property, plant and equipment would be capitalised as property, plant and equipment. If we have to relocate to other suitable locations or that we are not able to secure alternative sites for Duddell's on commercially reasonable terms, there will be a material adverse impact on our business and expansion plans.

Our new restaurants may not operate as successful as we have anticipated and our business performance may be adversely affected

The future growth of our Group depends on our ability to open and operate new restaurants as we have anticipated, including but not limited to, creating the desired brand effect and serving quality dishes with unique features. We plan to open a new restaurant, namely the CPS Restaurant, at the revitalised Central Police Station Compound by the end of the first half of 2018. We expect the initial opening and ramp-up capital expenditure for the CPS Restaurant will be approximately HK$5.0 million, such amount is expected to be recognised largely as property, plant and equipment in the financial statements for the year ending 31 December 2018. Having considered that (i) a ramp-up period is normally required to allow a newly opened restaurant to build up its customer base, increase awareness and to be able to generate stable income; and (ii) depreciation expenses of the capitalised initial opening and ramp-up costs, it is highly likely that the CPS Restaurant will incur a net loss at the start-up stage based on our Group's historical operating performance. For details, please refer to the section headed "Future plans and use of proceeds" in this prospectus.

Notwithstanding our efforts and investments, our ability to open and operate any new restaurants is subject to a number of risks and uncertainties, including but not limited to:

- difficulties in locating suitable new restaurant sites or securing leases on commercially reasonable terms;

- difficulties in obtaining sufficient funds for working capital and capital expenditures for the new restaurants;

- delays or difficulties in securing required governmental licences, permits and approvals;

- difficulties in hiring and retaining qualified and experienced operating personnel, especially restaurant managers and the head chefs;

- renovation delays or cost overruns;
- potential cannibalisation effects between existing and new restaurant locations; and
- competition with other restaurants.

In view of the aforesaid risks and uncertainties, we have adopted certain expansion strategies. For details, please refer to the section headed "Business — Expansion plans, site selection and dish development" in this prospectus. However, we cannot assure that our expansion strategies could reduce or fully eliminate any of the aforementioned risks and uncertainties, or at all. Further, if we open and operate new restaurants as we planned, we cannot guarantee that we would achieve the marketing effects and financial results that we expected.

As at the Latest Practicable Date, six of our restaurants have not yet achieved investment payback. For details, please refer to the section headed "Business — Expansion plans, site selection and dish development — Breakeven and investment payback" in this prospectus. In light of the prolonged investment payback period and continuing underperformance of Fishschool Restaurant and Maggie & Rose, our Group disposed of Fishschool Restaurant in March 2017 and Maggie & Rose in September 2017. In addition, to streamline our business and to concentrate on our restaurant operations in Hong Kong, we disposed of Esquina Tapas Bar in Singapore in December 2016 which we acquired in July 2015.

Our future expansion plans would likely result in additional set-up cost, and our management may have to temporarily focus more on the operation of new restaurants. These may further result in diversion of our managerial, operational and financial resources. Therefore, our managerial, operational and financial resources may be stretched and inadequate to support our expansion plans.

We cannot guarantee that our new restaurants will receive positive market reception, nor can we assure you that we could operate our new restaurants as successfully as our existing restaurants. If we fail to run these new restaurants as successfully as we have anticipated, our Group's business performance may be adversely affected.

Our financial results depend on the success of our existing and new restaurants

Our financial results depend on our ability to increase sales and efficiently manage cost in our existing and new restaurants. In particular, the success of our restaurants depends principally on our ability to increase customer traffic and the average spending per customer. Significant factors that might adversely impact our customer traffic levels and the average spending per customer includes:

- increasing competition in the independent full-service restaurant industry;
- changes in customer preferences;

- economic decline that may adversely affect discretionary customer spending in the markets we serve;
- customer budgeting constraints;
- customer sensitivity to our menu price increases;
- our reputation and customers' perception of our brand and our offerings in terms of quality, price, value and service; and
- customer experiences from dining in our restaurants.

The profitability of our restaurants is also subject to cost increases that are either wholly or partially beyond our control, such as:

- rental expenses under our existing and new restaurants;
- food and beverage ingredients and other raw material cost;
- labour cost;
- energy, water and other utility cost;
- insurance cost;
- information technology and other logistical cost;
- cost associated with any material interruptions in our food supply; and
- compliance cost relating to any changes in government regulation.

We cannot guarantee that we will have comparable restaurants sales growth or maintain our growth of revenue in the future. The failure of our existing or new restaurants to perform as expected could have a significant adverse impact on our financial conditions and results of operations.

If we fail to obtain sufficient funding for our expansion plans, our business and growth prospects may be adversely affected

We believe that our current cash and cash equivalents, anticipated cash flow from operations and the proceeds from the Share Offer will be sufficient to meet our anticipated cash needs, including our cash needs for working capital and capital expenditures, for at least the next 12 months from the date of this prospectus. We may, however, require additional cash resources to finance our continued growth or other future developments, including opening new restaurants or any other investments we may decide to pursue. The amount and timing of such additional financing needs will vary depending on the timing of our new restaurant openings, investments in new restaurants and the amount of cash flow from our operations. If our resources are insufficient to satisfy our cash requirements, we may seek additional financing by issuing additional equity or debt securities or obtaining a credit facility. The incurrence of indebtedness would result in increased debt service obligations and could result in operating and financing covenants that may, among other things, restrict our expansion plans and operations or our ability to pay dividends. If we fail to service the debt obligations or are unable to comply with any debt covenants, we could be in default under the relevant debt obligations and our liquidity and financial conditions may be materially and adversely affected.

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 independent full-service restaurant industry in general, and our operating and financial performance. We cannot assure you that future financing will be available in amounts or on terms acceptable to us, if at all. In the event that financing is not available or is not available on terms acceptable to us, our business, results of operations and growth prospects may be adversely affected.

To the extent that we seek (as we have done in the past) equity investors in our restaurants, it will result in dilution of our interests in and share of profits from our restaurants. Further, the issuance of additional equity securities could result in dilution to our Shareholders, further discussion of such risk is set out in the sub-section headed "Risks relating to the Share Offer — Investors of the Offer Shares will experience an immediate dilution and may experience further dilution if our Company issues additional Shares or other securities in the future" in this section.

Additional capital expenditure for our expansion plan may result in a significant increase in our depreciation charge and decrease in return on equity

Our Group will endeavour to adopt business strategies including: (i) to develop new dining concepts and restaurants; (ii) to carry out maintenance at our existing restaurants to maintain competitiveness; and (iii) to repay our term loan and reduce our level of indebtedness. We anticipate that our future capital expenditures will increase as we open new restaurants, renovate existing restaurants and expand our operations. Such capital expenditures may result in increase in depreciation expenses, which may in turn adversely affect our results of operations and return on equity. Our projected capital expenditures for the year ending 31 December 2018 is approximately HK$15.5 million. We expect that our planned capital expenditures for the year ending 31 December 2018 will be primarily used for property, plant and equipment for our expansion plans.

The lack of attractive locations, increase in rental expenses and failure to renew existing leases of our leased properties may adversely affect our business and operating results

Our Directors consider that establishing our restaurants in attractive locations is important to the promotion of our brands and crucial to our ability to reach our target customers. As we choose our restaurants' sites prudently and selectively, eligible premises are often limited. We cannot assure you that we would be able to identify and secure suitable premises for our restaurants with reasonable commercial terms if there is a need for relocation or if we intend to open new restaurants. In such event, our plan for relocation or expansion may be delayed or hindered, which in turn may have adverse effect on the business and operating results of our Group.

As we operate all our restaurants on leased properties, we are exposed to change in market conditions of the retail and commercial rental market. For each of the three years ended 31 December 2016 and the seven months ended 31 July 2017, our lease payments under operating leases in respect of land and buildings amounted to approximately HK$18.0 million, HK$21.0 million, HK$26.1 million and HK$16.4 million, respectively, representing approximately 10.6%, 10.2%, 11.2% and 12.2% of our total revenue, respectively. The rental payable under our current lease agreements for our restaurants is either (i) a basic rent; (ii) a basic rent or turnover rent whichever is the greater; or (iii) an aggregate of basic rent and turnover rent. Such adjustment mechanism based on turnover rent may result in significant increase in our rental payable and increase the difficulties for us to budget accurately our rental expenses in advance. If we are not able to pass the increase in our rental payable onto our customers, our results of operations and financial positions may be adversely affected.

Some of the lease agreements for our restaurants provide for an option to renew in favour of our Group and/or give only the landlord the right to early termination with prior notice of six or nine months, regardless of the term. There is no assurance that we would be able to renew such lease agreements on their existing terms or lease premises at similar locations on comparable or commercially viable terms. Unpredictable rental increases in Hong Kong may prevent us from renewing the existing lease agreements on terms and conditions acceptable to us or we may have to renew such lease on less favourable terms and hence increase our operation costs. In the event that we are unable to renew the existing leases or is given early termination notice and need to relocate a restaurant upon expiry of a lease, we will need to identify a replacement location to carry on the business of the relevant restaurant. As a result, our operation may be disrupted and may adversely affect our financial conditions due to additional cost for relocation and write-off of fixed assets or investment if the relevant restaurant has not achieved investment payback. Failure to secure leases at attractive locations could also adversely affect our Group's sales, profitability and business performance. Even if we are able to renew or extend our leases, there is no assurance that the sites will continue to meet our expectations or that the neighbourhood characteristics of demographics of the areas surrounding our restaurant sites will not deteriorate or otherwise change in the future, which may adversely affect the accessibility of our restaurants or reduce the pedestrian or vehicle flow in the area and could adversely affect our profitability.

If we dispose of any restaurant or for any other reasons early terminate the leases for the premises of our restaurants before the lease expires , we may be obligated to pay the rent for the full term or incur additional expenses or penalties

All of our restaurants are operated on leased premises. If we wish to relocate or dispose of our restaurants for the purpose cost-control or any other reasons, we will have to terminate the leases early. However, since our lease agreements generally have fixed terms, we may be obligated to continue to pay the rent for the full-term of such leases or incur other forms of expenses or penalties for such early termination. In such circumstances, our business and results of operations may be materially and adversely affected.

We may not be able to successfully manage and market the various brands of our restaurants and any damage to our brand could materially and adversely impact our business and results of operations

Each of our restaurants in Hong Kong are operated under different brands. Among which, Duddell's was awarded one Michelin star in 2014 and 2018 and two Michelin stars in 2015, 2016 and 2017.

We believe our success depends substantially on the popularity of our brands and our reputation for consistent and high-quality cuisines. Some of our restaurants are managed by renowned chefs who would be critical to our marketing initiatives. As competition for renowned chefs is intense, there is no assurance that we would be able to retain them on their existing employment/cooperation terms, nor can we guarantee that we would be able to hire suitable individual replacement on commercially viable terms. In either case, the unavailability of renowned chefs may hinder the promotion and development of our restaurants and hence adversely affect our business performance.

Moreover, promotion and management of each of our restaurant brands would likely require cost, time and efforts from our management team which may result in diversion of our managerial, operational and financial resources in order to maintain the popularity of each restaurant brand. If we fail to manage our brands successfully, our financial performance may be adversely affected.

In addition, unlike other restaurant chains which serve only one type of cuisine under a single brand, we may encounter difficulty in establishing an unified corporate image (i.e. under the brand "Jia Group") as a whole with the significant numbers and types of cuisines served under different brands. Accordingly, additional resources may be required in order to boost our unified corporate image within the independent full-service restaurant industry.

As we continue to grow in size and expand our food offerings and services, maintaining quality and consistency may become more difficult and we cannot assure you that customer confidence in our brands will not diminish. Any incident that erodes customer trust in or affinity for our brands, including deprivation of the awards to our restaurant, could significantly reduce their value. If customers perceive or experience a reduction in food quality, service, ambiance or believe in any way that we are failing to deliver a consistently positive experience, it would have a negative impact on our brand value, which, in turn, would have a material adverse effect on our business.

Instances of food contamination and any failure to maintain effective quality control procedures of our restaurants could harm our reputation and adversely affect our business

Our business is susceptible to the risk of food contamination and the quality of the food we serve is critical to our success. Maintaining consistent food quality depends significantly on the effectiveness of our quality control procedures, which in turn depends on a number of factors, including the design of our Group's quality control procedures and our ability to ensure that our employees adhere to those quality control policies and guidelines. For details of our quality control procedures, please refer to the section headed "Business — Quality control" in this prospectus. 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.

We cannot guarantee that the measures taken by our Group in relation to food safety are effective to fully prevent food contamination. For example, food contamination incidents can be caused by third party food suppliers or for reasons which are beyond our control, and multiple locations as opposed to a single restaurant may be affected. Any food contamination incidents or reports in the media on one or more instances of food contamination in our restaurants could materially harm our reputation, and could negatively affect our restaurant sales, force the closure or suspension of some of our restaurants and conceivably have a large impact if highly publicised.

The Hong Kong restaurant industry has been, and will continue to be, significantly impacted by tourists' spending on food and beverages. Any reduction in the number of tourists to Hong Kong could have a material adverse effect on the restaurant industry in Hong Kong

The Hong Kong restaurant industry has been, and will continue to be, significantly impacted by tourists' spending on food and beverages. The total number of visitors to Hong Kong reduced by approximately 4.4% from 2015 to approximately 56.7 million in 2016 according to the Industry Report. Any restrictions on PRC tourists visiting Hong Kong, further appreciation of the Hong Kong dollar against the RMB or other currencies, increases in transportation or fuel costs, workers' strikes in the transportation industry, natural disasters, terrorists' acts, riots, civil commotions or adverse weather conditions may also deter tourists from visiting Hong Kong. Any future reduction in the number of tourists to Hong Kong and any of the above factors could have a material adverse effect on our business, financial condition, results of operations and prospects.

Our business could be adversely affected by difficulties in employee retention and rising labour costs

We rely on our staff to provide quality cuisine and services to our customers. We believe that our continued success highly depends on our ability to recruit and retain a sufficient number of competent chefs, restaurant managers and staff and other supporting employees. We have implemented measures to motivate and retain our staff. For details, please refer to the section headed "Business — Employees and safety measures — Employee retention" in this prospectus. If these measures do not achieve our anticipated results generally, our Group may not be able to successfully motivate and retain a sufficient number of employees with suitable skill sets at commercially reasonable cost. As competition for qualified individuals is intense, there is no assurance that we will not experience difficulty in recruiting qualified employees. The failure to retain enough qualified employees could delay planned new restaurant openings or result in higher employee turnover, either of which could have a material adverse effect on the business and results of operations of our Group. Any such delays, any material increases in employee turnover rates in existing restaurants or any widespread employee dissatisfaction could have a material adverse effect on our business and operating results.

For each of the three years ended 31 December 2016 and the seven months ended 31 July 2017, our Group incurred approximately HK$59.8 million, HK$73.0 million, HK$79.5 million and HK$50.5 million, respectively as staff cost, representing approximately 35.1%, 35.4%, 34.2% and 37.4% of our Group's total revenue, respectively. It is expected that the staff cost of our Group will continue to increase as a result of the expected expansion of our business. The salary level of employees in the independent full-service restaurant industry in Hong Kong has been increasing in the past few years. Although our Group's overall salary is significantly higher than the applicable statutory minimum wage in Hong Kong (the "**SMW**"), we cannot assure you that the SMW will not be further revised upward above the Group's overall salary scale in the future. In particular, the SMW in Hong Kong is reviewed periodically. Any review that increases the SMW above our Group's salary scale, our business operation and financial performance may be materially and adversely affected.

Due to intense competition in the independent full-service restaurant industry, we may not be able to increase our prices in order to pass these increased staff cost on to our customers, in which case our profit margins would be negatively affected. The failure to attract experienced personnel at a desirable level of staff cost could adversely affect the business, financial condition and results of operations of our Group.

Some of our staff in our restaurants in Hong Kong are foreigners and the employment of them is subject to visa applications. In the event that we are unable to find suitable replacements because local immigration rules hinder or prolong the visa applications for our selected foreign workers to enter and work in Hong Kong, the business of our restaurants in Hong Kong may be adversely affected.

Our success depends on our key personnel and our business may be adversely affected if we lose their services or they are not able to successfully manage our growing operations

Our future success depends on the ability of our key management personnel to work together and successfully implement our growth strategy while maintaining the strength of our brand. Our future success also depends heavily upon the continuing services and performance of our key management personnel, in particular our executive Directors and senior management. We must continue to attract, retain and motivate a sufficient number of qualified management and key personnel (including our Directors, senior management and chefs such as Nathan Green, Cliff Adam Lee, etc.), to maintain consistency in the quality and atmosphere of our restaurants and meet our planned expansion requirements. During the Track Record Period, our turnover rate for our key personnel (our Directors, senior management and chefs such as Nathan Green, Cliff Adam Lee, etc.) for the year ended 31 December 2014, 31 December 2015, 31 December 2016 and seven months ended 31 July 2017 was 8.0%, 22.2%, 12.5% and 11.4%, respectively. If our key management personnel fails to work together successfully, or if one or more of our key management personnel is unable to effectively implement our business strategy, we may be unable to grow our business at the speed or in the manner in which we expect. Competition for experienced management and operating personnel in the independent full-service restaurant industry is intense, and the pool of qualified candidates is limited. We may not be able to retain the services of our key management and operating personnel or attract and retain high-quality senior executives or key personnel in the future.

If one or more of our key personnel are unable or unwilling to continue in their present positions, we may not be able to replace them easily or at all, and our business may be disrupted and our results of operations may be materially and adversely affected. In addition, if any member of our senior management or any of our other key personnel joins a competitor or forms a competing business, we may lose business secrets and knowhow as a result. Any failure to attract, retain and motivate these key personnel may harm our reputation and result in loss of business.

Our operations are susceptible to increases in purchase cost for raw materials such as food and beverage ingredients, which could adversely affect our profitability and results of operations

Our cost of food and beverage ingredients, as represented by our raw materials and consumables used, accounted for approximately 26.2%, 25.4%, 25.0% and 24.5% of our Group's total revenues for each of the three years ended 31 December 2016 and the seven months ended 31 July 2017, respectively. Our profitability depends significantly on our ability to anticipate and react to changes in the purchase cost of food and beverage ingredients and reliable sources of large quantities of raw materials. Our Group's raw materials are subject to price volatility caused by any fluctuation in aggregate supply and demand, or other external conditions beyond our control, such as climate and environmental conditions where the weather conditions or natural events or disasters may affect expected harvests of such raw materials, global demand, government regulations or exchange rates.

Our suppliers may also be affected by increases in the cost to produce the goods and services supplied to us, rising staff cost and other expenses that they pass through to their customers, which could result in an increase in the cost of the goods and services supplied to us. There is no assurance that our key suppliers will continue to provide us with raw materials at reasonable prices, or that our raw materials prices will remain stable in the future, and if we are unable to manage these costs or to increase the prices of our products or services, it may have adverse impact on our future profit margin.

During the Track Record Period, we sourced most of our food and beverage ingredients from local suppliers, importers and distributors in Hong Kong. Any appreciation of foreign currencies against the Hong Kong dollar may increase the price of our overseas originated food and beverage ingredients in Hong Kong dollar correspondingly.

We have not entered into long-term contracts with our suppliers or implemented other financial risk management strategies against potential price fluctuations in the cost of food and beverage ingredients. We may not be able to anticipate and react to changes in the cost of food and beverage ingredients through our purchasing practices, by changes to menu offerings and adjustments in menu price in the future, or we may be unwilling or unable to pass these increases in cost onto our customers, the failure of any of which could materially and adversely affect our business and results of operations.

If our suppliers do not deliver food and beverage and other supplies at competitive prices or in a timely manner, we may experience supply shortages and increased food and beverage cost

The ability to source quality food and beverage ingredients at competitive prices in a timely manner is crucial to our business. Our ability to maintain consistent quality and maintain our menu offerings throughout our restaurants depends in part upon our ability to acquire fresh and quality food and beverage ingredients and related supplies from reliable sources that meet our quality specifications and in sufficient quantities. However, we have not entered into long-term contracts with our suppliers. The purchase prices with suppliers for our food and beverage ingredients and other raw materials are typically set at a fixed price by way of purchase orders. For each of the three years ended 31 December 2016 and the seven months ended 31 July 2017 , the total purchases attributable to our top five suppliers accounted for approximately 29.2%, 24.1%, 24.7% and 26.7%, respectively, and our purchases attributable to our top supplier accounted for approximately 7.4%, 6.5%, 6.4% and 6.8%, respectively, of our total raw materials and consumables used. During the Track Record Period, none of our top five suppliers ceased or indicated that it would cease supply of food and beverage ingredients to us, and we did not experience any material delays or interruptions in securing the supply of food ingredients from our key suppliers. However, there can be no assurance that we will be able to maintain business relationships with our top five suppliers.

Disruption of our food supplies can occur for a variety of reasons, many of which are beyond our control, including unanticipated demand, adverse weather conditions, natural disasters, diseases, a supplier ceasing operations or unexpected production shortages. Moreover, there is no assurance that our current suppliers may always be able to meet our stringent quality control requirements in the future. If any of our suppliers do not perform adequately or otherwise fail to distribute products or supplies to us in a timely manner, there is no assurance that we will be able to find suitable replacement suppliers in a short period of time on acceptable terms, and our failure to do so could increase our food and beverage cost and cause shortages of food and beverage and other supplies at our restaurants. This in turn may cause us to remove certain items from the menus of one or more of our restaurants. Any significant changes to our menus for a prolonged period of time could result in a significant reduction in revenue during the time affected by the shortage and thereafter as our customers may change their dining habits as a result.

Any failure or perceived failure to deal with customer complaints or adverse publicity involving our dishes or services or restaurants could materially and adversely affect our business and results of operations

Our business may be adversely affected by negative publicity or news reports, whether accurate or not, regarding food quality or services issues, public health concerns, illness, safety, injury, allegations of poor standards of hygiene or government or industry findings concerning our restaurants, restaurants operated by other food service providers or others across the food industry supply chain. In addition, relevant government authorities may suspend the business of the relevant restaurant, which could adversely affect the operations of our Group and hence our profitability and damage to our brands.

We are not aware of any customer complaints seeking material compensation that could have material adverse effect on our business and results of operations during the Track Record Period and up to the Latest Practicable Date.

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 adversely affect the business of our restaurants and our 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.

We rely primarily on customers with strong spending powers who may not contribute to our results in the anticipated manner

During the Track Record Period, our Group operated several restaurants under different brands and the target customers of our Group are mid-to-high income level customers. Our Directors anticipate that the principal source of income of our Group will continue to be derived from customers with mid-to-high spending power in the foreseeable future. Being a restaurant group, our Group's business may be vulnerable to economic downturn and political and social instability which would affect the spending powers of our customers. There is no assurance that the economic, political and social conditions, as well as government policies, would always be favourable to our business in Hong Kong. Under unfavourable economic, political and social conditions, our restaurants in Hong Kong may not perform in the manner that our

Directors anticipate. In addition, we have not implemented any minimum spending requirement on our customers and cannot exert any control on the spending pattern of our customers. There is no assurance that our customers would spend a substantial amount in our restaurants. Moreover, our historical average spending per customer may not be indicative of our customers' future spending pattern.

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

We are subject to various government regulations and are required to obtain various approvals, licenses and permits to operate our restaurants in Hong Kong. For details, please refer to the section headed "Regulatory overview" in this prospectus. Complying with government regulations may require substantial expense, and any non-compliance may expose us to liabilities. We may have to incur significant expense and divert substantial management time to resolve any deficiencies arising from and/or in connection with such regulations. We may also experience adverse publicity arising from any non-compliance with such regulations which may have a negative impact on our brand.

We may experience difficulties or failures in obtaining the necessary approvals, licenses and permits for the operation of our new restaurants. In addition, there is no assurance that we will be able to obtain, and/or renew all of the approvals, licenses and permits required for our existing business operations upon expiration in a timely manner or at all. If we cannot obtain and/or maintain all licenses required by us to operate our business, this in turn may cause delay in our planned new business operations and/or expansion and interruption in our ongoing business.

We had failed to comply with certain Hong Kong regulatory requirements and may face prosecution

Our Group has on various occasions not fully complied with certain Hong Kong regulatory requirements. For details of non-compliance during the Track Record Period, please refer to the section headed "Business — Legal proceedings and legal compliance — Legal compliance" in this prospectus. If the relevant government authorities take enforcement actions against our Directors or members of our Group, and/or Ms. PY Wong and Giant Mind fail to indemnify us to a sufficient extent or at all, we may be required to pay certain penalties, and our reputation, cash flow and results of operations may be adversely affected.

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 offer new cuisines and novel dishes based on the changing market trends and changing tastes, dietary habits, expectations and other preferences of our customers. As such, significant costs to survey and research customer trends and preferences as well as to develop, market and offer new cuisines and novel menu items may be required, which may place substantial strain on our managerial and financial resources. If we are unable to identify new customer trends or preferences and develop new products and services accordingly, or if we lag behind our competitors in introducing and developing new or popular cuisines that appeal to customers, our business and results of operations may be adversely affected.

There is no guarantee that safety measures and procedures implemented at our restaurant sites could prevent the occurrence of industrial accidents of all kinds, which in turn may lead to claims in respect of employees' compensation, personal injuries, and/or property damage against us

During the Track Record Period and up to the Latest Practicable Date, we recorded 43 work injuries of our staff. We have adopted certain work safety measures and procedures for our staff, details of which are set out in the section headed "Business — Employees and safety measures — Work safety" in this prospectus. Nevertheless, we rely on our staff to oversee the implementation of safety measures and procedures, and we neither guarantee all of the safety measures and procedures are strictly adhered to at any time, nor assure you that our safety measures and procedures are sufficient to prevent the occurrence of industrial accidents of all kinds. If the safety measures and procedures implemented at our restaurant sites are insufficient or not strictly adhered to, it may result in industrial accidents which in turn may lead to claims against us in respect of employees' compensation, personal injuries, fatal accidents, and/or property damage. These could result in significant financial loss, damage to our reputation in the independent full-service restaurant industry and adversely affect our results of operations and financial conditions.

Our insurance coverage may be insufficient to protect our Group against potential liabilities arising during the course of operations

We do not maintain insurance policies against all risks associated with our business, either because our Directors have deemed it commercially unfeasible to do so, or the risk is minimal, or because the insurers have excluded certain risks out of their standard policies. These risks include, without limitation, events such as the loss of business arising from increased competition, the loss of any business resulting from negative effects on changes in customers' tastes and preferences. If an incident occurs in relation to which our Group has inadequate insurance coverage, the business, financial position and operating results of our Group could be materially and adversely affected. In addition, there is no assurance that we will be able to renew the existing insurance policies on commercially reasonable terms.

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

All of the holders of the liquor licences of our restaurants in Hong Kong were staff of our Group. Please refer to the section headed "Business — Major licences and qualifications" in this prospectus for details of the liquor licences of our restaurants.

Under regulation 15 of the DCR, any transfer of a liquor licence must be made in accordance with the form as determined by the LLB. For a transfer application, consent of the holder of liquor licence is required. Under regulation 24 of the DCR, in case of illness or temporary absence of the holder of liquor licence, the secretary to the LLB may in his discretion authorise any person to manage the licensed premises. The application under such regulation is required to be made by the holder of liquor licence. Under section 54 of the DCO, in the event of the death or insolvency of the holder of liquor licence, his executor or administrator or trustee may carry on the business in the licensed premises until the expiration of the licence. A liquor licence is valid for a period of one year or a lesser period, subject to the continuous compliance with the requirements under the relevant legislation and regulations.

If the relevant staff refuses to give consent to a transfer application when a transfer is required by our Group, 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 the issue of a new liquor licence is required to be made to the LLB in the event of the death or insolvency of the relevant staff, the relevant restaurant may need to suspend or cease the sale of liquor for a certain period of time, which may adversely affect the business and profitability of our Group.

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 restaurant openings and the incurrence of associated pre-opening cost and expenses, operating costs for our newly opened restaurants, any losses associated with our restaurant closings and seasonal fluctuations. During the Track Record Period, we generally recorded a relatively higher monthly revenue in March, May, November and December and relatively lower monthly revenue in January, February, July and August. Extended periods of adverse weather conditions which can dis-incentivise customers from eating out, such as the recent cold spell and wet weather, can also lead to reduced revenue at our restaurants. 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 financial period are not necessarily indicative of results to be expected for any other financial period.

Our historical financial and operating results may not be indicative of future performance

Our historical results may not be indicative of our future performance. Our future financial and operating results may not meet the expectations of public market analysts or investors, which could cause the future price of our Shares to decline. Our revenues, expenses and operating results may vary from period to period in response to a variety of factors beyond our control, including general economic conditions, special events, regulations or actions pertaining to restaurants and our ability to control cost and operating expenses. You should not rely on our historical results to predict the future performance of our Shares.

We may be unable to adequately protect our intellectual property, which could harm the value of our brands and adversely affect our business

Our Directors believe that our brands are essential to our success and competitive position. Please refer to the paragraph headed "Business — Intellectual property rights" in this prospectus and the section headed "B. Further information about our business — 2. Intellectual property rights" in Appendix V to this prospectus for further details of our Group's trademarks. If we apply for the registration of any new trademark in the future, there is no assurance that such trademark applications will be successful and that we can continue to use those trademarks. If our Group fails in any of our trademark registration applications, or if we are held by any court or tribunal to have infringed on any trademark of others, our business may be adversely affected.

If our efforts to maintain and protect our intellectual property be inadequate, or if any third parties infringe, dilute or misappropriate on our intellectual property, the value of our brands may be harmed, which could have a material adverse effect on our business, financial condition or operating results and might prevent our brands from achieving or maintaining market acceptance. In 2014, we became aware that a Thai restaurant in Shanghai, the PRC adopted the same name and logo as our restaurant, Chachawan. Immediately upon our notice of the matter, we made clarifications with various media platforms that our Chachawan had no affiliation whatsoever with such restaurant in Shanghai, the PRC. The restaurant in question subsequently ceased to use the name and logo of Chachawan. Our Group has not taken any legal action in the PRC regarding such matter. We cannot assure that the aforesaid or similar incident will not reoccur. As such, we may, from time to time, be required to initiate litigation, arbitration or other proceedings to protect and enforce our intellectual property rights, which would likely be time-consuming and expensive to resolve and would divert our management's time, resources and attention of its outcome. Even if we are able to successfully enforce our rights, (i) any harm done to our brands could adversely affect our sales, profitability and prospects; and (ii) we may not be able to successfully enforce the judgment and remedies awarded by the court and such remedies may not be adequate to compensate us for our actual or anticipated related losses, whether tangible or intangible, thereby adversely affecting our Group's financial performance and business reputation.

Any negative publicity or customer disputes and complaints regarding any infringing party's unauthorised use of our trademarks, brands and logos (or any party's legitimate use of similar trademarks, brands and logos) could confuse, dilute or tarnish (directly or indirectly) our restaurants' brand appeal, which could materially affect our revenue, profitability and prospects even if we are able to successfully enforce our legal rights or take the corresponding remedial measures. These infringements or any further infringements of our intellectual property rights or damage to our brands may have a material adverse effect on our brands, business and results of operations in the future.

We may be unable to detect, deter and prevent all instances of fraud, cash misappropriation or other misconduct committed by our employees, suppliers or other third parties

In our daily operations, we generally accept cash from customers as payment. Therefore, we are susceptible to any misappropriation of cash by our employees. Our Group may be unable to detect, deter or prevent all such instances of fraud, theft, dishonesty, cash misappropriation or other misconduct committed by our employees, suppliers or other third parties. Any such misconduct committed against our interests, which may include past acts that have gone undetected or future acts, may have a material adverse effect on our business, results of operations and financial condition, and harm our reputation. We cannot assure you that the cash management measures implemented during the Track Record Period to prevent cash misappropriation will always be effective in the future, or that the Group's staff will strictly adhere to such measures at all times.

Our self-created dishes may face competition from imitation dishes

To maintain competitiveness in the independent full-service restaurant industry, our chefs from time to time review and vary the dishes offered on the menu and our restaurants launch new dishes to cater to ever-evolving customer tastes. We have not applied for the registration of any intellectual property rights for our self-created dishes and our competitors may imitate our self-created dishes and offer them at a competitive price, thereby causing adverse effect to our sales and profitability.

Unforeseeable business interruptions could adversely affect our Group's business

Accidents or natural disasters such as fires, earthquakes, floods, power failures and power shortages, hardware and software failures, computer viruses and other events, which are beyond our control, may interrupt our operations. Unforeseeable events, such as adverse weather conditions, natural disasters, severe traffic accidents or delays, or labour strikes could lead to delay or failure of deliveries of food ingredients to our restaurants, resulting in food product contamination or spoilage, the loss of revenue or customer complaints. In addition, there may be incidents such as malfunction of refrigeration facilities or inappropriate handling during transportation which could also lead to food deterioration. This may result in failure to provide quality food and services to customers, thereby affecting our business and damaging our reputation.

In addition, we depends on our information technology system to monitor our daily operations of our restaurants and dishes production and to maintain up-to-date financial data, any failure or damage of our information technology system could lead to interruptions in our operations and affect adversely our business.

We have no control over the operations of investee companies in which we hold a minority stake

We hold a minority stake in Potato Head (HK). Although we provide restaurant consultancy services to our investee food and beverage establishments, we have no control over their management and operation and they may choose not to adopt internal control measures that we implement for our restaurants. Non-compliance with laws or regulations or other operation risks by any of these food and beverage establishments may adversely affect their revenue, profitability and business prospects and in turn, can result in reduced return or loss of investment by us. In such circumstances, our reputation may be adversely affected by virtue of us being an investor in those establishments.

In addition, our investment in Potato Head (HK) (in the form of equity and shareholder's loan) is recognised as investment in an associate and share of loss of approximately HK$6.5 million and HK$0.4 million were recognised for the year ended 31 December 2016 and the seven months ended 31 July 2017, respectively, with respect to the entire carrying amount of the investment. Should our investee companies fail to perform or face financial difficulties, impairment may need to be made against such investment which can adversely affect our results.

RISKS RELATING TO THE INDUSTRY

As we derive substantial parts of our revenue from our restaurants located in Hong Kong, our business depends on the macro-economic situation in Hong Kong and may be adversely affected by reductions in discretionary customers spending as a result of downturns in the economy and increase in inflation

During the Track Record Period, a substantial part of our revenue was derived from our restaurants in Hong Kong. For each of the three years ended 31 December 2016 and the seven months ended 31 July 2017 , our revenue generated from our restaurants in Hong Kong amounted to approximately HK$170.5 million, HK$200.4 million, HK$220.6 million and HK$134.9 million respectively, representing approximately 100.0%, 97.0%, 95.0% and 100.0% of our total revenue respectively. In the event of an economic downturn, customers will tend to be more budget conscious and sensitive to the amount they spend on food. Subsequent to the disposal of Esquina Tapas Bar on 31 December 2016, all the operations of our Group are located in Hong Kong, and hence completely dependent on the local economy. If customers' spending pattern changes or if the economy of Hong Kong deteriorates, our revenue, profitability and business prospects will be materially and adversely affected.

We operate in a highly competitive industry

We face intense competition from a large and diverse group of restaurant chains and individual restaurant operators, and food manufacturers who are engaged in the production of similar products. There are numerous restaurants in Hong Kong offering similar cuisines and we compete on the basis of taste, quality, price of food offered, customer service, ambience, and the overall dining experience. Some of our competitors may have longer operating histories, larger customer bases, better brand recognition and reputation, and better financial positions, marketing strategies and public relations resources. As we compete with other competitors as well as new market entrants, our business and results of operations may be adversely affected in the event that we are not competitive in terms of the quality of our dishes, our service level and/or our pricing.

As we work towards expanding our restaurant network, we have to compete with other retailers for restaurants spaces and experienced employees. The competition for prime locations may increase the bargaining power of landlords. Consequently, we may not be able to rent these prime locations on terms which are comparable to our existing restaurants. We may also have to offer experienced management staff higher wages in order to recruit or retain them, which will increase our operating cost and thereby affect our financial performance.

The restaurant business in Hong Kong may be subject to increasingly stringent licensing requirements and hygiene standards which can increase our operating costs

We are required to obtain and maintain certain licences, permits and approvals from the relevant authorities for our operations. Please refer to the section headed "Business — Major licences and qualifications — Licences of our restaurants in Hong Kong" in this prospectus for details on the licences and permits held by us. There is no assurance that the requirements for obtaining general restaurant licences, provisional general restaurant licences, water pollution control licences and liquor licences in Hong Kong, will not become more stringent or rigorous in the future, which in turn would increase our compliance costs.

Our business may be negatively affected in incidents of contagious disease of animals, food-borne illness and outbreaks of other diseases, as well as negative publicity relating to such incidents in Hong Kong

Any food-borne diseases, health epidemics or other outbreaks, whether or not traced to our restaurants, may lead to a loss in customer confidence and reduce customer traffic of our restaurants and adversely affect our results of operations. In addition, any negative publicity relating to these and other health-related matters may affect customers' perception of our restaurants and our food products, which will consequently reduce customer traffic of our restaurants and negatively impact our results of operations.

In addition, an epidemic outbreak, such as severe acute respiratory syndrome (which is also known as SARS), avian influenza and Middle East respiratory syndrome coronavirus (which is also known as MERS-CoV) or any outbreak of food-borne disease, such as Swine influenza (also known as pig flu), Bovine Spongiform Encephalopathy (also known as mad cow disease), in Hong Kong, could severely reduce customer traffic of our restaurants and harm our operating results. We do not have any specific insurance coverage for any loss of our Group as a result of any outbreak of the abovementioned contagious disease.

RISKS RELATING TO THE SHARE OFFER

There has been no prior market for our Shares. An active trading market of our Shares may not develop. If an active trading market for our Shares does not develop, the price of our Shares could be adversely affected and may decline below the Offer Price

Prior to the Share Offer, there has been no public market for any of our Shares. The Offer Price may differ significantly from the market price for our Shares following the Share Offer. However, even if approved, being listed on GEM does not guarantee that an active trading market for our Shares will develop following the completion of the Share Offer or that our Shares will always be listed and traded on GEM. We cannot assure that an active trading market will develop or be maintained following completion of the Share Offer, or that the market price of our Shares will not fall below the Offer Price.

The liquidity, market price and trading volume of our Shares may be volatile, which could result in substantial losses to you

Upon Listing, the trading volume and market price of our Shares may be volatile and may be affected or influenced by a number of factors from time to time, including but not limited to, the revenue, profitability and cash flows of our Group and announcements of new services and/or investments of our Group, strategic alliances and/or acquisitions, fluctuations in market prices for our services or fluctuations in market prices of comparable companies, changes in the senior management personnel of our Group, investors' perceptions of our Group and our business plan, general investment environment, changes in pricing policy adopted by us and our competitors and general economic conditions. Any such developments may result in large and sudden changes in the volume and price at which our Shares will trade. There is no assurance that such developments will or will not occur and it is difficult to quantify the impact on our Group and on the trading volume and market price of our Shares. In addition, shares of other companies listed on GEM have experienced substantial price volatility in the past. It is likely that from time to time, our Shares will be subject to changes in price that may not be directly related to our financial or business performance.

Investors of the Offer Shares will experience an immediate dilution and may experience further dilution if our Company issues additional Shares or other securities in the future

The Offer Price is expected to be higher than the net tangible asset value per Share immediately prior to the Share Offer. Therefore, the investors of the Offer Shares will experience an immediate dilution in unaudited pro forma adjusted combined net tangible assets of our Group attributable to the owners of our Company per Share to approximately HK$0.08 per Share based on the Offer Price of HK$0.30 per Offer Share. If additional funds are raised in the future to finance the expansion or new developments of the business and operations of our Group or new acquisitions through the issuance of new equity or equity-linked securities of us other than on a pro rata basis to existing Shareholders, the percentage ownership of the existing Shareholders may be reduced and they may experience subsequent dilution or such new securities may confer rights and privileges that take priority over those conferred by the Offer Shares.

Future sales by existing Shareholders of a substantial number of our Shares in the public market could materially and adversely affect the prevailing market price of our Shares

Our Shares held by our Controlling Shareholders and our existing Shareholders are subject to lock-up from the date on which trading in our Shares commences on GEM. In addition to the lock-up required under the GEM Listing Rules, Ms. PY Wong and Giant Mind have voluntarily undertaken to each of our Company, the Sole Sponsor, the Sole Bookrunner (for itself and on behalf of the Public Offer Underwriters) that any Shares held by them will be subject to lock-up for a certain period after the Listing that is longer than as required under the GEM Listing Rules. Such voluntary lock-up undertaking may be waived by the prior written consent of our Company, the Sole Sponsor and the Sole Bookrunner (for itself and on behalf of the Public Offer Underwriters). J C Tapas and Ka Ka International have also voluntarily undertaken to each of our Company, the Sole Sponsor, the Sole Bookrunner (for itself and on behalf of the Public Offer Underwriters) that any Shares held by them will be subject to lock-up for a certain period after the Listing. Please refer to the section headed "Underwriting — Underwriting arrangements and expenses — Undertakings" in this prospectus for details. If such voluntary lock-up undertaking is waived by the Sole Sponsor, the Sole Bookrunner (for itself and on behalf of the Public Offer Underwriters) and our Company (for which we are not required to obtain the recommendation or approval of our independent non-executive Directors or the independent Shareholders in such regard), our Shares held by Ms. PY Wong and Giant Mind will be tradable in the market. There is no assurance that our Controlling Shareholders will not dispose of the Shares held by them after such lock-up period. We cannot predict the effect, if any, of any future sales of our Shares by any Substantial Shareholder or Controlling Shareholder, or the availability of our Shares for sale by any Substantial Shareholder or Controlling Shareholder may have on the market price of our Shares. Sales of a substantial amount of Shares by any Substantial Shareholder or our Controlling Shareholder or the issuance of a substantial amount of new Shares by us, or the market perception that such sales or issuance may occur, could materially and adversely affect the prevailing market price of our Shares.

Any options granted under the Share Option Scheme may dilute our Shareholders' equity interests

We have conditionally adopted the Share Option Scheme, details of which are set out in the section headed "D. Share Option Scheme" in Appendix V to this prospectus. As at the Latest Practicable Date, no option had been granted to subscribe for Shares under the Share Option Scheme. Following the issue of new Shares upon exercise of the options that 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 our Shareholders which results in a dilution or reduction of the earnings per Share or net asset value per Share.

The fair value of the options to be granted to the eligible participants under the Share Option Scheme will be charged to the combined statement of profit or loss and other comprehensive income of our Group over the vesting periods of the options. The fair value of the options will be determined on the date of granting of the options. Accordingly, our financial results and profitability may be adversely affected.

Historical dividends may not be indicative of the amount of future dividend payments or our future dividend policy

Our historical dividend distribution should not be used as a reference or basis to determine the level of dividends that may be declared and paid by us in the future. We may not be able to record profits and have sufficient funds above our funding requirements, other obligations and business plans to declare dividends to our Shareholders.

RISKS RELATING TO THE STATEMENTS MADE IN THIS PROSPECTUS

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 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 any fact has been omitted that would render such statistics and facts false or misleading. These statistics and facts from these sources have not been independently verified by us, the Sole Sponsor, the Sole Bookrunner, the Joint Lead Managers, the Underwriters, any of their respective directors or any other parties involved in the Share Offer 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.

Forward-looking statements contained in this prospectus may prove inaccurate and therefore investors should not place undue reliance on such information

This prospectus contains certain forward-looking statements relating to the plans, objectives, expectations and intentions of our Directors and our Group. Such forward-looking statements are based on numerous assumptions as to the present and future business strategies of our Group and the development of the environment in which our Group operates. These statements involve known and unknown risks, uncertainties and other factors which may cause the actual financial results, performance or achievements of our Group to be materially different from the anticipated financial results, performance or achievements of our Group expressed or implied by these statements. The actual financial results, performance or achievements of our Group may differ materially from those discussed in this prospectus.

In preparation for the Listing, we have sought the following waivers from strict compliance with the relevant provisions of the GEM Listing Rules and exemption from the Companies (Winding Up and Miscellaneous Provisions) Ordinance:

FINANCIAL STATEMENTS IN THIS PROSPECTUS

According to Rule 7.03(1) and 11.10 of the GEM Listing Rules, we are required to include in this prospectus an accountants' report covering the consolidated results of our Group in respect of each of the two financial years immediately preceding the issue of this prospectus.

Section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance stipulates that we should state the matters specified in Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance and set out the reports specified in Part II of that Schedule in this prospectus.

Paragraph 27 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance requires that we set out in this prospectus a statement as to the gross trading income or sales turnover of our Group for each of the three financial years preceding the issue of this prospectus including an explanation of the method used for the computation of such income or turnover and a reasonable breakdown between the more important trading activities.

Paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance further requires that we include in this prospectus a report by our auditors with respect to (i) the profits and losses of our Group for each of the three financial years immediately preceding the issue of this prospectus; and (ii) the assets and liabilities of our Group at the last date to which the accounts of our Group were made up.

Pursuant to section 5(3) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the laws of Hong Kong) (the "**Exemption Notice**"), all references to "3 preceding years", "3 financial years" and "3 years" in paragraphs 27 and 31 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provision) Ordinance are substituted by a reference to "2 preceding years", "2 financial years" and "2 years", respectively, for a prospectus issued in relation to an application for the listing of securities on GEM.

The accountants' report set forth in Appendix I to this prospectus contains the audited combined results of our Group for each of the three financial years ended 31 December 2016 and the seven months ended 31 July 2017, and is in compliance with the requirements under Rule 11.11 of the GEM Listing Rules. However, strict compliance with Rule 7.03(1) and 11.10 of the GEM Listing Rules and paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the

Exemption Notice would be unduly burdensome for us as there would not have been sufficient time for the reporting accountants of our Company to complete and finalise the audit of the combined financial statements of our Group for the full financial year ended 31 December 2017 for inclusion in this prospectus.

Accordingly, an application has been made to the SFC for an exemption, and the SFC has issued a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance from strict compliance with the requirements of paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance subject to the following conditions:

(a) this prospectus shall be issued on or before 29 January 2018;

(b) the particulars of the exemption be set forth in this prospectus; and

(c) the Listing Date shall not be later than two months after the latest financial year end of the Company, i.e. on or before 28 February 2018.

An application has also been made to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with Rule 7.03(1) and 11.10 of the GEM Listing Rules subject to the following additional conditions:

(a) the Listing Date shall not be later than two months after the latest financial year end of the Company, i.e. on or before 28 February 2018;

(b) the SFC granting a certificate of exemption from strict compliance with section 342(1)(b) of the Companies (WUMP) Ordinance in relation to paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies (WUMP) Ordinance subject to such conditions as the SFC thinks fit in the granting of such certificate of exemption;

(c) the requirements under Rule 11.11 of the GEM Listing Rules shall be complied with;

(d) a loss estimate for the financial year ended 31 December 2017 in compliance with Rules 14.29 to 14.31 of the GEM Listing Rules shall be included in this prospectus;

(e) a Directors' statement that there is no material adverse change to the financial and trading positions or prospects of the Group (expect the non-recurring listing expenses) with specific reference to the trading results from 1 August 2017 to 31 December 2017 shall be included in the Prospectus; and

(f) the Company shall publish its results announcement for the financial year ended 31 December 2017 no later than 31 March 2018 in compliance with Rule 18.49 of the GEM Listing Rules.

Our Directors and the Sole Sponsor have confirmed that the exemption and the waiver as mentioned above would not prejudice the interests of the investing public based on the following circumstances:

(a) after performing all due diligence work which our Directors and the Sole Sponsor consider to be necessary, there has been no material adverse change in the financial and trading positions or prospects of our Group since 31 July 2017 and up to the date of this prospectus (except for the non-recurring listing expenses);

(b) there is no event which would materially affect the information as contained in the accountants' report as set out in Appendix I to this prospectus, the loss estimate as set out in Appendix III to this prospectus, the section headed "Financial information" in this prospectus and other parts of this prospectus;

(c) save as disclosed in this prospectus, they do not contemplate any change to the share capital structure of our Company and each of its subsidiaries up to completion of the Share Offer; and

(d) on the basis of the above, our Directors and the Sole Sponsor consider that all information that is reasonably necessary for potential investors to make an informed assessment of the financial and trading positions or prospects of our Group has already been included in this prospectus.

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus, for which our Directors collectively and individually accept full responsibility, contains particulars given in compliance with the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) and the GEM Listing Rules for the purpose of giving information to the public with regard to our Group. Our Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:

1. the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive;

2. there are no other matters the omission of which would make any statement herein or in this prospectus misleading; and

3. all opinions expressed in this prospectus have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

INFORMATION ABOUT THE SHARE OFFER

This prospectus is published solely in connection with the Public Offer. For applicants under the Public Offer, this prospectus and the related Application Forms contain the terms and conditions of the Public Offer.

Details of the structure of the Share Offer, including its conditions, are set out in the section headed "Structure and conditions of the Share Offer" in this prospectus. The procedures for applying for the Public Offer Shares are set out in the section headed "How to apply for the Public Offer Shares" in this prospectus and in the relevant Application Forms.

Neither the delivery of this prospectus nor any subscription or acquisition made under it shall, under any circumstances, create any implication that there has been no change in our affairs since the date of this prospectus or that the information in it is correct as at any subsequent time.

SELLING SHAREHOLDER

An aggregate of 46,550,000 Shares will be offered for purchase by Giant Mind, the Selling Shareholder, under the Placing. We estimate that the net proceeds to the Selling Shareholder in respect of the Sale Shares (after deduction of proportional underwriting commission payable by the Selling Shareholder in relation to the Placing, and based on the Offer Price of HK$0.30 per Offer Share) will be approximately HK$10.8 million. Our Company will not receive any of the proceeds from the sale of the Sale Shares.

UNDERWRITING

The Listing is sponsored by the Sole Sponsor. The Share Offer is managed by the Sole Bookrunner. The Public Offer Shares are fully underwritten by the Public Offer Underwriters. It is expected that the Placing Shares will be fully underwritten by the Placing Underwriters, subject to the terms and conditions of the Placing Underwriting Agreement. Further details about the Underwriters and the underwriting arrangements are contained in the section headed "Underwriting" in this prospectus.

SELLING RESTRICTIONS

Each person acquiring the Offer Shares will be required to confirm, or be deemed by his acquisition of Offer Shares to confirm, that he is aware of the restrictions on offers and sales of the Offer Shares described in this prospectus.

As at the Latest Practicable Date, no action has been taken in any jurisdiction other than Hong Kong to permit the offering of the Offer Shares or the distribution of this prospectus. Accordingly, this prospectus may not be used for the purposes of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorised or to any person to whom it is unlawful to make such an offer or invitation.

The distribution of this prospectus and the offering of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable laws or any applicable rules and regulations of such institutions pursuant to registration with or authorisation by relevant regulatory authorities as an exemption therefrom.

The Public Offer Shares are offered to the public in Hong Kong for subscription solely on the basis of the information contained and representations made in this prospectus. No person is authorised in connection with the Share Offer to give any information, or to make any representation, not contained in this prospectus, and any information or representation not contained in this prospectus must not be relied upon as having been authorised by our Company, the Selling Shareholder, the Sole Sponsor, the Sole Bookrunner, the Joint Lead Managers, the Underwriters, any of their respective directors, officers, employees, agents, affiliates or representatives of any of them or any other persons or parties involved in the Share Offer.

APPLICATION FOR LISTING ON GEM

Application has been made to the Listing Division for the listing of, and permission to deal in, our Shares in issue and to be issued pursuant to the Share Offer and the Capitalisation Issue and upon the exercise of any options which may be granted under the Share Option Scheme on GEM.

No part of the share or loan capital of our Company is listed on or dealt in on any other stock exchange and no such listing or permission to list is being or, is proposed to being sought.

Under section 44B(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, if permission for our Shares offered under this prospectus to be listed on GEM has been refused before the expiration of three weeks from the date of the closing of the application lists or such longer period (not exceeding six weeks) as may, within the said three weeks, be notified to our Company for permission by or on behalf of the Listing Division, then any allotment made on an application in pursuance of this prospectus shall, whenever made, be void.

Pursuant to Rule 11.23(7) of the GEM Listing Rules, at the time of Listing and at all times thereafter, our Company must maintain the "minimum prescribed percentage" of 25% of the issued share capital of our Company in the hands of the public. Not less than 25% of our Company's enlarged issued share capital will be in the hands of the public immediately following the completion of the Capitalisation Issue and the Share Offer.

PROFESSIONAL TAX ADVICE RECOMMENDED

Potential investors for the Offer Shares are recommended to consult their professional advisers if they are in doubt as to the taxation implications of the subscription for, holding of, purchasing of, disposal of or dealing in, our Shares or the exercising their rights thereunder. It is emphasised that none of our Company, the Selling Shareholder, our Directors, the Sole Sponsor, the Sole Bookrunner, the Joint Lead Managers, the Underwriters, their respective directors, officers, employees, agents, affiliates or representatives of any of them or any other persons or parties involved in the Share Offer accepts responsibility for any tax effects on, or liabilities of, any person resulting from the subscription for, holding of, purchasing of, disposal of or dealing in, our Shares or the exercising their rights thereunder.

REGISTER OF MEMBERS AND STAMP DUTY

All our Shares will be registered on the Hong Kong branch register of members of our Company in Hong Kong in order to enable them to be traded on GEM. Only our Shares registered on the branch register of members maintained in Hong Kong may be traded on GEM, unless the Stock Exchange otherwise agrees. Dealings in our Shares registered on the branch register of members maintained in Hong Kong will be subject to Hong Kong stamp duty. Unless determined otherwise by our Company, dividends payable in HK dollars in respect of the Shares will be paid by cheque sent at the Shareholder's risk to the registered address of each Shareholder or in the case of joint holders, the first named Shareholder.

SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the approval of the listing of, and permission to deal in, our Shares in issue and to be issued on GEM and the compliance with the stock admission requirements of HKSCC, our Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or, under contingent situation, any other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second Business Day after any trading day.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

All necessary arrangements have been made for our Shares to be admitted into CCASS. If investors are unsure about the details of CCASS settlement arrangement and how such arrangements will affect their rights and interests, they should seek the advice of their stockbroker or other professional adviser.

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

Details of the structure of the Share Offer, including its conditions, are set out in the section headed "Structure and conditions of the Share Offer" in this prospectus.

COMMENCEMENT OF DEALINGS IN OUR SHARES

Dealings in our Shares on GEM are expected to commence at 9:00 a.m. on Thursday, 8 February 2018. Shares will be traded in board lots of 10,000 Shares each.

Our Company will not issue any temporary document of title.

ROUNDING

Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments. As a result, any discrepancies in any table or chart set out in this prospectus between totals and sums of individual amounts listed therein are due to rounding. Where information is presented in thousands or millions of units, amounts may have been rounded up or down.

EXCHANGE RATE CONVERSION

Solely for your convenience, this prospectus contains translations of certain S$ amounts into Hong Kong dollars at specified rates. You should not construe these translations as representations that the S$ amounts could actually be, or have been, converted into Hong Kong dollar amounts at the rates indicated or at all. Unless we indicated otherwise, the translations of S$ amounts into Hong Kong dollars have been made at the rate of S$1.00 to HK$5.9.

Solely for your convenience, this prospectus contains translations of certain US$ amounts into Hong Kong dollars at specified rates. You should not construe these translations as representations that the US$ amounts could actually be, or have been, converted into Hong Kong dollar amounts at the rates indicated or at all. Unless indicated otherwise, the translations of US$ amounts into Hong Kong dollars have been made at the rate of US$1.00 to HK$7.8.

Solely for your convenience, this prospectus contains translations of certain GBP amounts into Hong Kong dollars at specified rates. You should not construe these translations as representations that the GBP amounts could actually be, or have been, converted into Hong Kong dollar amounts at the rates indicated or at all. Unless indicated otherwise, the translations of GBP amounts into Hong Kong dollars have been made at the rate of GBP1.00 to HK$10.8.

TRANSLATION

The English language version of this prospectus has been translated in to the Chinese language and English and Chinese versions of this prospectus are being published separately pursuant to section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong). Should there be any inconsistency between the English and Chinese versions of this prospectus, the English version shall prevail.

DIRECTORS

Name	Residential address	Nationality
Executive Directors		
Ms. WONG Pui Yain (黃佩茵)	Flat B, 27/F Kennedy Heights 10 Kennedy Road Mid-levels Hong Kong	Chinese
Ms. WAN Suet Yee Cherry (溫雪儀)	Flat D, 13/F, Wilmer Building 23 Wilmer Street Sheung Wan Hong Kong	Chinese
Independent non-executive Directors		
Mr. Devin Nijanthan CHANMUGAM	17B Aigburth 12 Tregunter Path Mid-levels Hong Kong	Sri Lankan
Mr. LEUNG Yuk Lun Ulric (梁玉麟)	Flat A 12/F Block 5 The Grand Panorama 10 Robinson Road Mid-levels Hong Kong	Chinese
Mr. WEE Keng Hiong Tony	Flat A 11/F Avalon 17-19 Tai Hang Road Hong Kong	Singaporean

Please refer to the section headed "Directors, senior management and staff" in this prospectus for further information.

PARTIES INVOLVED

Sole Sponsor

Innovax Capital Limited
Room 2002, 20/F
Chinachem Century Tower
178 Gloucester Road
Wanchai
Hong Kong

(A licensed corporation under the SFO to engage in type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities (as defined under the SFO))

Sole Bookrunner	**Great Roc Capital Securities Limited** Suite 1601-1603, 16/F West Tower, Shun Tak Centre 168-200 Connaught Road Central Central Hong Kong *(A licensed corporation under the SFO to engage in type 1 (dealing in securities) and type 4 (advising on securities) regulated activities (as defined under the SFO))*
Joint Lead Managers	**Great Roc Capital Securities Limited** Suite 1601-1603, 16/F West Tower, Shun Tak Centre 168-200 Connaught Road Central Central Hong Kong *(A licensed corporation under the SFO to engage in type 1 (dealing in securities) and type 4 (advising on securities) regulated activities (as defined under the SFO))* **Ping An Securities Limited** Unit 02, 2/F China Merchants Building 152-155 Connaught Road Central Hong Kong *(A licensed corporation under the SFO to engage in type 1 (dealing in securities) and type 4 (advising on securities), type 6 (advising on corporate finance), and type 9 (asset management) regulated activities (as defined under the SFO))*

Innovax Securities Limited
Unit A-C 20/F
Neich Tower, 128 Gloucester Road
Wan Chai
Hong Kong

(A licensed corporation under the SFO to engage in type 1 (dealing in securities) and type 4 (advising on securities) regulated activities (as defined under the SFO))

Legal advisers to our Company

As to Hong Kong law:

Mayer Brown JSM
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10 Chater Road
Central
Hong Kong

Mr. Chan Chung
10/F, Grand Building
15-18 Connaught Road Central
Central
Hong Kong

As to Cayman Islands law:

Appleby
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1 Connaught Place
Central
Hong Kong

Legal adviser to the Sole Sponsor and the Underwriters

As to Hong Kong law:

Loeb & Loeb LLP
21st Floor, CCB Tower
3 Connaught Road Central
Hong Kong

Auditors and reporting accountants

Deloitte Touche Tohmatsu
Certified Public Accountants
35/F, One Pacific Place
88 Queensway
Hong Kong

Internal control advisor	**Moore Stephens Advisory Services Limited** 812 Silvercord, Tower 1 30 Canton Road Tsimshatsui, Kowloon Hong Kong
Industry consultant	**Ipsos Limited** 22/F, Leighton Centre 77 Leighton Road Causeway Bay Hong Kong
Receiving bank	**Standard Chartered Bank (Hong Kong) Limited** 15/F, Standard Chartered Tower 388 Kwun Tong Road Kwun Tong, Kowloon Hong Kong

Registered office	P.O. Box 1350 Clifton House, 75 Fort Street Grand Cayman KY1-1108 Cayman Islands
Head office and principal place of business in Hong Kong	Office No.5 on 22nd Floor, Universal Trade Centre No.3 Arbuthnot Road Central Hong Kong
Website of the Company	www.jiagroup.co *(the content of this website do not form part of this prospectus)*
Company secretary	Ms. YIM Sau Ping (嚴秀屏) *CPA* 2/F 596 The Wonderland Tai Po Tau Tai Wo New Territories Hong Kong
Authorised representatives	Ms. WAN Suet Yee Cherry (溫雪儀) Flat D, 13/F, Wilmer Building 23 Wilmer Street, Sheung Wan Hong Kong Ms. YIM Sau Ping (嚴秀屏) 2/F 596 The Wonderland Tai Po Tau Tai Wo New Territories Hong Kong
Audit committee	Mr. LEUNG Yuk Lun Ulric (梁玉麟) *(Chairperson)* Mr. Devin Nijanthan CHANMUGAM Mr. WEE Keng Hiong Tony
Remuneration committee	Mr. Devin Nijanthan CHANMUGAM *(Chairperson)* Ms. WONG Pui Yain (黃佩茵) Mr. WEE Keng Hiong Tony
Nomination committee	Ms. WONG Pui Yain (黃佩茵) *(Chairperson)* Mr. LEUNG Yuk Lun Ulric (梁玉麟) Mr. Devin Nijanthan CHANMUGAM

Legal compliance committee	Ms. WAN Suet Yee Cherry (溫雪儀) *(Chairperson)* Ms. PY Wong (黃佩茵) Mr. LEUNG Yuk Lun Ulric (梁玉麟)
Compliance adviser	**Innovax Capital Limited** Room 2002, 20/F Chinachem Century Tower 178 Gloucester Road Wanchai Hong Kong
Compliance officer	Ms. WAN Suet Yee Cherry (溫雪儀)
Principal banker	Hang Seng Bank Limited 19/F 83 Des Voeux Road Central Hong Kong
Principal share registrar and transfer office	Estera Trust (Cayman) Limited P.O. Box 1350 Clifton House, 75 Fort Street Grand Cayman, KY1-1108 Cayman Islands
Hong Kong branch share registrar and transfer office	Tricor Investor Services Limited Level 22 Hopewell Centre 183 Queen's Road East Hong Kong

The information in this section are extracted or derived from the commissioned report from Ipsos, an Independent Third Party. Whilst our Directors have taken all reasonable care to ensure that the information in this section are accurately reproduced from these sources, the information in this section have not been independently verified by our Group, the Selling Shareholder or any of its respective affiliates or advisers, nor by the Sole Sponsor, the Sole Bookrunner, the Joint Lead Managers, the Underwriters or any of their affiliates or advisers or any other party involved in the Share Offer and they do not give any representation as to its accuracy and the information should not be relied upon in making or refraining from making, any investment decision. We believe that the sources of this information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information in this section is false or misleading or that any fact has been omitted that would render such facts, statistics and data false or misleading. Our Directors confirmed that after taking reasonable care, there is no adverse change in the market information since the date of the Ipsos Report which may qualify, contradict or have an impact on the information in this section.

SOURCES OF INFORMATION

Industry report from Ipsos

In connection with the Share Offer, we commissioned an independent professional market research company, Ipsos, to assess the industry development trends, market demand and competitive landscape of the independent full-service restaurant industry in Hong Kong for the period from 2010 to 2020. We have incurred total fee and expenses of HK$746,800 for the preparation of the Ipsos Report. The payment of such amount was not conditional on our Group's successful listing or on the results of the Ipsos Report.

About Ipsos

Ipsos is wholly-owned by Ipsos SA. Founded in Paris, France, in 1975 and publicly-listed on the NYSE Euronext Paris in 1999, Ipsos SA acquired Synovate Ltd. in October 2011 and became one of the largest research companies in the world which employs approximately 16,000 personnel worldwide across 88 countries. Ipsos conducts research on market profiles, market size, share and segmentation analyses, distribution and value analyses, competitor tracking and corporate intelligence.

Methodology

The Ipsos Report includes information on the independent full-service restaurant industry in Hong Kong. The information contained in the Ipsos Report is derived by means of data and intelligence gathering through: (i) primary research, including interviews with key knowledge leaders and (ii) secondary desk research for supporting facts and identify trends. Information gathered by Ipsos has been analysed, assessed and validated using Ipsos in-house analysis models and techniques. According to Ipsos, this methodology utilised a full circle and multilevel information sourcing process, where information gathered can be cross-referenced to ensure accuracy.

Assumptions and parameters

The following assumptions were made in the analysis in the Ipsos Report: (i) there is no external shock such as financial crisis or natural disasters which could affect the demand and supply of the independent full-service restaurant industry over the forecast period; and (ii) the supply and demand of the independent full-service restaurant industry in Hong Kong are stable over the forecast period. The following parameters have been taken into account in market sizing and the forecast models in the Ipsos Report: (i) GDP and GDP growth rate in Hong Kong from 2010 to 2020; (ii) total private consumption expenditure in Hong Kong from 2010 to 2020; (iii) population and population growth rate in Hong Kong from 2010 to 2020; (iv) number of tourists visits in Hong Kong from 2010 to 2016; (v) tourist spending on food and beverages in Hong Kong from 2010 to 2016; and (vi) resident spending on food and beverages in Hong Kong from 2010 to 2016.

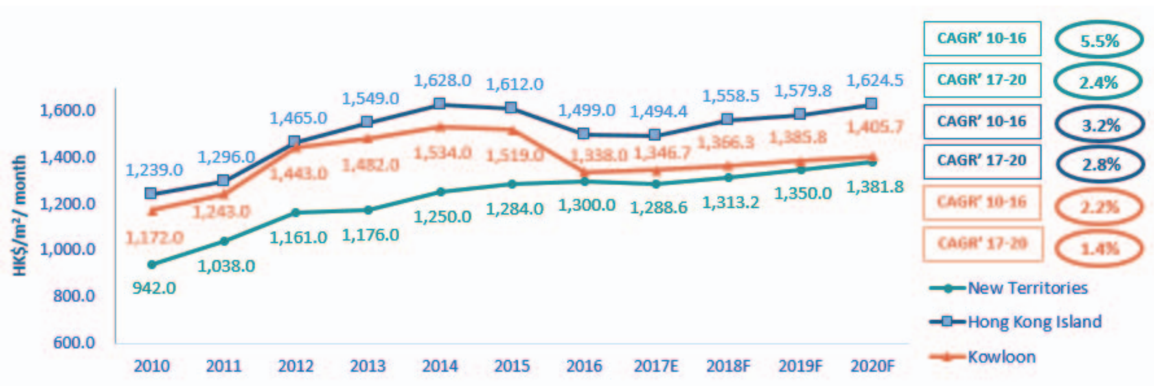
Future Forecast

In order to ensure forecasting accuracy, Ipsos adopted its standard practice of qualitative and quantitative analysis of the market size and growth trends, on the basis of a comprehensive and in-depth review of the market's historical and predicted future performance.

Our Directors confirm that to their knowledge after taking reasonable care, there is no adverse change in the market information since the date of the Ipsos Report which may qualify, contradict or have an impact on the information in this section.

Average monthly rent for retail premises in Hong Kong from 2010 to 2020

(Historical value from 2010 to 2016 and the projected figures from 2017 to 2020)



Notes: The above forecast is based on the estimated growth rate of monthly rent from secondary sources.

Sources: Rating and Valuation Department, HKSAR; Ipsos research and analysis

The average monthly rent for retail premises in Hong Kong experienced a robust growth from 2010 to 2015, but decreased from 2015 to 2016. During the period from 2010 to 2016, the monthly rental price for retail premises the New Territories recorded the highest CAGR among the three regions in Hong Kong, by approximately 5.5% during the aforementioned period. Meanwhile, the rent on Hong Kong Island increased at a CAGR of approximately 3.2% while the rent in Kowloon grew at a CAGR of approximately 2.2%. Over the forecast period from 2017 to 2020, the monthly rent for retail premises is expected to start increasing gently, given the slow recovery of the retail market in Hong Kong.

The increase in the average monthly rent can be explained by the prosperity of the retail market in Hong Kong, increasing the demand for retail space and therefore pushing up the rental price for private retail premises.

The general decrease in the monthly rental for retail premises during 2016 and 2017 can be explained by the slowdown of the retail sector, resulting in a downward adjustment on the real estate market in Hong Kong. The real estate market is predicted to recover afterwards in 2017, with a gradual increase in the average monthly rent in Hong Kong forecast from 2018 to 2020.

FULL-SERVICE RESTAURANTS

Full-service restaurants are traditional sit-down restaurants with full table services provided by waiting staff. Customers are served at their table from start to finish. Typical table services include seat placing, order taking, food delivering and payment processing. Full-service restaurants are generally characterised by better table service and comparatively more expensive menu items than fast food restaurants or casual dining restaurants. According to the Ipsos Report, full-service restaurants can be categorised to include (i) independent full-service restaurants that are under independent operations and have generally less than 10 (but at least one) food service outlets which are not connected with any other businesses, which are generally perceived by consumers to be able to provide higher quality than chained restaurants due to the wider variety, understanding of local or regional cuisine and more traditional preparation methods; and (ii) chained full-service restaurants with more than 10 food service outlets and that could be connected with other businesses, which are perceived to be offering a standardised menu, food quality, level of service and atmosphere in any one of its restaurants.

INDEPENDENT FULL-SERVICE RESTAURANTS IN HONG KONG

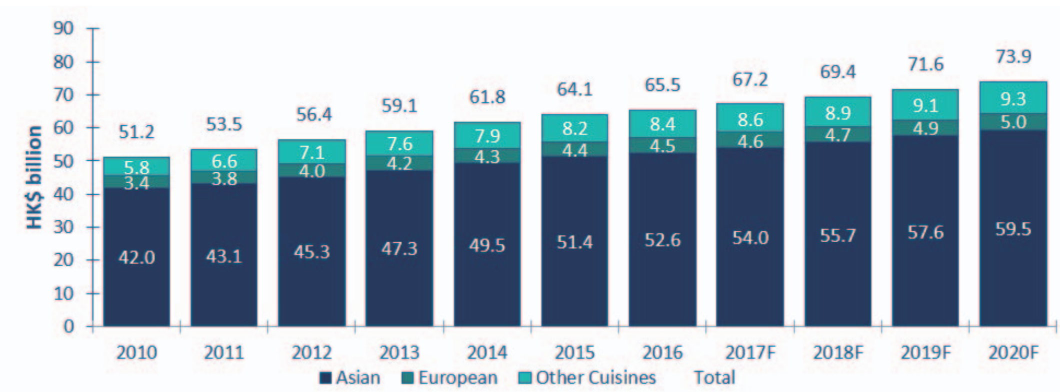
Overview

Since 2000s, the food service industry in Hong Kong has been dominated by independent restaurants. Between 2010 and 2016, the revenue share of independent restaurants serving Asian and European cuisines in Hong Kong was about 88.2% while that of chained restaurants was about 11.8%. Asian cuisines include regional cuisines from Central Asia, East Asia, Southeast Asia and the Middle East. European cuisines refer to cuisines found in European countries with French and Italian cuisines most commonly found in Hong Kong. Local people have a strong preference for Asian cuisines, and approximately 80.3% of independent full-service restaurants served Asian food, while 6.8% served European food and 12.8% served other types of cuisine in 2016. As locals are exposed to various cuisines, their culinary palate has become more refined and consumers are looking for dishes that are more diversified and unique, giving rise to fusion cuisine. This type of cuisine is popular among independent restaurants since menus are typically designed by the chefs themselves. Dishes are created by incorporating styles of techniques and ingredients from various cuisines, resulting in innovative dishes.

Independent full-service restaurants dominate the full-service Asian and European restaurant market in Hong Kong and maintained a high revenue share versus chained full-service restaurants. From 2010 to 2016, revenue share of independent full-service Asian and European restaurants was between approximately 88.0% to 88.6%. It is estimated that the independent full-service Asian and European restaurants will continue to dominate the market, with a market share of approximately 88.2% in 2020.

The following chart sets forth the revenue of the independent full-service restaurants industry in Hong Kong.

Revenue of independent full-service restaurant industry in Hong Kong from 2010 to 2020
(Historical revenue from 2010 to 2016 and the projected figures from 2017 to 2020)



(Note)

Note: The above forecast is based on (i) the historical trend and growth momentum of the total industry revenue; (ii) the historical trend and the growth momentum of the number of restaurants; (iii) the historical trend and growth momentum of staff working in the industry; (iv) the historical CPI growth rate, growth of rental and wage level; and (v) the projection of GDP growth rate in Hong Kong.

Sources: Ipsos Report

The total revenue of independent full-service restaurant industry in Hong Kong grew from approximately HK$51.2 billion in 2010 to approximately HK$65.5 billion in 2016, representing a CAGR of approximately 4.2%. In the future, it is expected that the total revenue of independent full-service restaurant industry will grow at a slower pace at a CAGR of approximately 3.2% from 2017 to 2020.

The independent full-service Asian restaurants dominate the independent full-service restaurant industry in Hong Kong. From 2010 to 2016, it is observed that the revenue share of independent full-service Asian restaurants versus the European restaurants is high, remaining between 91.8% to 92.4%. The Asian restaurants is expected to maintain a dominant market share of approximately 92.2% in 2020. Between 2010 to 2016, the revenue of independent full-service Asian restaurants increased from approximately HK$42.0 billion in 2010 to approximately HK$52.6 billion in 2016, at a CAGR of approximately 3.8%, and it is predicted to grow at a CAGR of approximately 3.3% between 2017 and 2020, from approximately HK$54.0 billion in 2017 to approximately HK$59.5 billion in 2020. The high revenue share of independent full-service Asian restaurants versus the European restaurants could be explained by Chinese being the major ethnic group in Hong Kong, whose demand for and consumption of Asian cuisines, especially Chinese cuisines, is higher.

Meanwhile, the revenue of independent full-service European restaurants increased from approximately HK$3.4 billion in 2010 to approximately HK$4.5 billion in 2016, representing at a CAGR of approximately 4.6%, and it is forecasted that such revenue will continue to grow from approximately HK$4.6 billion in 2017 to approximately HK$5.0 billion in 2020, at a CAGR of approximately 3.0%.

Average spending per customer in mid-end and high-end markets

The table below highlights the average spending per customer in the mid- and high-end segments and an overview of the competitive landscape:

Market Segment	Price Range	Average Spending per Customer	Overview of Competitive Landscape
Mass market	Below HK$200	HK$144.6	In the mass market, approximately 40% of the number of restaurants are independent restaurants, with approximately 40% providing full-service to the customers. Over 50% of restaurants in the mass market are serving Asian cuisine.
Mid-end	HK$201-HK$400	HK$286.4	In the mid-end market, the number of independent restaurants accounts for approximately half of the market, while over 50% of the restaurants provide full service to customers. The majority of the restaurants in this market segment are serving Asian cuisine and are located in Kowloon.

Market Segment	Price Range	Average Spending per Customer	Overview of Competitive Landscape
High-end	>HK$401	HK$781.2	Compared to the mid-end market, the number of independent restaurants in the high-end market accounts for a lower share. Approximately 70% of the restaurants are providing full service to customers. Regarding the types of cuisine, Asian and European cuisines have similar market shares in the high-end market. The majority of the restaurants in this market segment are located on Hong Kong Island.

Notes:

1. The mass market refers to the market where customer spending is equal to or below HK$200 per dinner. The mid-end market refers to the market where customer spending ranges from HK$201 to HK$400 per dinner. The high-end market refers to the market where customer spending is equal to or above HK$401 per dinner.

2. Average spending per customer refers to the average amount that a customer spends on a dinner in the respective market segments. The price range refers to dinner only, since lunch service is generally priced lower. In general, consumers have different preferences for lunch and dinner, and are willing to spend a higher amount on dinner compared to lunch.

3. The price range for each market segment was defined based on Ipsos research and analysis. Average spending was calculated based upon the building a database of restaurants in each segment by random sampling and the calculation of the average spending per customer per dinner for each restaurant sampled. Competitive landscape information was based upon the collection of data for several parameters including: chain/ non-chain, operation model (full service, non-full service), types of cuisine served and location.

Source: Ipsos research and analysis

Competitive analysis of the independent full-service restaurant industry in Hong Kong

The key factors of competition of the independent full-service restaurant industry in Hong Kong are (i) the quality of the food and service offered at the restaurant; (ii) its prices; and (iii) location.

- The quality of food and service are the most basic factors to attracting customers in the independent full-service restaurant industry in Hong Kong. Since independent full-service restaurants have the flexibility to customise their menu according to the seasonality of produce and food trends, expectations of consumers are high and hence high quality of food is crucial to the competitiveness of a restaurant. According to a survey conducted by the Mystery Shoppers Service Association in Hong Kong in 2015, the level of hospitality by the Hong Kong service staff was ranked 39th out of the 41 countries surveyed. Therefore, attentive and friendly service can differentiate a restaurant from the rest and increase customer loyalty. In conclusion, both high quality of food and service are crucial to the popularity of a restaurant.

- As there are a large amount of independent full-service restaurants in Hong Kong, the competition of this industry is very intense. Pricing is one of the strategies for restaurants to distinguish themselves. Since diners have a wide range of choices to choose from, they would look for restaurants that offer high quality of food and services at reasonable prices.

- Location is another crucial factor of competition in the independent full-service restaurant industry in Hong Kong as diners tend to go to restaurants that are close to them. A restaurant is considered to be in a prime location if it is located at the street level of a high foot-traffic street. Other than the above factors, a restaurant also relies on a good location to achieve a high level of exposure, thereby attracting potential customers.

Market drivers of the food service industry in Hong Kong

The (i) rise in household disposable income; (ii) longer working hours; and (iii) government support are the main factors driving growth in the food service industry in Hong Kong.

- The rise in disposable income along with smaller household sizes are two main drivers for the growth in full-service restaurant industry in Hong Kong. As household earnings increase, more importance is being put on the quality of life and dining out has become a top spending priority for consumers. Therefore, an increase in disposable income leads to the increasing spending power of consumers on food and beverages which therefore supports the growth of the food service industry in Hong Kong.

- Hong Kong is known for long working hours and overtime work is common. According to the General Household Survey and the Annual Earnings and Hours Survey conducted by the Census and Statistics Department, the median weekly total working hours for all employees in Hong Kong were estimated at 45 hours in 2015, generally higher than the standard working hours in other countries. Long working hours make eating out a habit of many households.

- The Hong Kong Trade Development Council (HKTDC) has consistently organised events, including the Hong Kong Food Expo and Taste of Hong Kong. The numbers of exhibitors and visitors have recorded an increasing trend in recent years. These events help raise public awareness of food culture in Hong Kong. Exhibitors and visitors from around the world also get the chance to know about different types of restaurants and exchange cultural knowledge.

Entry barriers to the food service industry in Hong Kong

The main barriers of the food service industry in Hong Kong include (i) high initial costs; (ii) complex application processes; and (iii) intense competition within the market.

- Establishing full-service restaurants in Hong Kong requires high initial capital investment. The initial costs include but are not limited to rent, setting up a commercial kitchen, interior fit-out and recruitment of staff. Since consumer expectations are increasing, more importance is being put on the ambiance of restaurants and the quality of food and service. However, the main barrier is the high rental costs in Hong Kong. According to Hong Kong's Rating and Valuation Department, the retail rental index for Hong Kong property has been increasing since 2002 and reached an index of 178.4 in 2016. In Hong Kong, retail premises are normally leased for terms of three years at pre-agreed, fixed rentals, plus a two-year renewable period during which rentals are adjustable. The tenant is expected to pay a security deposit to the landlord, which is usually equivalent to two months' rental. Hence, high initial capital is required for starting a restaurant business, which represents a major entry barrier to new players in the food service industry in Hong Kong.

- Licences issued by the Government are required in order to set up a restaurant in Hong Kong. For a full-service restaurant, a general restaurant licence will be required, and an extra liquor licence from the Government will be needed if alcoholic beverages are to be served within the restaurant. The application for the general restaurant licence involves different Government departments, such as the FEHD and the Fire Services Department due to the installation of ventilation systems. For the liquor licence, notification and consultation periods are needed as part of the application procedure. The licensing process is deemed a barrier in this industry as the application process is relatively complicated and time-consuming.

- In Hong Kong, large restaurant groups expand through acquisitions of prime locations and small restaurants. These groups tend to crowd out new entrants with lower operational costs. Therefore, new entrants would have to create a unique dining experience and innovative dishes to differentiate themselves among other competitors and to recoup the initial costs.

Opportunities to the food service industry in Hong Kong

The main opportunities of the food service industry in Hong Kong include (i) the rising popularity of social media channels and (ii) the implementation of supportive policies by the Government.

- The use of mobile applications and the internet have become increasingly popular within the food service industry in Hong Kong. The online platforms contain photos and reviews posted by diners. This increases the transparency of the industry as diners who had a negative experience can post their reviews online, and vice versa for positive experiences. This drives restaurants to maintain their standards since bad reviews can damage a restaurant's reputation. Restaurants can also post special promotional offers through their own websites or other retail websites. The rise of social media channels helps to increase the transparency of the restaurant industry and improves the efficiency of word-of-mouth marketing.

- Different departments of the Government have implemented supportive policies to stimulate the growth of the food service industry. Being a popular choice for visitors from around the world, the Hong Kong Tourism Board has been promoting the dining scene as one of Hong Kong's main attractions. It has published e-guidebooks, phone and tablet applications such as "Local Delicacies" for tourists. Moreover, the Employees Retraining Board (ERB) began providing training opportunities in April 2013 to increase the skillsets of employees to ease the problem of labour shortages in the industry. It is expected that the Labour Department of the Government will maintain its efforts in providing comprehensive employment support service in the future.

Threats to the food service industry in Hong Kong

The main threats to the food service industry in Hong Kong are (i) high operational costs; and (ii) a shortage of qualified labour.

- Rental and labour costs contribute most to a restaurant's operational costs. It has become a common phenomenon for landlords to raise the rental rates markedly when renewing the lease with tenants. As rents typically account for about 30-40% of total operational costs, soaring rental costs in Hong Kong are increasing the financial burden of restaurants. According to the Labour Department of the Government, the Statutory Minimum Wage rate was raised from HK$30 per hour in 2013 to HK$34.5 per hour effective from 1 May 2017. As wages in this industry in Hong Kong are low in general, restaurant owners are likely to face a direct increase in the expenses for labour. The maintenance of a commercial kitchen and various tableware also require a large amount of capital.

- As consumer expectations increase, diners put more emphasis on the quality of service in restaurants. The intense competition in this industry in Hong Kong gives consumers high bargaining power, leading to restaurants having to uphold quality food and service to differentiate themselves from their competitors. Since the wages in Hong Kong's food service industry are generally low, it is hard to attract highly skilled employees. In addition, working hours in this industry are relatively longer than other sectors. For instance, the median weekly working hours of the employees working in Chinese restaurants in 2016 was 57 hours, the highest among all of the sectors in Hong Kong. Due to these reasons, it is increasingly difficult for restaurant owners in Hong Kong to hire qualified staff.

Future trends and development of the food service industry in Hong Kong

Healthy meal options and implementation of advanced technology are the future trends of the food service industry in Hong Kong. Consumers have become increasingly health conscious, hence a growing demand for healthy and nutritious food. To cater to this preference, restaurants are now offering more diversified menus by adding more organic, fresh, less processed, and low-fat food.

With mobile queuing system, customers take a queuing ticket at the kiosk in front of the restaurant and will receive a reminder when their table is almost ready, allowing them to utilise their waiting time on other things. Besides, more restaurants are now implementing a software system to allow customers to order food from their tables using a tablet. Customers can browse through the menu on tablets or other mobile devices, customise their orders and send that directly to the kitchen. This technology has simplified the process of ordering food and reduced operation costs in the long run as less staff are needed.

COMPETITIVE LANDSCAPE FOR FULL-SERVICE RESTAURANTS IN HONG KONG

In Hong Kong, independent full-service Asian and European restaurants are both fragmented with no dominant player.

Full-service Asian restaurants

In 2016, there were approximately 2,908 independent full-service Asian restaurants in Hong Kong. Regarding the overall Asian restaurant industry in Hong Kong, the independent full-service Asian restaurants contributed approximately 64.3% share of the industry revenue in 2016, while approximately 35.7% share of the total Asian restaurants revenue is contributed by chained full-service restaurants and other type of operating models of the outlets (i.e. casual dining, fast food restaurants, etc.). However, all the top players of Asian restaurant industry are Asian chained restaurants, with the top five Asian restaurant groups accounting for approximately 16.7% share of the industry revenue in 2016. Set out below are the percentage market share of the top five Asian restaurant groups in Hong Kong in 2016:-

Rank	**Restaurant group**	**Revenue in 2016**	**Share of total Asian restaurants revenue[(2)]**	**Key cuisine type**
		(HK$ million)	*(%)*	
1	Company A	4,873.3	6.0%	Chinese, Japanese, Thai and Vietnamese
2	Company B	2,610.2	3.2%	Chinese and Japanese
3	Company C	2,547.3	3.1%	Chinese and Korean
4	Company D	2,104.7	2.6%	Chinese, Taiwanese and Japanese
5	Company E	1,518.7	1.9%	Chinese
	Others	68,177.9	83.3%	
	Total	**81,832.2**	**100.0%**	

Notes:

1. Percentages may not total 100% due to rounding.

2. The scope of the above analysis covers the chained and independent food service companies and every type of operating model of the outlets (i.e. full-service, casual dining, fast food restaurants, etc.).

3. "Revenue in 2016" is the revenue of each individual company that is derived from their Asian food service outlets in 2016.

4. Food service outlets which offer fusion cuisine (e.g. Asian and European cuisine, European and American cuisine) are not included in this ranking table.

Sources: Ipsos research and analysis

As of 2016, the Group owned 11 restaurants in Hong Kong, four of which serve Asian cuisine. In respect of the four independent full-service Asian restaurants of the Group, the Group recorded approximately HK$110.0 million of revenue, accounting for approximately a 0.2% share of the total industry revenue in the Asian independent full-service restaurant industry.

Full-service European restaurants

There were approximately 305 independent full-service European restaurants in 2016 in Hong Kong. Similar to the Asian restaurant industry, the independent full-service European restaurants accounted for the largest share of the industry revenue in overall European restaurant industry. In 2016, approximately 67.2% of revenue is contributed by the independent full-service European restaurants, while approximately 32.8% share of the total European restaurants revenue is contributed by chained full-services restaurants and other types of operating model of the outlets (i.e. casual dining, fast food restaurants, etc.). Nevertheless, all the top five European restaurants groups are chained restaurants, accounting for approximately 34.1% share of the total industry revenue in 2016. Set out below are the percentage of market share of top five European restaurant groups in Hong Kong in 2016:-

Rank	**Restaurant group**	**Revenue in 2016** *(HK$ million)*	**Share of total European revenue[(2)]** *(%)*	**Key cuisine type**
1	Company F	860.3	12.8%	Italian
2	Company G	498.3	7.4%	Italian and Multinational European
3	Company H	335.3	5.0%	Italian
4	Company I	322.3	4.8%	Italian
5	Company J	270.8	4.0%	French
	Others	4,429.5	65.9%	
	Total	**6,716.4**	**100.0%**	

Notes:

1. Percentages may not total 100% due to rounding.

2. The scope of the above analysis covers the chained and independent food service companies and every type of operating model of the outlets (i.e. full-service, casual dining, fast food restaurants, etc.).

3. "Revenue in 2016" is the revenue of each individual company derived from their European food service outlets in 2016.

4. Food service outlets which offer fusion cuisine (e.g. Asian and European cuisine, European and American cuisine) are not included in this ranking table.

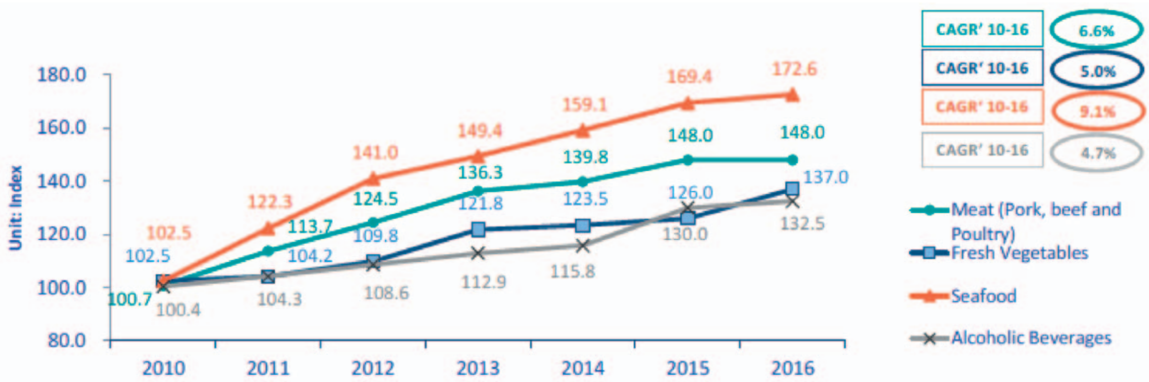
Sources: Ipsos research and analysis

As of 2016, the Company owned 11 restaurants in Hong Kong, seven of which serve European cuisine. By operating seven independent full-service European restaurants, the Company recorded approximately HK$122.4 million of revenue and accounted for approximately a 2.7% share of the total industry revenue in the independent full-service European restaurant industry.

MARKET TRENDS FOR MAJOR FOOD INGREDIENTS USED BY FULL-SERVICE RESTAURANTS IN HONG KONG

The following chart set forth the Consumer Price Indices ("CPI") of the four key food categories (being seafood, meat (pork, beef and poultry), fresh vegetables and alcoholic beverages) from 2010 to 2016.

Consumer Price Index (2010=100) in Hong Kong from 2010 to 2016



Sources: UN Food and Agriculture Organisation; Census and Statistics Department, HKSAR; Ipsos research and analysis

Prices of the four key food categories grew during the past seven years, with seafood having the highest CAGR and alcoholic beverages having the lowest CAGR 2010 to 2016. The 2010 to 2016 CAGRs for meat, fresh vegetables, seafood and alcoholic beverages are 6.6%, 5.0%, 9.1% and 4.7% respectively.

Over 60% of the meat supply in Hong Kong is from Brazil and the United States. Market share of the United States on beef supply in Hong Kong expanded from approximately 15% in 2012 to approximately 28% in 2015. The growing demand for beef from other Asian countries, such as Korea, increased the overall demand and thus the price. For fresh vegetables, approximately 76% of Hong Kong's supply in 2015 was imported from the PRC. The rising production costs (such as the costs of fertiliser, labour and logistics services) in the PRC over the same period have driven up the price of fresh vegetables in Hong Kong. The PRC is also a major supplier of seafood in Hong Kong, accounting for approximately 29% of total imports in 2014. According to the global fish price index (base 2002-2004 = 100) from the UN Food and Agriculture Organisation, the global price reached a peak of 164 in March 2014. This global price has inevitably affected the seafood price in the PRC and Hong Kong. France is the major supplier of wine to Hong Kong, accounting for approximately 60% of total imports in 2015. The abolishment of tax on wine by the Government in February 2008 has attracted more wine imports into Hong Kong. Compared to the other food categories, the CPI of wine recorded the mildest increase during the period.

From 2017 to 2020, the CPI of the main food categories in Hong Kong is expected to grow continuously at a moderate pace, supported by the positive outlook of Composite CPI and economic development in Hong Kong during the same period.

It is reported that the CPI remained moderate in the first half of 2017, while the Composite CPI rose by 1.5% and 2.0% in the first and second quarter over a year earlier, respectively. According to IMF, the GDP in Hong Kong is forecast to grow at a CAGR of 2.7%, and the year-on-year rate of inflation change will vary between 2.6% and 2.9% from 2017 to 2020. Given the GDP and inflation in Hong Kong is expected to stay modest, the increases in local costs may remain moderate as well in the forecast period.

The food prices rose largely in the first quarter of 2017, due to the adverse impacts from weather conditions in the last few months of 2016, then returned to the levels in line with the overall moderate price pressure in Hong Kong in the second quarter. The food and beverage prices, including the price of meat, fresh vegetables, seafood and alcoholic beverages, are widely impacted by the weather, inflation and exchange rate changes of the imported source countries, changing in consumption preference of customers, and other unpredictable factors. Thus, as one of the segments of Composite CPI, there are limited sources for the detailed forecast of the CPI of main food categories. Nevertheless, the CPI of main food categories may grow in line with the Composite CPI growth in the forecast period.

LAWS AND REGULATIONS OF INDEPENDENT FULL-SERVICE RESTAURANT BUSINESS IN HONG KONG

(A) Licences directly relevant to our business operations

In addition to the business registration certificate required for the commencement of any business in Hong Kong, there are three types of licences required to be obtained for the operation of the Group's restaurants in Hong Kong: (a) general restaurant licence granted by the DFEH of the FEHD, which are required to be obtained before commencement of the relevant food business operation; (b) liquor licence granted by the LLB, which is to be obtained before the commencement of the sale of liquor in the restaurant premises; and (c) water pollution control licence granted by the DEP of the EPD, which is required to be obtained before any discharge of trade effluents into a communal server or communal drain in a water control zone commences. Set out below is an overview of these licences and a summary of certain material aspects of the Hong Kong laws and regulations which are relevant to our operation and business in Hong Kong.

General restaurant licence

In Hong Kong, any person carrying on restaurant business is required to obtain a general restaurant licence granted by the DFEH under the Public Health and Municipal Services Ordinance (Chapter 132 of the Laws of Hong Kong) and the Food Business Regulation (Chapter 132X of the Laws of Hong Kong) before commencing restaurant business. A general restaurant licence permits the licensee to prepare and sell any kind of food for consumption on the premises.

Generally, the general restaurant licence will be granted subject to fulfilment of various pre-requisites in relation to the premises where the restaurant is proposed to be operated relating to health, ventilation, hygiene, gas safety, building safety and means of escape. In assessing the suitability of premises for use as a restaurant, the FEHD may consult the Buildings Department, the Fire Services Department and the Planning Department for advice on the building safety, fire safety and compliance with statutory plan restrictions, respectively.

Under section 33C of the Food Business Regulation, the DFEH may grant provisional restaurant licences to new applicants who have fulfilled the specified requirements in accordance with the Food Business Regulation pending completion of all outstanding requirements for the issue of a full general restaurant licence. A provisional general restaurant licence shall be valid for a period of six months and a general restaurant licence is generally valid for a period of 12 months, both subject to payment of the prescribed licence fees and continuous compliance with the requirements under the relevant legislation and regulations. A provisional restaurant licence is renewable on one occasion, and only on one occasion at the absolute discretion of the DFEH and a full restaurant licence is renewable annually.

As at the Latest Practicable Date, all of the restaurants of our Group in Hong Kong have obtained a general restaurant licence.

Liquor licence

Section 17(3B) of the DCO provides that where regulations prohibit the sale or supply of any liquor except with a liquor licence, no person shall sell, or advertise or expose for sale, or supply, or possess for sale or supply, liquor except with a liquor licence and in accordance with the terms thereof.

Any person who intends to operate a business which involves the sale of liquor for consumption at any premises must obtain a liquor licence from the LLB under the DCR before commencement of such business. Regulation 25A of the DCR prohibits the sale of liquor at any premises for consumption on those premises or at a place of public entertainment or a public occasion for consumption at the place or occasion except with a liquor licence. A liquor licence will only be issued in respect of a restaurant when the relevant premises have also been issued with a full or provisional restaurant licence. A liquor licence will only be valid if the relevant premises remain licensed as a restaurant. All applications for liquor licences are referred to the Commissioner of Police and the District Officer concerned for comments.

Under regulation 15 of the DCR, any transfer of a liquor licence must be made in accordance with the form as determined by the LLB. For a transfer application, consent of the holder of liquor licence is required.

Under regulation 24 of the DCR, in case of illness or temporary absence of the holder of liquor licence, the secretary to the LLB may in his discretion authorise any person to manage the licensed premises. The application under such regulation is required to be made by the holder of liquor licence.

Under section 54 of the DCO, in case of death or insolvency of the holder of liquor licence, his executor or administrator or trustee may carry on the business in the licensed premises until the expiration of the licence. A liquor licence is valid for a maximum period of two years, subject to the continuous compliance with the requirements under the relevant legislation and regulations.

As at the Latest Practicable Date, all of the restaurants of our Group in Hong Kong have obtained a liquor licence.

(B) **Environmental protection**

Water pollution control licence

In Hong Kong, discharges of trade effluents into specific water control zones are subject to control and the discharger is required to obtain a water pollution control licence granted by the DEP under the WPCO before commencing the discharge.

Under sections 8(1) and 8(2) of the WPCO, a person who discharges (i) any waste or polluting matter into the waters of Hong Kong in a water control zone; or (ii) any matter into any inland waters in a water control zone which tends (either directly or in combination with other matter which has entered those waters) to impede the proper flow of the water in a manner leading or likely to lead to substantial aggravation of pollution, commits an offence and where any such matter is discharged from any premises, the occupier of the premises also commits an offence.

Sections 9(1) and 9(2) of the WPCO provides that generally a person who discharges any matter into a communal sewer or communal drain in a water control zone commits an offence and where any such matter is discharged into a communal sewer or communal drain in a water control zone from any premises, the occupier of the premises also commits an offence.

Under section 12(1)(b) of the WPCO, a person does not commit an offence under sections 8(1), 8(2), 9(1) or 9(2) of the WPCO if the discharge or deposit in question is made under, and in accordance with, a water pollution control licence.

Under section 15 of the WPCO, the DEP may grant a water pollution control licence on terms and conditions as he thinks fit specifying requirements relevant to the discharge, such as the discharge location, provision of wastewater treatment facilities, maximum allowable quantity, effluent standards, self-monitoring requirements and keeping records.

A water pollution control licence may be granted for a period of not less than two years, subject to payment of the prescribed licence fee and continuous compliance with the requirements under the relevant legislation and regulations. A water pollution control licence is renewable.

As at the Latest Practicable Date, all of the restaurants of our Group in Hong Kong have obtained a water pollution control licence.

Air pollution control approval

Under section 30 of the APCO and regulation 11 of the APC Reg, (I) where it appears to the air pollution control authority that a chimney, relevant plant or other machinery or equipment may evolve any air pollutant by specified reasons, the air pollution control authority may serve a notice on the owner of the premises in which the chimney, relevant plant or other machinery or equipment is found, (i) requiring him within a reasonable time to perform the requirements as specified in the notice or (ii) prohibiting him from using or permitting the use in the relevant plant or other machinery or equipment, after a reasonable time specified in the notice, the fuel, or other material, or mixture of fuels, or other materials specified in the notice; and (II) no occupier shall carry out or cause or permit to be carried out any work in relation to installation, alteration or modification of any furnace, oven, chimney, or flue on his premise unless approval of all the plans and specifications of the same is obtained in accordance with the relevant regulations.

Under section 30(2) of the APCO, any owner who fails, without reasonable excuse, to comply with any of the requirements of a notice duly served upon him under section 30(1) of the APCO commits an offence and is liable to a fine of HK$100,000 on conviction for a first offence and HK$200,000 and imprisonment for six months for a second or subsequent offence and in addition, if the offence is a continuing offence, to a fine of HK$20,000 for each day during which it is proved to the satisfaction of the court that the offence has continued.

Under regulation 12 of the APC Reg, an occupier who contravene regulation 11 of this regulation shall be guilty of an offence and shall be liable on conviction to a fine of HK$50,000 and, in addition, shall be liable to a fine of HK$500 for each day during which the offence has continued.

Noise control

Under section 13 of the NCO, the noise control authority may serve a noise abatement notice on owners or occupiers of premises if the noise emitted: (a) does not comply with objective technical criteria in the form of acceptable noise levels as set out in the technical memorandum for the assessment of noise from places other than domestic premises, public places or construction sites; (b) is a source of annoyance to any person (other than a person in the place from which the noise is emanating) in any place considered to be a noise sensitive receiver in the technical memorandum mentioned in paragraph (a) above; or (c) does not comply with any standard or limit contained in any regulations which may be made in future.

A noise abatement notice may require the owner or occupier to bring his noise emissions into a state of compliance by certain date and non-compliance with such a notice will be an offence. Any person who, having been served with a noise abatement notices fails, to comply with any requirement therein commits an offence under section 13(6) of the NCO and shall be liable (a) on first conviction to a fine of $100,000; (b) on second or subsequent conviction, to a fine of $200,000, and in any case to a fine of $20,000 for each day during which the offence continues.

(C) **General compliance**

Hygiene Manager and Hygiene Supervisor Scheme

To strengthen food safety supervision in licensed food premises, the FEHD has introduced the Hygiene Manager and Hygiene Supervisor Scheme under which all large food establishments and food establishments producing high risk food are required to appoint a hygiene manager and a hygiene supervisor and all other food establishments are required to appoint a hygiene manager or a hygiene supervisor.

Food business operators are required to train up their staff or appoint qualified persons to take up the post of hygiene manager or hygiene supervisor. According to "A Guide to Application for Restaurant Licences (January 2012 Edition)" of the FEHD, one of the criteria for the issuance of a provisional restaurant/full general restaurant licence is the submission of a duly completed nomination form for hygiene manager and/or hygiene supervisor together with a copy of the relevant course certificate(s).

As at Latest Practicable Date, all of the restaurants of our Group in Hong Kong had appointed a hygiene manager and/or hygiene supervisor.

Demerit points system

The demerit points system is a penalty system operated by the FEHD to sanction food businesses for repeated violations of relevant hygiene and food safety legislation. Under the system:

(a) if within a period of 12 months, a total of 15 demerit points or more have been registered against a licensee in respect of any licensed premises, the license in respect of such licensed premises will be subject to suspension for 7 days ("**First Suspension**");

(b) if, within a period of 12 months from the date of the last offense leading to the First Suspension, a total of 15 demerit points or more have been registered against the licensee in respect of the same licensed premises, the license will be subject to suspension for 14 days ("**Second Suspension**");

(c) thereafter, if within a period of 12 months from the date of the last offense leading to the Second Suspension, a total of 15 demerit points or more have been registered against the licensee in respect of the same licensed premises, the license will be subject to cancellation;

(d) for multiple offenses found during any single inspection, the total number of demerit points registered against the licensee will be the sum of the demerit points for each of the offenses;

(e) the prescribed demerit points for a particular offense will be doubled and trebled if the same offense is committed for the second and the third time within a period of 12 months; and

(f) any alleged offense pending, that is the subject of a hearing and not yet taken into account when a license is suspended, will be carried over for consideration of a subsequent suspension if the licensee is subsequently found to have violated the relevant hygiene and food safety legislation upon the conclusion of the hearing at a later date.

As at Latest Practicable Date, our Directors confirmed that no demerit point has been registered against any of our Group's restaurants in Hong Kong.

Restricted Food Permit

Under sections 30(1), 31(1), 31A and schedule 2 of the Food Business Regulation and according to the guideline of the Food and Environmental Hygiene Department, it is required that no person shall sell, or offer or expose for sale, or possess for sale or for use in the preparation of any article of food for sale, any of the food specified in schedule 2 of the Food Business Regulation (including, siu-mei and lo-mei, sashimi, oysters to be eaten in raw state, live fish and shell fish) except with the permission of the DFEH.

Under section 35 of the Food Business Regulation, any person who is guilty of an offence under section 31(1) of the Food Business Regulation may be liable to a maximum fine of HK$50,000, imprisonment for six months and HK$900 for each day where the offence is a continuing offence.

Factories and Industrial Undertakings (Fire Precautions in Notifiable Workplaces) Regulations or FIU(F)R

The FIU(F)R ensures that the proprietor of every workplace shall maintain a means of escape from the workplace in good condition and free from obstruction. Under regulation 5(1) of the FIU(F)R, the proprietor of every notifiable workplace shall maintain in good condition and free from obstruction every doorway, stairway and passageway within the workplace which affords a means of escape from the workplace in case of fire. Regulation 14(5) of the FIU(F)R stipulates that the proprietor of any notifiable workplace who contravenes regulation 5(1) of the FIU(F)R without reasonable excuse commits an offence and is liable to a fine of HK$200,000 and to imprisonment for six months.

Occupational Safety and Health Ordinance or OSHO

The OSHO provides for the safety and health of employees when they are at work and improves the safety and health standards applicable to certain hazardous processes, plant and substances used or kept in workplaces.

The employer must as far as reasonably practicable ensure the safety and health of employees in their workplaces by:

(a) providing and maintaining plant and systems of work that are safe and without risk to health;

(b) making of arrangements for ensuring safety and absence of risks to health in connection with the use, handling, storage or transport of plant or substances;

(c) providing all necessary information, instructions, training and supervision for ensuring safety and health;

(d) providing and maintaining safe access to and egress from the workplaces; and

(e) providing and maintaining a work environment that is safe and without risk to health.

Under section 9(1) of the OSHO, the Commissioner for Labour may serve an improvement notice on an employer, or an occupier of premises where a workplace is located, if the employer or occupier is contravening the OSHO, or has contravened in circumstances that make it likely that the contravention will be continued or repeated. Section 9(2)(e) of the OSHO stipulates that an improvement notice must require the employer or occupier either to remedy the contravention with a period specified in the notice, or to refrain from continuing or repeating the contravention. Section 9(5) of the OSHO stipulates that an employer who, without reasonable excuse, fails to comply with a requirement of an improvement notice commits an offence and is liable on conviction to a fine of HK$200,000 and to imprisonment for 12 months.

Employment Ordinance or EO

The EO provides for, among other things, the protection of the wages of employees, to regulate general conditions of employment, and for matters connected therewith.

Under section 25 of the EO, where a contract of employment is terminated, any sum due to the employee shall be paid to him as soon as it is practicable and in any case not later than seven days after the day of termination. Any employer who wilfully and without reasonable excuse contravenes section 25 of the EO commits an offence and is liable to a maximum fine of HK$350,000 and to imprisonment for a maximum of three years. Further, under section 25A of the EO, if any wages or any sum referred to in section 25(2)(a) of the EO are not paid within seven days from the day on which they become due, the employer shall pay interest at a specified rate on the outstanding amount of wages or sum from the date on which such wages or sum become due up to the date of actual payment. Any employer who wilfully and without reasonable excuse contravenes section 25A of the EO commits an offence and is liable on conviction to a maximum fine of HK$10,000.

Employees' Compensation Ordinance or the ECO

The ECO establishes an employee compensation system for work injuries and lays down the rights and obligations of employers and employees in respect of injuries or death caused by accidents arising out of and in the course of employment, or by prescribed occupational diseases.

Under the ECO, if an employee sustains an injury or dies as a result of an accident arising out of and in the course of his employment, his employer is in general liable to pay compensation even if the employee might have committed acts of faults or negligence when the accident occurred. Similarly, under section 32 of the ECO, an employee who suffers incapacity arising from an occupational disease is entitled to receive the same compensation as that payable to employees injured in occupational accidents. Further, pursuant to section 40 of the ECO, an employer is not permitted to employ any employee in any employment unless there is in force in relation to such employee a policy of insurance issued by an insurer for an amount not less than that specified in the ECO.

An employer who fails to secure the insurance cover required under the ECO is liable on conviction upon indictment to a fine at level 6 (currently at HK$100,000) and to imprisonment for two years, or on summary conviction to a fine at level 6 (currently at HK$100,000) and to imprisonment for one year.

Minimum Wage Ordinance or the MWO

The MWO provides for a statutory minimum wage for employees in Hong Kong. In essence, wages payable to an employee in respect of any wage period, when averaged over the total number of hours worked in the wage period, should be no less than the statutory minimum wage, which was HK$34.5 from 1 May 2017. Any provision of the employment contract which purports to extinguish or reduce the right, benefit or protection conferred on the employee by the MWO is void.

Occupiers Liability Ordinance or the OLO

The OLO regulates the obligations of a person occupying or having control of premises on injury resulting to persons or damage caused to goods or other property lawfully on the land or other property from dangers.

The OLO imposes a common duty of care on an occupier of premises to take such care as in all the circumstances of the case is reasonable to see that the visitor will be reasonably safe in using the premises for the purposes for which he is invited or permitted by the occupier to be there.

COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

Save for the non-compliances detailed in the section headed “Business — Legal proceedings and legal compliance” in this prospectus, as confirmed by the Legal Counsel, our Group has obtained all the major statutory licences and permits for our business operation under the laws of Hong Kong during the period commencing from 1 January 2015 and up to the Latest Practicable Date, and our Directors confirm that we have complied with the applicable laws and regulations in all material aspects in Hong Kong during the period commencing from 1 January 2015 and up to the Latest Practicable Date.

OUR GROUP STRUCTURE AND HISTORY

Overview

We are a restaurant group holding and operating 10 restaurants in Hong Kong (namely, 208 Duecento Otto, 22 Ships, Duddell's, Chachawan, Ham & Sherry, Aberdeen Street Social, Meen & Rice, Mak Mak, RHODA and Commissary). The history of our Group traces back to 2009 when Ms. PY Wong, through Luck Wealthy, contributed to the setting up of 208 Duecento Otto (which was opened in 2010), funded by personal loans taken out by her. After that, Ms. PY Wong expanded our portfolio of restaurants with different shareholding syndicates until the establishment of Big Team, our immediate intermediary holding company in July 2015 since then investments in restaurant operations were made through Big Team.

Our Company was incorporated in the Cayman Islands on 21 August 2015 in anticipation of the Listing. We held our 10 restaurants as at the Latest Practicable Date through our respective operating subsidiaries as set out below.

Name of Restaurant	Name of our subsidiary	Percentage of shareholding
Meen & Rice	Capital Creative	100%
Chachawan	Kingswide	100%
Ham & Sherry	Gain Long *(Note 1)*	75%
22 Ships	Ideal Profit *(Note 1)*	75%
208 Duecento Otto	Luck Wealthy	100%
Aberdeen Street Social	Profit Holder *(Note 1)*	75%
Duddell's	Top Glorification	100%
Mak Mak	Brightsome	100%
RHODA	Pure Love *(Note 2)*	85%
Commissary	King Access	100%

Note 1: *Gain Long, Ideal Profit and Profit Holder are our non-wholly owned subsidiaries through which we hold the restaurants Ham & Sherry, 22 Ships and Aberdeen Street Social respectively. Each of Gain Long, Profit Holder and Ideal Profit is owned as to 75% by Big Team and as to 25% by Mr. Jason Atherton, our culinary director of 22 Ships, Ham & Sherry and Aberdeen Street Social. Mr. Jason Atherton has entered into with us the Ideal Profit Shareholders Agreement which will continue to be effective after the Listing.*

Note 2: *Pure Love is our non-wholly owned subsidiary through which we hold the restaurant RHODA, and owned as to 85% by Dazzle Long and as to 15% by Mr. Nathan Daniel Green. Pure Love, Dazzle Long and Mr. Nathan Daniel Green entered into the RHODA Shareholders Agreement, which will continue to be effective after the Listing.*

We are planning for the opening of the CPS Restaurant at the revitalised Central Police Station Compound to be operated under Ultra Wealthy, before the end of the first half of 2018. Our four other operating subsidiaries, namely Oman International, Duddell's (HK), Fit Asia and Maxmount, are respectively primarily responsible for (i) holding certain trademarks in relation to Duddell's; (ii) handling the membership matters of Duddell's; (iii) holding the trademark for Chachawan; and (iv) providing restaurant consultancy services to establishments or restaurants in which we invest in a minority stake or in which we hold controlling interests from time to time depending on their individual needs.

Our other operating subsidiaries, namely Duddell's (HK), Luck Wealthy, Capital Creative, Kingswide, Fit Asia, King Access, Oman International, Top Glorification, Brightsome and Maxmount, are wholly-owned subsidiaries of our Group. Big Team, Rising Mark, Victory Rich, Springlike, Season Luck, Dazzle Long, Vantage Luck and Fine Wisdom are the intermediate holding companies of our Group, and apart from investment holding purposes, these subsidiaries had not engaged in any other business activities during the Track Record Period and up to the Latest Practicable Date.

Season Luck holds our 30% investment in Potato Head (HK), which owns and manages Potato Head, a mixed-use entertainment venue which comprises, among others, retail shop, bar and restaurant. The remaining 70% interest is held by an Independent Third Party who operates Potato Head. The Independent Third Party shareholder of Potato Head (HK) had entered into the Potato Head Shareholders Agreement with us, which will continue to be effective after the Listing. A share of loss of an associate, namely Potato Head (HK), of approximately HK$6.5 million and HK$0.4 million were recognised for the year ended 31 December 2016 and the seven months ended 31 July 2017, respectively.

Ms. PY Wong's interest in some of the companies comprising our Group had been held on trust by Ms. PY Wong's family members, and a summary of such family trust arrangements is set out in the section headed "Financial information — Basis of preparation and presentation of historical financial information — Family trust arrangements" in this prospectus.

For further details of corporate history of our subsidiaries, please refer to the paragraphs headed "Our operating subsidiaries" below.

Major milestones

The following table sets out our major milestones of our development to date:

Year	Key milestones
2010	Our first European restaurant, 208 Duecento Otto, was opened
2013	Our first Asian restaurant, Duddell's, was opened
2014	Duddell's was awarded one Michelin star
2014	22 Ships was first recommended by the Michelin Guide Hong Kong & Macau 2014
2014	Aberdeen Street Social was opened
2015	Duddell's was awarded two Michelin stars
2015	Meen & Rice was opened
2017	Aberdeen Street Social was first recommended by the Michelin Guide Hong Kong & Macau 2017
2018	Duddell's was awarded one Michelin star

Our Company

Our Company was incorporated on 21 August 2015 in the Cayman Islands as an exempted company with limited liability, with an authorised share capital of HK$380,000 divided into 38,000,000 ordinary shares of HK$0.01 each. Upon completion of the Reorganisation, our Company became the holding company of our Group on 23 January 2018, details of which are set out in the paragraph headed "A. Further information about our Company — 4. Corporate Reorganisation" in Appendix V to this prospectus.

Our operating subsidiaries

Luck Wealthy *(HK) (Owner of 208 Duecento Otto)*

Luck Wealthy is a company incorporated in Hong Kong with limited liability on 27 March 2009. On the date of its incorporation, one share was issued and allotted to the initial subscriber, an Independent Third Party. As at the Latest Practicable Date, 100 shares of Luck Wealthy were in issue. Luck Wealthy is principally engaged in operating 208 Duecento Otto.

On 3 July 2009, Luck Wealthy issued and allotted 39 and 60 shares at a consideration of HK$39 and HK$60 to an Independent Third Party and Jia Holdings Limited (on trust for Ms. PY Wong), respectively. On 6 August 2009, the initial subscriber transferred its one share in Luck Wealthy at a consideration of HK$1 to the same Independent Third Party. Immediately after the aforesaid transfer, issue and allotment of shares, Luck Wealthy was held by Jia Holdings Limited on trust for Ms. PY Wong as to 60% and an Independent Third Party as to 40%.

On 10 February 2014, Jia Holdings Limited acquired 40 shares in Luck Wealthy from the same Independent Third Party, at a consideration of HK$2,630,000, with reference to, among other things, the then earnings before interest, taxes and amortisation of Luck Wealthy for the year ended 31 December 2013. As at 10 February 2014, Jia Holdings Limited was wholly-owned by PC Asia, whereas PC Asia was owned by Ms. PY Wong and Mr. Wong Kiam Seng in equal shares of 50% each. After the aforesaid transfer of shares, Luck Wealthy was wholly-owned by Jia Holdings Limited.

On 23 April 2015, as a family arrangement, Springlike acquired 100 shares in Luck Wealthy (representing the entire issued share capital in Luck Wealthy) from Jia Holdings Limited at a consideration of HK$100. At the material time, Springlike was wholly-owned by Ms. PY Wong. After the aforesaid transfer of shares, Luck Wealthy was wholly-owned by Springlike Limited.

After the acquisition of Springlike by Big Team on 31 July 2015, Luck Wealthy has become an indirect wholly-owned subsidiary of Big Team.

Ideal Profit *(HK) (Owner of 22 Ships)*

Ideal Profit is a company incorporated in Hong Kong with limited liability on 14 May 2012. On the date of incorporation, one share was issued and allotted to the initial subscriber, an Independent Third Party. As at the Latest Practicable Date, Ideal Profit had 50,000 shares in issue. Ideal Profit is principally engaged in operating 22 Ships.

On 5 July 2012, the initial subscriber transferred its one share in Ideal Profit to Many Good (which at the time was owned by Ms. PY Wong and Mr. Lo Yeung Kit, Alan, in equal share, being 50% each) at a consideration of HK$1. After the aforesaid transfer of share, Ideal Profit was wholly-owned by Many Good (which was wholly-owned by Ms. PY Wong from 20 July 2012).

On 6 July 2012, Ideal Profit issued and allotted 5,332, 2,667 and 2,000 shares to Many Good, J C Tapas and Yellow Remnant at a consideration of HK$5,332, HK$2,667 and HK$2,000, respectively. After the aforesaid issue and allotment of shares, Ideal Profit was held by Many Good (then owned 50% each by Ms. PY Wong and Mr. Lo Yeung Kit, Alan, who transferred all his shares in Many Good to Ms. PY Wong at par on 20 July 2012) as to 53.33%, J C Tapas (then owned 25% each by Mr. Jason Atherton, K.M.C. Holdings (then owned 50% each by Mr. Loh Hung Soo and Ms. Chan Pek Har (alias, Loh Pek Har)), Ms. Khoo Bee Geok Mavis and Mr. Eu Yee Kwong Geoffrey) as to 26.67% and Yellow Remnant as to 20%.

On 18 April 2013, Ideal Profit issued and allotted 14,667, 12,500, 7,333 and 5,500 shares to Many Good, J C Tapas, Yellow Remnant and Mr. Jason Atherton at a consideration of HK$14,667, HK$12,500, HK$7,333 and HK$5,500, respectively. Immediately after the aforesaid issue and allotment of shares, Ideal Profit was held by Many Good (then wholly-owned by Ms. PY Wong) as to 40%, Mr. Jason Atherton as to 25%, J C Tapas (then owned 25% each by Mr. Jason Atherton, K.M.C. Holdings (then owned 50% each by Mr. Loh Hung Soo and Ms. Chan Pek Har (alias, Loh Pek Har)), Ms. Khoo Bee Geok Mavis and Mr. Eu Yee Kwong Geoffrey) as to 20%, and Yellow Remnant as to 15%.

As part of the Reorganisation, on 31 July 2015, Big Team acquired 20,000, 10,000 and 7,500 ordinary shares in Ideal Profit (in aggregate representing 75% of the entire issued share capital of Ideal Profit), together with the respective shareholders' loans, from Many Good, J C Tapas and Yellow Remnant, and issued 2,186, 1,093 and 820 ordinary shares as consideration to Giant Mind (as directed by Many Good), J C Tapas and Yellow Remnant, respectively, with reference to valuation by an independent valuer. Immediately after the aforesaid share transfers, Ideal Profit was owned by Big Team as to 75% and Mr. Jason Atherton as to 25%.

The relationship between Big Team and Mr. Jason Atherton as shareholders of Ideal Profit and the management and operation of Ideal Profit is regulated under the Ideal Profit Shareholders Agreement, which will subsist after the Listing. The Ideal Profit Shareholders Agreement was entered into between Ideal Profit, J C Tapas, Yellow Remnant and Mr. Jason Atherton, and Big Team became party to it pursuant to a deed of adherence it signed upon completion of the transfer of shares in Ideal Profit by Many Good, J C Tapas and Yellow Remnant to Big Team described above.

Pursuant to the Ideal Profit Shareholders Agreement:-

(a) Mr. Jason Atherton may nominate one of a maximum of six directors of Ideal Profit for so long as he holds not less than 25% shareholding in Ideal Profit and we have the right to nominate all of the remaining directors;

(b) any shareholder of Ideal Profit proposing to sell to a third party all (but not some) of the shares in Ideal Profit that it holds together with the whole of the shareholder's loan owed to it is required to first obtain the written consent from the other shareholder(s) of Ideal Profit who should not unreasonably withhold its consent unless the proposed purchaser: (i) becomes the new majority shareholder of Ideal Profit and has no technical know-how or proven track record in running restaurant business; or (ii) refuses to sign a deed of adherence. Each shareholder has a right of first refusal to purchase the shares proposed to be sold by the other shareholder on the same terms, and a co-sale right to require that the proposed purchase also purchases its shares and shareholders loan on the same terms; and

(c) save for certain exceptions as specified in the Ideal Profit Shareholders Agreement, any further issue of shares by Ideal Profit must first be offered to all shareholders in proportion to their shareholdings.

Oman International *(HK) (Holder of Duddell's related trademarks)*

Oman International is a company incorporated in Hong Kong with limited liability on 12 March 2012. On the date of its incorporation, one share was issued and allotted to the initial subscriber, an Independent Third Party. As at the Latest Practicable Date, Oman International had three shares in issue. Oman International is principally engaged in holding certain trademarks in relation to Duddell's.

On 29 March 2012, the initial subscriber transferred its one share in Oman International to Mr. Lo Yeung Kit, Alan (held on trust for Ms. PY Wong) at a consideration of HK$1. On 30 November 2012, one share was issued and allotted to each of Ms. PY Wong and Mr. Pong Kin Yee at a consideration of HK$1 and HK$1, respectively. After the aforesaid transfer, issue and allotment of shares, Oman International was held by Mr. Lo Yeung Kit, Alan (held on trust for Ms. PY Wong), Ms. PY Wong and Mr. Pong Kin Yee in equal share.

On 29 June 2015, as a family arrangement, Mr. Lo Yeung Kit, Alan transferred his legal interest in one share in Oman International to Ms. PY Wong at a consideration of HK$1. After the aforesaid transfer of share, Oman International was held by Ms. PY Wong as to 66.66% and Mr. Pong Kin Yee as to 33.33%.

As part of the Reorganisation, on 31 July 2015, Big Team acquired two and one ordinary shares in Oman International (in aggregate representing the entire issued share capital of Oman International) from Ms. PY Wong and Mr. Pong Kin Yee, respectively, and issued two and one ordinary shares respectively as consideration, credited as fully paid, to Giant Mind (as directed by Ms. PY Wong) and Mr. Pong Kin Yee, respectively. After the aforesaid share transfers, Oman International has become a direct wholly-owned subsidiary of Big Team.

Top Glorification *(BVI) (Owner of Duddell's)*

Top Glorification was incorporated in the BVI with limited liability on 16 October 2012, registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on 14 January 2013 and is authorised to issue a maximum of 50,000 shares of a single class each with a par value of US$1.00. As at the Latest Practicable Date, Top Glorification had 100 shares in issue. Top Glorification is principally engaged in operating Duddell's.

On 30 November 2012, Top Glorification issued and allotted 100 shares to Victory Rich (which was then wholly owned by Mr. Lo Yeung Kit, Alan) at a consideration of US$100. After the aforesaid issue and allotment of shares, Top Glorification was wholly-owned by Victory Rich.

After the acquisition of Victory Rich by Big Team on 30 July 2015, Top Glorification has become an indirect wholly-owned subsidiary of Big Team.

Duddell's (HK) *(HK) (Membership operator in relation to Duddell's)*

Duddell's (HK) is a company incorporated in Hong Kong with limited liability on 18 April 2013. On the date of its incorporation, 100 shares were issued and allotted to Top Glorification. As at the Latest Practicable Date, Duddell's (HK) had 100 shares currently in issue. Duddell's (HK) is principally engaged in handling the membership matters in relation to Duddell's.

On 30 April 2013, Top Glorification transferred its 100 ordinary shares in Duddell's (HK) to Victory Rich, which was owned by Oman International, Ms. Lo Kit Yee Grace, Ms. Wong Pik Ching, Resto Holdings, Ms. Peel Yana, Mr. Sun Tao Hung Stanley, Mr. Darrin Woo, Mr. Chu Lawrence Sheng Yu and Mr. Zhao Lingyong as to 30%, 21.25%, 11.25%, 7.5%, 7.5%, 7.5%, 5%, 5% and 5%, respectively. After the aforesaid transfer of shares, Duddell's (HK) was wholly-owned by Victory Rich.

After the acquisition of Victory Rich by Big Team on 30 July 2015, Duddell's (HK) has become an indirect wholly-owned subsidiary of Big Team.

Fit Asia *(HK) (holder of trademark of Chachawan)*

Fit Asia is a company incorporated in Hong Kong with limited liability on 20 February 2013. As at the Latest Practicable Date, Fit Asia had 1,000 shares in issue. Fit Asia is the holder of the trademark of Chachawan, and until February 2016, was principally engaged in operating Chachawan. From 1 February 2016, Kingswide became the operator of Chachawan. On the date of its incorporation, one share was issued and allotted to the initial subscriber, an Independent Third Party, which was subsequently transferred to Ms. PY Wong at a consideration of HK$1 on 2 April 2013. On 2 April 2013, Fit Asia issued and allotted 99 shares to Ms. PY Wong at a consideration of HK$99. After the aforesaid transfer, issue and allotment of shares, Fit Asia was wholly-owned by Ms. PY Wong.

On 25 September 2013, Fit Asia issued and allotted 900 shares to Rising Mark at a consideration of HK$900. After the aforesaid issue and allotment of shares, Fit Asia was held by Rising Mark (then owned by Incredible Resources (then owned by Ms. PY Wong, Mr. Lo Yeung Kit, Alan (held on trust for Ms. PY Wong) and Ms. Wong Pik Ching (held on trust for Ms. PY Wong) as to 30%, 30% and 40%, respectively), Ms. Yeow Yin Peh, Lynn, Mr. Hong Ching Seng and Ms. Loi Yan Yi as to 50%, 20%, 15% and 15%, respectively) as to 90% and Ms. PY Wong as to 10%.

On 29 October 2013, Ms. PY Wong transferred her 100 shares in Fit Asia to Mr. Adam Lee Cliff at a consideration of HK$100. After the aforesaid transfer of shares, Fit Asia was held by Rising Mark (then owned by Incredible Resources (then owned by Ms. PY Wong, Mr. Lo Yeung Kit, Alan (held on trust by Ms. PY Wong) and Ms. Wong Pik Ching (held on trust for Ms. PY Wong) as to 30%, 30% and 40%, respectively), Ms. Yeow Yin Peh, Lynn, Mr. Hong Ching Seng and Ms. Loi Yan Yi as to 50%, 20%, 15% and 15%, respectively) as to 90% and Mr. Adam Lee Cliff as to 10%.

After the acquisition of Rising Mark by Big Team on 31 July 2015, Fit Asia became an indirect non-wholly owned subsidiary of Big Team.

On 10 December 2015, Mr. Adam Lee Cliff transferred his 100 shares in Fit Asia to Rising Mark at a consideration of HK$300,000, with reference to the initial investment made in Fit Asia by its shareholders as a whole. After the aforesaid transfer of shares, Fit Asia has become an indirect wholly-owned subsidiary of Big Team.

Kingswide *(HK) (Operator of Chachawan)*

Kingswide is a company incorporated in Hong Kong with limited liability on 2 May 2013. As at the Latest Practicable Date, Kingswide had 100 shares in issue. On the date of its incorporation, one share was issued and allotted to the initial subscriber, an Independent Third Party. Kingswide is principally engaged in operating Chachawan.

On 9 May 2013, the initial subscriber transferred its one share in Kingswide to Mr. Lo Yeung Kit, Alan at a consideration of HK$1. On the same date, Kingswide issued and allotted 99 shares to Mr. Lo Yeung Kit, Alan at a consideration of HK$99. After the aforesaid transfer and issue and allotment of shares, Kingswide was wholly-owned by Mr. Lo Yeung Kit, Alan, who at all material times held the shares in Kingswide on trust for Ms. PY Wong.

On 29 June 2015, Mr. Lo Yeung Kit, Alan transferred the legal interest in the 100 shares in Kingswide (representing the entire issued share capital of Kingswide) to Ms. PY Wong at a consideration of HK$100. After the aforesaid transfer of shares, Kingswide was wholly-owned by Ms. PY Wong.

As part of the Reorganisation, on 31 July 2015, Big Team acquired 100 ordinary shares in Kingswide (representing the entire issued share capital of Kingswide) from Ms. PY Wong, and issued and allotted one ordinary share as consideration to Giant Mind (as directed by Ms. PY Wong). After the aforesaid share transfer, Kingswide has become a direct wholly-owned subsidiary of Big Team.

Gain Long *(HK)* ***and Profit Holder*** *(HK)*

Ms. PY Wong (through Many Good), together with J C Tapas, Mr. Jason Atherton and Yellow Remnant, invested in Aberdeen Street Social in 2014 and Ham & Sherry in 2013 through Profit Holder and Gain Long, respectively.

Gain Long *(HK) (Owner of Ham & Sherry)*

Gain Long is a company incorporated in Hong Kong with limited liability on 9 May 2013. On the date of its incorporation, one share was issued and allotted to the initial subscriber, an Independent Third Party, credited as fully paid. As at the Latest Practicable Date, Gain Long had 1,000 shares in issue. Gain Long is principally engaged in operating Ham & Sherry.

On 27 June 2013, the initial subscriber transferred its one share in Gain Long to Ms. PY Wong, at a consideration of HK$1.00. On the same date, Gain Long issued and allotted 99 shares to Ms. PY Wong at a consideration of HK$99. After the aforesaid transfer and issue and allotment of shares, Gain Long was wholly-owned by Ms. PY Wong.

On 27 November 2013, Ms. PY Wong transferred her 100 shares in Gain Long at a consideration of HK$100 to Many Good. On the same date, Gain Long issued and allotted 300, 250, 200 and 150 shares to Many Good, Mr. Jason Atherton, J C Tapas and Yellow Remnant at a consideration of HK$300, HK$250, HK$200 and HK$150, respectively. After the aforesaid transfer and issue and allotment of shares, Gain Long was held by Many Good (then wholly-owned by Ms. PY Wong) as to 40%, Mr. Jason Atherton as to 25%, J C Tapas (then owned by Mr. Jason Atherton, K.M.C. Holdings (then owned by Mr. Loh Hung Soo and Ms. Chan Pek Har (alias, Loh Pek Har) in equal shares of 50% each), Ms. Khoo Bee Geok Mavis and Mr. Eu Yee Kwong Geoffrey in equal shares of 25% each) as to 20%, and Yellow Remnant as to 15%.

Profit Holder *(HK) (Owner of Aberdeen Street Social)*

Profit Holder is a company incorporated in Hong Kong with limited liability on 16 August 2013. On the date of its incorporation, one share was issued and allotted to the initial subscriber, an Independent Third Party. As at the Latest Practicable Date, Profit Holder had 1,000 shares in issue. Profit Holder is principally engaged in operating Aberdeen Street Social.

On 12 September 2013, the initial subscriber transferred its one share in Profit Holder to Ms. PY Wong at a consideration of HK$1. On the same date, Profit Holder issued and allotted 99 shares to Ms. PY Wong at a consideration of HK$99. After the aforesaid transfer and issue and allotment of shares, Profit Holder was wholly-owned by Ms. PY Wong.

On 14 March 2014, Ms. PY Wong transferred her 100 shares in Profit Holder to Many Good at a consideration of HK$100. On the same date, Profit Holder issued and allotted 300, 250, 200 and 150 shares to Many Good, J C Tapas, Yellow Remnant and Mr. Jason Atherton at a consideration of HK$300, HK$250, HK$200 and HK$150, respectively. After the aforesaid transfer and issue and allotment of shares, Profit Holder was held by Many Good (then wholly-owned by Ms. PY Wong) as to 40%, Mr. Jason Atherton as to 25%, J C Tapas (then owned by Mr. Jason Atherton, K.M.C. Holdings (then owned by Mr. Loh Hung Soo and Ms. Chan Pek Har (alias, Loh Pek Har) in equal share, being 50% each), Ms. Khoo Bee Geok Mavis and Mr. Eu Yee Kwong Geoffrey in equal share, being 25% each) as to 20%, and Yellow Remnant as to 15%.

Reorganisation of Gain Long and Profit Holder

As part of the Reorganisation, with reference to the investment amount in Aberdeen Street Social and Ham & Sherry made by the respective shareholders of Gain Long and Profit Holder, on 31 July 2015:

(i) Big Team acquired 400, 200 and 150 ordinary shares in Gain Long (in aggregate representing 75% of the entire issued share capital of Gain Long), together with the respective shareholders' loans, from Many Good, J C Tapas and Yellow Remnant, and issued 1,187, 594 and 445 ordinary shares as consideration to Giant Mind (as directed by Many Good), J C Tapas and Yellow Remnant, respectively. After the aforesaid share transfers, Gain Long has become owned as to 75% by Big Team and as to 25% by Mr. Jason Atherton; and

(ii) Big Team acquired 400, 200 and 150 ordinary shares in Profit Holder (in aggregate representing 75% of the entire issued share capital of Profit Holder), together with the respective shareholders' loans, from Many Good, J C Tapas and Yellow Remnant, and issued 3,208, 1,604 and 1,203 ordinary shares as consideration to Giant Mind (as directed by Many Good), J C Tapas and Yellow Remnant, respectively. After the aforesaid share transfers, Profit Holder has become owned by Big Team as to 75% and Mr. Jason Atherton as to 25%.

Capital Creative *(HK) (Owner of Meen & Rice)*

Capital Creative is a company incorporated in Hong Kong with limited liability on 12 September 2014. As at the Latest Practicable Date, Capital Creative had 100 shares in issue. Capital Creative is principally engaged in operating Meen & Rice.

On 9 October 2014, the initial subscriber, an Independent Third Party, transferred its one share in Capital Creative to Ms. PY Wong, at a consideration of HK$1. After the aforesaid transfer of share, Capital Creative was wholly-owned by Ms. PY Wong.

On 31 July 2015, Ms. PY Wong transferred her one share in Capital Creative to Next Forward, at a consideration of HK$1. On 31 July 2015, Capital Creative issued and allotted 54 and 45 shares in Capital Creative to Next Forward and Ka Ka International (which holds its shares in Capital Creative on trust for an Independent Third Party) at a consideration of HK$54 and HK$45, respectively. After the aforesaid transfer, issue and allotment of shares, Capital Creative was held by Next Forward (then wholly owned by Ms. PY Wong) as to 55% and Ka Ka International as to 45%.

As part of the Reorganisation, on 31 July 2015, Big Team acquired 55 and 45 ordinary shares in Capital Creative (in aggregate representing the entire issued share capital of Capital Creative), together with the respective shareholders' loans, from Next Forward and Ka Ka International, and issued and allotted 821 and 672 ordinary shares as consideration to Giant

Mind (as directed by Next Forward) and Ka Ka International, respectively, credited as fully paid, with reference to the investment amount contributed by the parties. After the aforesaid share transfers, Capital Creative has become a direct wholly-owned subsidiary of Big Team.

Hidden Glory *(BVI)*

Hidden Glory is a company incorporated in the BVI with limited liability on 15 September 2011 and is authorised to issue a maximum of 50,000 shares of a single class each with a par value of US$1.00. As at the Latest Practicable Date, Hidden Glory had 100 shares in issue.

With effect from 1 July 2015, Hidden Glory acquired Esquina Tapas Bar from J C Tapas at a consideration of S$957,645 (equivalent to approximately HK$5.3 million), with reference to, among other things, the net asset value of Esquina Tapas Bar. The consideration for the acquisition of Esquina Tapas Bar was settled on 23 September 2015 by the contribution from J C Tapas as to approximately HK$2.7 million and Ms. PY Wong as to approximately HK$2.8 million, as a loan to Hidden Glory in proportion to their respective shareholdings in Hidden Glory as at the effective date of the acquisition. As part of the Reorganisation, these loans were subsequently novated to Big Team and waived by J C Tapas and Ms. PY Wong in December 2015.

The acquisition of Esquina Tapas Bar represented the Group's first expansion of its restaurant interests outside Hong Kong. The terms of our acquisition of Esquina Tapas Bar was negotiated with Mr. Eu Yee Kwong, Geoffrey (on behalf of other financial investors in J C Tapas) without the involvement of Mr. Jason Atherton.

As part of the Reorganisation, on 31 July 2015, Big Team acquired 51 and 49 ordinary shares in Hidden Glory (in aggregate representing the entire issued share capital of Hidden Glory) from Ms. PY Wong and J C Tapas, and issued 3,917 and 3,763 ordinary shares as consideration to Giant Mind and J C Tapas, respectively. After the aforesaid share transfers, Hidden Glory has become a direct wholly-owned subsidiary of Big Team.

To streamline our business and concentrate on our restaurant operations in Hong Kong, pursuant to a heads of terms dated 31 December 2016 and a supplemental agreement dated 27 January 2017 between Hidden Glory and J C Tapas, Hidden Glory disposed of the business and assets of Esquina Tapas Bar to J C Tapas at a cash consideration of HK$6,450,000, which was determined with reference to an appraisal report issued by an independent valuer. The disposal of Esquina Tapas Bar to J C Tapas has been properly and legally completed with effect from 31 December 2016 and the consideration was settled on 16 January 2017. After the aforesaid disposal, Hidden Glory became a non-operating subsidiary of the Company.

More Earn *(HK)*

More Earn is a company incorporated in Hong Kong with limited liability on 1 April 2015. As at the Latest Practicable Date, More Earn had 1,000 shares in issue. On the date of its incorporation, one share in More Earn was issued and allotted to the initial subscriber, an Independent Third Party, which was subsequently transferred to Ms. PY Wong at a consideration of HK$1 on 5 May 2015. After the aforesaid transfer of share, More Earn was wholly-owned by Ms. PY Wong.

On 7 October 2015, Ms. PY Wong transferred her one share in More Earn to Concept Wise at a consideration of HK$1. On the same date, More Earn issued and allotted 599, 250 and 150 shares to Concept Wise, Mr. Sun Tao Hung Stanley and 168 Limited at a consideration of HK$599, HK$250 and HK$150, respectively. After the aforesaid transfer, issue and allotment of shares, More Earn was owned as to 60% by Concept Wise, as to 25% by Mr. Sun Tao Hung Stanley and as to 15% by 168 Limited.

More Earn was principally engaged in operating Fishschool Restaurant. On 31 March 2017, in light of the prolonged investment payback period and continuing underperformance of Fishschool Restaurant, Big Team disposed of the entire issued share capital in Concept Wise (which has 60% shareholding in More Earn, operator of Fishschool Restaurant) to an Independent Third Party at a consideration of HK$513,153, determined after arms' length negotiation and with reference to the net asset value of Concept Wise as at 28 February 2017. The disposal of Concept Wise has been properly and legally completed with effect from 31 March 2017 and the consideration was settled on 29 May 2017.

Brightsome *(BVI) (Owner of Mak Mak)*

Brightsome was incorporated in the BVI with limited liability on 14 July 2015 was registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on 11 September 2015 and is authorised to issue a maximum of 50,000 shares of a single class each with a par value of US$1.00. As at the Latest Practicable Date, Brightsome had one share in issue. Brightsome is principally engaged in operating Mak Mak.

On 12 August 2015, Brightsome issued and allotted one share to Ms. PY Wong at par. After the aforesaid issue and allotment of share, Brightsome was wholly-owned by Ms. PY Wong.

On 18 September 2015, Big Team acquired one ordinary share in Brightsome (representing the entire issued share capital of Brightsome) from Ms. PY Wong at a consideration of US$1.00. After the aforesaid share transfer, Brightsome has become a direct wholly-owned subsidiary of Big Team.

Big Team *(BVI)*

Big Team was incorporated in the BVI with limited liability on 18 June 2015 and is authorised to issue a maximum of 50,000 shares of a single class each with a par value of US$1.00. As at the Latest Practicable Date, Big Team had 50,000 shares in issue. Big Team is principally engaged in investment holding.

On 15 October 2015, Ms. Lo Kit Yee Grace transferred her 3,381 ordinary shares in Big Team (representing 6.76% of the entire issued share capital of Big Team) to Giant Mind, and Giant Mind issued 102 ordinary shares to Ms. Lo Kit Yee Grace as consideration for such shares in Big Team. After such transfer, Giant Mind was owned as to 89.8% by Ms. PY Wong and as to 10.2% by Ms. Lo Kit Yee Grace.

On 31 December 2016, J C Tapas transferred 3,763 ordinary shares in Big Team (representing 7.53% of the entire issued share capital of Big Team) to Ms. PY Wong at a consideration of HK$6,450,000, determined after arms' length negotiation and with reference to the financial results of Big Team for the year ended 31 December 2015. After the aforesaid transfer, Ms. PY Wong and J C Tapas each holds 3,763 and 3,291 ordinary shares representing 7.5% and 6.6% in Big Team respectively.

As part of the Reorganisation and pursuant to the Share Swap Agreement dated 23 January 2018, the Company acquired an aggregate of 50,000 ordinary shares in Big Team (representing the entire issued share capital of Big Team) from all the then shareholders of Big Team, and issued and allotted an aggregate of 49,999 new Shares to them as consideration, credited as fully paid, in the proportion as set out in the table below. After the aforesaid transfers of shares, Big Team has become a direct wholly-owned subsidiary of our Company.

Names of the Shareholders immediately after the completion of the Share Swap Agreement	**Number of shares in Big Team transferred to our Company**	**Number of Shares issued and allotted**
Giant Mind (Note 1)	32,988	32,987
J C Tapas (Notes 2 and 3)	3,291	3,291
Ms. PY Wong	3,763	3,763
Yellow Remnant	2,468	2,468
Ms. Yeow Yin Peh, Lynn	151	151
Mr. Hong Ching Seng	151	151
Ms. Loi Yan Yi	151	151
Mr. Pong Kin Yee	1,591	1,591
Mr. Darrin Woo	796	796
Mr. Chu Lawrence Sheng Yu	796	796
Resto Holdings	1,193	1,193
Mr. Zhao Lingyong	796	796
Mr. Sun Tao Hung Stanley	1,193	1,193
Ka Ka International	672	672
Total	**50,000**	**49,999**

Notes:

1. As at the Latest Practicable Date, Giant Mind was owned by Ms. PY Wong as to 89.8% and by Ms. Lo Kit Yee Grace as to 10.2%.

2. As at the Latest Practicable Date, J C Tapas was owned by K.M.C. Holdings, Ms. Khoo Bee Geok Mavis and Mr. Eu Yee Kwong Geoffrey in equal shares, being approximately 33.33% each.

3. As at the Latest Practicable Date, K.M.C. Holdings was owned by Mr. Loh Hung Soo and Ms. Chan Pek Har (alias, Loh Pek Har) in equal shares, being 50% each.

Fair Dollar *(BVI)*

Fair Dollar was incorporated in the BVI with limited liability on 12 August 2015 and held our investment in Maggie & Rose Group.

On 11 September 2017, in light of the continuing underperformance of Maggie & Rose, Big Team entered into an agreement to dispose of the entire issued share capital in Fair Dollar (which owned 25.57% interest in Maggie & Rose Group) and the relevant shareholder's loan to an independent third party who is also an existing shareholder of Maggie & Rose Group for a total consideration of HK$3,011,000, which was determined after arm's length negotiation and with reference to the cost of investment in Fair Dollar. The disposal of Fair Dollar has been properly and legally completed on 11 September 2017 and the consideration was settled on 11 September 2017.

Pure Love *(BVI) (Owner of RHODA)*

Pure Love was incorporated in the BVI with limited liability on 17 November 2015, registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on 28 January 2016 and is authorised to issue a maximum of 50,000 shares of a single class each with a par value of US$1.00. As at the Latest Practicable Date, Pure Love had 100 shares in issue. Pure Love is principally engaged in operating RHODA.

On 17 November 2015, Pure Love issued and allotted one share to Dazzle Long at par. On 19 May 2016, Pure Love issued and allotted 84 and 15 shares to Dazzle Long and Mr. Nathan Daniel Green, respectively, at par. After the aforesaid issue and allotment of share, Pure Love has become owned as to 85% by Dazzle Long and as to 15% by Mr. Nathan Daniel Green, and has become an indirect non wholly-owned subsidiary of Big Team.

Pure Love entered into the RHODA Shareholders Agreement, which will subsist after Listing, with Dazzle Long and Mr. Nathan Daniel Green, the executive chef of RHODA, for the purpose of regulating their respective rights and obligations of Pure Love.

Pursuant to the RHODA Shareholders Agreement:-

(a) Mr. Nathan Daniel Green may nominate one of three directors of Pure Love for so long as he holds not less than 15% shareholding in Pure Love and we have the right to nominate all of the remaining directors. We also have the right to nominate the chairman of the board who is entitled to a casting vote on the board of Pure Love;

(b) Mr. Nathan Daniel Green has agreed not to transfer his shares in Pure Love to any third party unless he has first offered the sale of such shares to us;

(c) If we propose to sell our shares in Pure Love pursuant to a written bona fide offer for all of our shares of Pure Love, we have drag along rights to require Mr. Nathan Daniel Green to sell at the same price; and

(d) Mr. Nathan Daniel Green has undertaken not to engage in business which directly or indirectly competes with the business carried on by Pure Love in Hong Kong during the term of the RHODA Shareholders Agreement.

King Access *(HK) (Owner of Commissary)*

King Access is a company incorporated in Hong Kong with limited liability on 19 February 2016. As at the Latest Practicable Date, King Access had one share in issue. King Access is principally engaged in operating Commissary.

On the date of its incorporation, one share in King Access was issued and allotted to the initial subscriber, an Independent Third Party, which was subsequently transferred to Vantage Luck at a consideration of HK$1.00 on 17 March 2016. Vantage Luck was incorporated in the BVI with limited liability on 18 February 2016 and is authorised to issue a maximum of 50,000 shares of a single class each with a par value of US$1.00. As at the Latest Practicable Date, Vantage Luck had one share in issue. Vantage Luck is principally engaged in investment holding.

On 2 March 2016, Vantage Luck issued and allotted one share to Big Team at par. After the aforesaid issue and allotment of share, Vantage Luck has become a direct wholly-owned subsidiary of Big Team. After the aforesaid transfers of share, King Access has become a direct wholly-owned subsidiary of Vantage Luck and an indirect wholly-owned subsidiary of Big Team.

Ultra Wealthy *(HK) (Operator of the CPS restaurant (not yet commenced as at the Latest Practicable Date))*

Ultra Wealthy is a company incorporated in Hong Kong with limited liability on 5 February 2016. As at the Latest Practicable Date, Ultra Wealthy had one share in issue. Ultra Wealthy is proposed to be principally engaged in operating the CPS Restaurant, which is expected to be opened before the end of the first half of 2018.

On the date of its incorporation, one share in Ultra Wealthy was issued and allotted to the initial subscriber, an Independent Third Party, which was subsequently transferred to Fine Wisdom at a consideration of HK$1.00 on 3 March 2016. Fine Wisdom was incorporated in the BVI with limited liability on 18 February 2016 and is authorised to issue a maximum of 50,000 shares of a single class each with a par value of US$1.00. As at the Latest Practicable Date, Fine Wisdom had one share in issue. Fine Wisdom is principally engaged in investment holding.

On 2 March 2016, Fine Wisdom issued and allotted one share to Big Team at par. After the aforesaid issue and allotment of share, Fine Wisdom has become a direct wholly-owned subsidiary of Big Team. After the aforesaid transfers of share, Ultra Wealthy has become a direct wholly-owned subsidiary of Fine Wisdom and an indirect wholly-owned subsidiary of Big Team.

Maxmount *(BVI) (Consultancy service provider)*

Maxmount was incorporated in the BVI with limited liability on 16 July 2015 and is authorised to issue a maximum of 50,000 shares of a single class each with a par value of US$1.00. As at the Latest Practicable Date, Maxmount had one share in issue. Maxmount is principally engaged in providing restaurant consultancy services to restaurants in which we have an equity interest.

On 4 August 2015, one ordinary share in Maxmount was issued and allotted to Big Team at par. After the aforesaid issue and allotment of share, Maxmount has become a direct wholly-owned subsidiary of Big Team.

Our investee company

As at the Latest Practicable Date, we had co-invested (as a minority shareholder) in Potato Head (HK). Potato Head is a mixed-used entertainment venue which comprises, among others, retail shop, bar and restaurant located in Sai Ying Pun, Hong Kong, which seeks to introduce the Hong Kong rendition of the Potato Head group of restaurants and clubs in Bali, Jakarta and Singapore.

We believe we have been invited to invest in these facilities as we have established a strong reputation in the food and beverage industry in Hong Kong. Therefore, in addition to our equity investment in Potato Head (HK), we also provide consultancy services to it described further in the section headed "Business — Our business model — Investment in minority stake in other establishments and provision of ancillary restaurant consultancy services" of this prospectus. Through these arrangements we provide local knowledge and expertise support towards the setting up and operation of Potato Head.

Our decision to invest is based on our assessment as to the viability of Potato Head (HK) based on the success of its business model and in multiple markets, extensive discussions with its management on how they plan to staff and operate the new establishment, our role in providing local knowledge and expertise and working closely with them as their consultants in their planning and budgeting process. Please refer to the section headed "Business — Expansion plans, site selection and dish development — Breakeven and investment payback" in this prospectus for further details. We consider that minority participation in Potato Head in Hong Kong gives us the opportunity to invest in food and beverage related facilities that have been shown to be popular in other markets, diversify and expand our portfolio of restaurant interests and potentially bring additional returns to our Shareholders.

Potato Head (HK)

We invested HK$6 million (by way of shareholders loan representing our share of the HK$20 million contributed by the shareholders of Potato Head (HK) in proportion to their shareholdings) , through Season Luck, for a 30% shareholding interest in Potato Head (HK) which is to hold Potato Head. Season Luck entered into the Potato Head Shareholders Agreement with an Independent Third Party and Potato Head (HK) for the purposes of regulating the relationship of the shareholders and the management of Potato Head.

Under the Potato Head Shareholders Agreement:-

(a) we may nominate one of three directors of Potato Head;

(b) the shareholders have agreed to provide proportionate to their shareholdings such interest free shareholders loans determined by the board of Potato Head (HK) to be reasonably required for it to meet its working capital requirement; and

(c) each shareholder has agreed not to create any encumbrance over its shares in Potato Head (HK) and may not transfer their shares in Potato Head (HK) unless it gives a first right other shareholders to purchase those shares at market price or the price offered by a third party purchaser. If shareholders holding at least 51% shares in Potato Head (HK) selling to a bona fide third party have drag along rights to require other shareholders to sell on the same terms.

In addition to the Potato Head Shareholders Agreement, we have advanced approximately HK$900,000 to Potato Head (HK) as at the Latest Practicable Date. Further contribution will be subject to shareholders' prior consent.

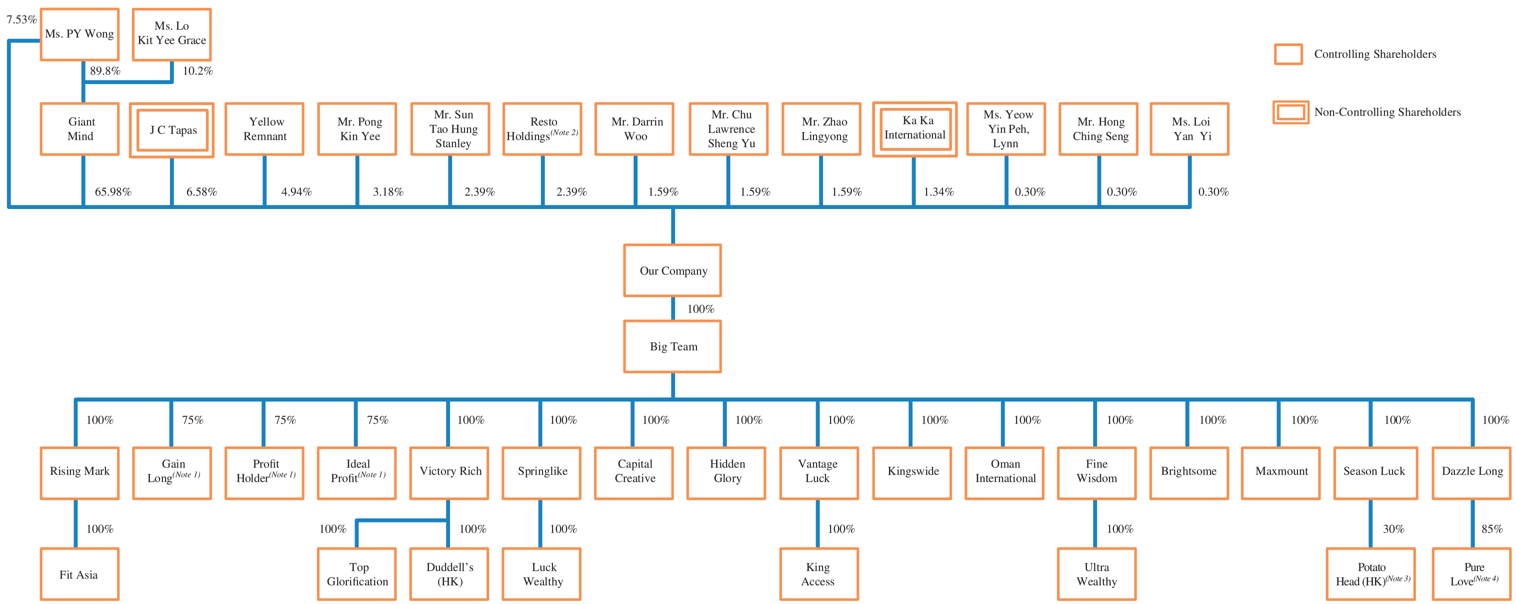
REORGANISATION

Our Company completed the Reorganisation on 23 January 2018 in preparation for the Listing, pursuant to which our Company became the holding company of our Group. Details of the Reorganisation are set out in the paragraph headed "A. Further information about our Company — 4. Corporate reorganisation" in Appendix V to this prospectus.

There were no outstanding options, debt securities, warrants and/or convertibles in respect of each member of our Group as at the Latest Practicable Date.

OUR GROUP STRUCTURE

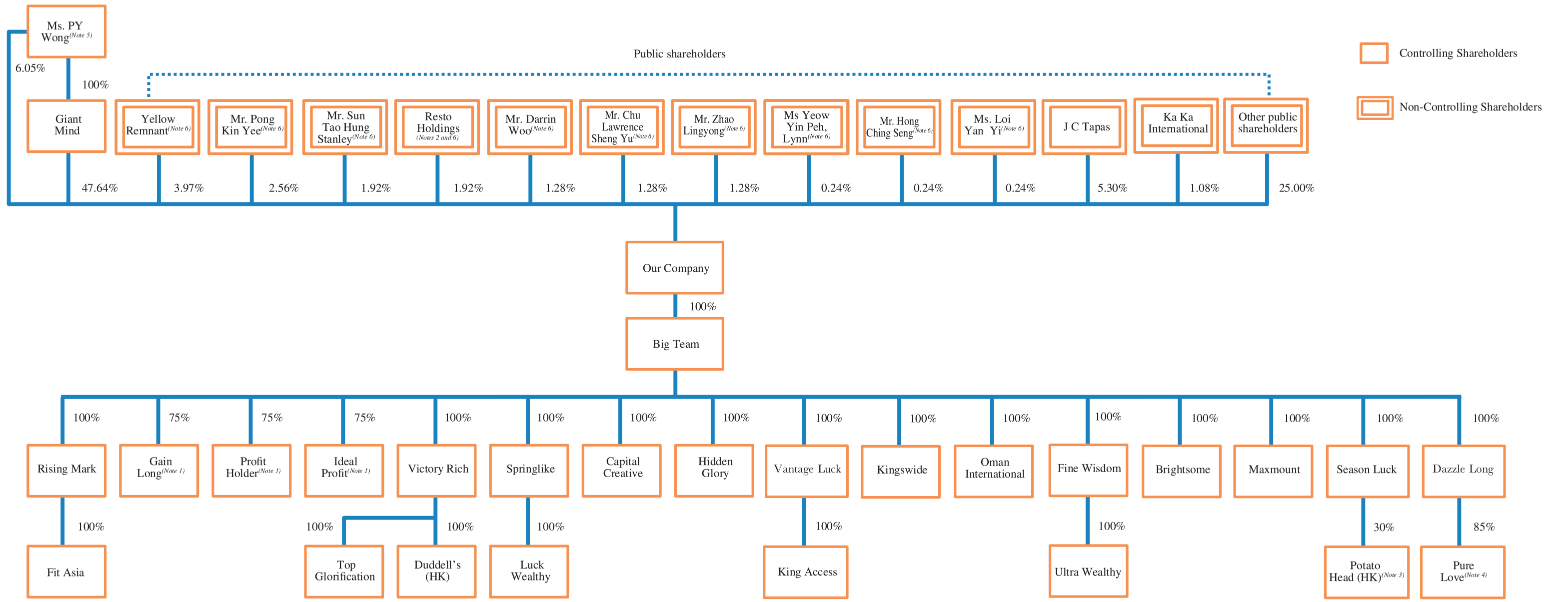
The following diagram sets forth the corporate structure of our Group immediately after completion of the Reorganisation:



Notes:

1. The remaining 25% shareholding interest in each of Ideal Profit, Gain Long and Profit Holder is held by Mr. Jason Atherton.
2. Resto Holdings is indirectly held as to 33% by Mr. Pong Kin Yee and 67% by an associate of Mr. Pong Kin Yee.
3. The remaining 70% shareholding interest in Potato Head (HK) is held by an Independent Third Party.
4. The remaining 15% shareholding interest in Pure Love is held by Mr. Nathan Daniel Green.

The following diagram sets forth the corporate structure of our Group immediately after the completion of the Capitalisation Issue and the Share Offer (without taking into account any Shares which may be allotted and issued pursuant to the exercise of any options which may be granted under the Share Option Scheme) and upon repurchase by Giant Mind of the shares held by Ms. Lo Kit Yee Grace:



Notes:

1. The remaining 25% shareholding interest in each of Ideal Profit, Gain Long and Profit Holder are held by Mr. Jason Atherton.
2. Resto Holdings is indirectly held as to 33% by Mr. Pong Kin Yee and 67% by an associate of Mr. Pong Kin Yee.
3. The remaining 70% shareholding interest in Potato Head (HK) is held by an Independent Third Party.
4. The remaining 15% shareholding interest in Pure Love is held by Mr. Nathan Daniel Green.
5. As part of the Share Offer, Giant Mind will offer 46,550,000 Shares, i.e. the Sale Shares, for sale and subscription. The net proceeds from the sale of the Sale Shares will serve as the consideration for a share repurchase by Giant Mind in relation to its 102 ordinary shares held by Ms. Lo Kit Yee Grace, after which the entire issued share capital of Giant Mind will be held solely by Ms. PY Wong.
6. Being the Relevant Minority Shareholders who are also Controlling Shareholders up until the time immediately before the Share Offer becoming unconditional for the purpose of the GEM Listing Rules. For details, please refer to the section headed "Relationship with the Controlling Shareholders — Our Controlling Shareholders" in this prospectus.

BUSINESS OVERVIEW

We are a well-established restaurant group in Hong Kong with award-winning restaurants serving a variety of cuisines including Chinese, Spanish, Thai, British, Italian and Southern Californian dishes under different brands and themes. Since the opening of the first restaurant, 208 Duecento Otto, in May 2010, we have established our reputation and strengthened our presence in the Hong Kong restaurant market through our multi-brand business model. As at the Latest Practicable Date, we owned and operated 10 independent full-service restaurants. We plan to open a new restaurant, namely the CPS Restaurant, at the revitalised Central Police Station Compound by the end of the first half of 2018.

We strive to offer our customers exceptional dining experience based on simplicity and originality, authentic cuisine, attentive services and comfortable environment. Our restaurants have received various awards and international recognitions. Among our many accolades, Duddell's, our flagship restaurant, was awarded one Michelin star in 2014 and 2018 and two Michelin stars in 2015, 2016 and 2017. 22 Ships was awarded the Michelin Bib Gourmand status in 2014, and was listed as one of CNN's Hong Kong's best "no reservation" restaurants in 2013. Aberdeen Street Social was listed as a recommended restaurant in the 2017 Michelin Guide Hong Kong and Macau. For details of our awards and recognition, please refer to the paragraph headed "Awards and recognition" in this section.

Our revenue was generated mainly through the provision of dining and event hosting services. For the years ended 31 December 2014, 2015 and 2016 and the seven months ended 31 July 2017, our revenue amounted to approximately HK$170.5 million, HK$206.5 million, HK$232.4 million and HK$134.9 million, respectively. Our net profit for the year ended 31 December 2014 amounted to approximately HK$4.3 million and our net loss for the years ended 31 December 2015 and 2016 and the seven months ended 31 July 2017 amounted to approximately HK$4.6 million, HK$9.5 million and HK$7.3 million, respectively.

We have also invested as a minority shareholder in and provided restaurant consultancy service to other food and beverage related establishments in Hong Kong, namely Potato Head at Sai Ying Pun. Potato Head, a hospitality and lifestyle brand with operations in Singapore, Bali and Jakarta, is a mixed-used entertainment venue comprising a bar and a restaurant.

OUR COMPETITIVE STRENGTHS

Our Directors believe that we possess the following competitive strengths which enable us to compete in the independent full-service restaurant industry in Hong Kong:

We are committed to offering our customers boutique dining experience based on quality cuisines, attentive services and comfortable environment.

Our Directors believe our commitment to delivering quality and authentic cuisines coupled with attentive customer services in a comfortable environment is the key to success in our business operations and allows our restaurants to generate greater customer traffic thereby enhancing our operating results.

The menus and recipes of each of our restaurants have been designed and developed by our head chefs to fit the theme and design of that particular restaurant and then carefully assessed and selected by our Directors and senior management. We also ensure the continual refinement of the quality of our food by making variations to our menus and recipes according to seasons, trends and market receptions.

The design of a restaurant is also a critical element in our commitment to offering customers boutique dining experience. Although under different brands and themes, all our restaurants have been designed to provide contemporary yet cosy and intimate ambience for our customers. Our management team continually explores opportunities to collaborate with various interior designers, who will take into account the types of cuisines, brand image, theme and surrounding environment of our restaurants. The interior design of Duddell's was undertaken by a famous British designer, Ms. Ilse Crawford, and was awarded "Best Interior Design" restaurant of 2014 by Hong Kong Tatler. 208 Duecento Otto was designed by the internationally lauded Istanbul-based Autoban and was awarded as best-designed restaurant in 2010 and 2011 by two different organisations. RHODA, was designed by the internationally acclaimed Ms. Joyce Wang and was recently awarded by Hong Kong Tatler for "Best Interior Design" restaurant of 2017.

To develop new dining concepts and to enhance customers' dining experience, we have sought and will continue to seek opportunities to collaborate with internationally renowned chefs, and have our kitchen staff trained by these outstanding professionals. For example, Mr. Jason Atherton, a British Michelin-starred chef, has been engaged as culinary director of 22 Ships, Ham & Sherry and Aberdeen Street Social and offers consultancy services on matters including culinary concept, menus and recipe development, kitchen management systems and introduction of suitable executive chefs for relevant restaurants.

Our Directors believe that the comfortable dining environment offered by our restaurants, combined with the quality cuisines and attentive services, will enhance our brand image, enable us to attract a high-consumption clientele and to promote the level of customer satisfaction and loyalty essential for our sustainable business growth.

We have a reputable restaurant business in Hong Kong and host a number of widely acclaimed brands of restaurants

Our Directors believe that we have established a proven reputation after 7 years in the restaurant business in Hong Kong. Since the opening of our first restaurant, 208 Duecento Otto, in May 2010, we have strengthened our presence in the Hong Kong market by opening new restaurants through our multi-brand business model. As at the Latest Practicable Date, we owned and operated 10 independent full-service restaurants under different self-owned brands. We pride ourselves in being reputable in the dining industry of Hong Kong.

Most of our restaurants have received various awards and recognition. Among the numerous accolades received by us, Duddell's was awarded one Michelin star in 2014 and 2018 and was awarded two Michelin stars in 2015, 2016 and 2017. 22 Ships was awarded Michelin Bib Gourmand in 2014 and was listed as one of Hong Kong's best "no reservation" restaurants by CNN Travel in 2013. Aberdeen Street Social was listed as a recommended restaurant in the Michelin Guide 2017 for Hong Kong and Macau. Our other restaurants have also received awards and recognition from a number of organisations such as Wallpaper*, Hong Kong Tatler, South China Morning Post.

We believe that such awards and recognition received by our restaurants can strengthen its publicity and media exposure, which help to attract customers with strong spending power and enhance customer loyalty.

Our restaurants are strategically located

Our Directors believe that the locations of our restaurants are critical to our strategy of reaching target customers with relatively high spending power. Our restaurants in Hong Kong are located in or close to the central business district, tourist areas or neighbourhood with a concentration of high income households, including Repulse Bay, Aberdeen Street and Hollywood Road in Sheung Wan, Ship Street in Wan Chai, Pacific Place in Admiralty, Landmark Atrium and Duddell Street in Central and Connaught Road West in Sai Ying Pun.

Most of our restaurants are located at street level and therefore are more likely to draw the attention of pedestrians and walk-in customers. Our Directors believe that the meticulous choice of locations helps to establish the image of our restaurants and capture market share in the middle- to high-end dining industry.

In recognition of our successful operations and the ability of our brands to add value to a location, property developers or landlords may approach us from time to time for the opening of new restaurants in major shopping malls, thereby enabling us to solicit prime locations for our restaurants at competitive rents. For example, during the Track Record Period, we established and operated Mak Mak in Landmark Atrium in December 2015 and Commissary in Pacific Place in November 2016. Our Directors believe that this helps us to strike a balance in operating restaurants in key locations and maintaining rental costs at a competitive level.

We implement stringent quality control measures to ensure food quality and hygiene

We are committed to serving food of consistently high quality. We impose strict quality control procedures in the procurement of ingredients as well as in food storage and food preparation processes. For details, please refer to the paragraph headed "Quality control" in this section.

Each of our restaurants has its own kitchen, which is well equipped for all the food and beverage preparation and capable of storing all the necessary ingredients. This enables the head chef and restaurant management to closely monitor each step in the food preparation process and ensure timely delivery of freshly cooked food to our customers, which helps to reduce the risk of food-borne illness. To the best knowledge of our Directors, we had not received any material complaints or claims regarding our food safety and quality, and our restaurants had not been subject to any investigation on food hygiene by any government authorities or any consumer protection organisations due to any food safety incident during the Track Record Period.

We have an experienced and dedicated management team

Our management team consists of personnel with extensive experience and knowledge of the independent full-service restaurant industry and management. Our Group was founded in 2010 by Ms. PY Wong, our Chairperson, chief executive officer and executive Director. Ms. PY Wong is an accomplished restaurateur and has received numerous personal accolades. She was awarded "Innovative Entrepreneur of the Year" by Hong Kong's City Junior Chamber in 2006. She was also named on the list of "Asia's Best Young Entrepreneurs 2008" by Businessweek, "Women of Our Time" by South China Morning Post in 2013 and "Restaurateur of the Year Award " by WOM Guide in 2014 and by Hong Kong Tatler in 2016. Ms. Wan Suet Yee Cherry, our senior operations director and executive Director, has approximately 18 years of experience in the food and beverage industry. Other senior management members of our Group also have significant management and operational experience in their respective fields. For the biographical details of our Directors and senior management, please refer to the section headed "Directors, senior management and staff" in this prospectus.

BUSINESS STRATEGIES

We intend to implement the following strategies to expand our market share and enhance our brand recognition in Hong Kong:

- To develop new dining concepts and restaurants, including opening the CPS Restaurant at the revitalised Central Police Station Compound by the end of the first half of 2018;

- To carry out maintenance at our existing restaurants to maintain competitiveness; and

- To repay our term loan and reduce our level of indebtedness.

For details of our business strategies and future plans, please refer to the section headed "Future plans and use of proceeds" in this prospectus.

OUR BUSINESS MODEL

Our restaurants

Our restaurants are independently operated (as opposed to being part of a restaurant chain) as full-service restaurants, i.e. traditional sit-down restaurants with full table services provided by waiting staff. Customers are served at their tables from start to finish, including order taking, food delivery and payment processing. Independent full-service restaurants are generally perceived by customers to be able to provide higher quality, wider variety and understanding of local or regional cuisines, non-standardised and more creative dishes, comfortable dining atmosphere and better table services than chained restaurants and casual dining restaurants. Delivery and take-away services are also available at selected restaurants.

From time to time, we invite strategic partners to co-invest in our business ventures. For example, we may invite selected chefs of selected restaurants to take up equity interest in the relevant operating subsidiaries at nominal value. We may from time to time invest in a minority stake in business ventures from which we could benefit from captured clientele, brand advantages of our business partners and synergistic effects.

The table below sets forth the details of the restaurants which we currently own and operate:

	Name of restaurant	Address	Holding company (Note 1)	Date of commencement of operations	Features and cuisines	Approximate licensed floor area (sq. m.)	Approximate number of seats as at 31 July 2017	Number of employees as at 31 July 2017
1	208 Duecento Otto	Shop A, G/F & Portion of Shop A & B, 1/F, Tai Ping Mansion, 208-214 Hollywood Road, Hong Kong	Luck Wealthy	7 May 2010	A neighbourhood-style restaurant and bar on Hollywood Road serving rustic Italian cuisine, pizzas and cocktails	358.74	102	30
2	22 Ships	Shop No. 6, G/F Commercial Portion of J Residence, 60 Johnston Road, Wanchai, Hong Kong	Ideal Profit	15 October 2012	A no-reservation tapas bar serving modern tapas in a buzzy and relaxed setting	70.22	40	21
3	Duddell's	3/F & 4/F, No. 1 Duddell Street, Central, Hong Kong	Top Glorification	15 May 2013	A Michelin-starred Cantonese restaurant with stylishly relaxed interiors that feature curated art exhibits	694.75	172	66
4	Chachawan	Major Portion of Lower Ground Floor & Cockloft, 206 Hollywood Road, Sheung Wan, Hong Kong	Kingswide	15 July 2013	An energetic neighbourhood restaurant and bar serving Issan (Northern-Thai) cuisine	101.16	33	24

	Name of restaurant	Address	Holding company (Note 1)	Date of commencement of operations	Features and cuisines	Approximate licensed floor area (sq. m.)	Approximate number of seats as at 31 July 2017	Number of employees as at 31 July 2017
5	Ham & Sherry	Shop 3-4, G/F, Pao Yip Building, 1-7 Ship Street, Wanchai, Hong Kong	Gain Long	16 December 2013	A jamón and sherry bar serving traditional Spanish tapas, aged hams from Spain, a variety of sherries and cocktails	131.87	73	18
6	Aberdeen Street Social	LG/F and G/F, JPC Building PMQ, 35 Aberdeen Street, Hong Kong	Profit Holder	13 May 2014	A restaurant located in a historic two-floored colonial house with outdoor terrace, overlooking the PMQ garden. The upstairs restaurant features modern British cuisine while downstairs, the social room, serves cocktails, premium spirits and an all-day menu of British dishes	437.91	110	40
7	Meen & Rice	Shop No. 113, Level 1, The Pulse, 28 Beach Road, Hong Kong	Capital Creative	5 March 2015	A restaurant serving Cantonese food and located on the oceanfront promenade at The Pulse in Repulse Bay	155.03	66	15

	Name of restaurant	Address	Holding company (Note 1)	Date of commencement of operations	Features and cuisines	Approximate licensed floor area (sq. m.)	Approximate number of seats as at 31 July 2017	Number of employees as at 31 July 2017
8	Mak Mak	Shop 217A, Second Floor, Landmark Atrium, 15 Queen's Road Central, Hong Kong	Brightsome	19 December 2015	A retro-inspired restaurant serving central-Thai cuisine and cocktails - to enjoy in or take away	171.05	62	22
9	RHODA	Shop 1A on Ground Floor, Upton, 180 Connaught Road West, Hong Kong	Pure Love	18 June 2016	A neighbourhood restaurant serving modern western dishes cooked with Asian ingredients mostly over charcoal grill	185.99	77	23
10	Commissary	Shop 405, 4/F, Pacific Place, 88 Queensway, Admiralty, Hong Kong	King Access	14 November 2016	An all-day restaurant and bar serving southern Californian cuisines and a take-away bar offering fresh bakeries and beverages	214.10	75	26

Note:

1. "Holding company" refers to the operator and the holder of the restaurant licences.

OPERATING PERFORMANCE OF OUR RESTAURANTS

The following tables set forth the operating data of each of our restaurants with revenue contribution to us during the Track Record Period:

For the three years ended 31 December 2016

	Year ended 31 December 2014							Year ended 31 December 2015							Year ended 31 December 2016						
	Approximate number of customer visits	Number of operating days	Average spending per customer per meal (Note 1)	Average daily revenue (Note 2)	Daily table turnover rate (Note 3)	Annual revenue	Net profit (loss) margin	Approximate number of customer visits	Number of operating days	Average spending per customer per meal (Note 1)	Average daily revenue (Note 2)	Daily table turnover rate (Note 3)	Annual revenue	Net profit (loss) margin	Approximate number of customer visit	Number of operating days	Average spending per customer per meal (Note 1)	Average daily revenue (Note 2)	Daily table turnover rate (Note 3)	Annual revenue	Net profit (loss) margin
			(HK$)	(HK$)	(times)	(HK$'000)	%			(HK$)	(HK$)	(times)	(HK$'000)	%			(HK$)	(HK$)	(times)	(HK$'000)	%
1. 208 Duecento Otto	104,911	363	297	85,970	3.01	31,207	8.4	85,402	364	313	73,474	2.30	26,745	1.7	71,273	365	337	65,779	1.91	24,009	6.5
2. 22 Ships	53,297	362	401	59,111	3.68	21,398	7.0	53,250	364	412	60,303	3.66	21,950	10.3	44,599	366	408	49,715	3.05	18,196	2.9
3. Duddell's(Note 4)	87,963	343	611	156,583	1.49	57,255	3.2	87,047	362	669	160,969	1.40	60,576	4.3	88,021	362	682	165,763	1.41	61,378	7.3
4. Chachawan	61,696	348	307	54,345	5.37	18,912	10.1	67,085	362	304	56,335	5.62	20,393	8.4	66,468	366	295	53,607	5.50	19,620	13.4
5. Ham & Sherry	49,931	311	265	42,467	2.36	13,207	0.4	50,208	328	276	42,250	2.10	13,858	(0.3)	45,679	366	289	36,059	1.71	13,198	2.1
6. Aberdeen Street Social	73,529	214	388	133,212	3.12	28,507	(11.1)	125,804	364	355	122,840	3.14	44,714	5.6	111,615	366	302	92,151	2.77	33,727	(2.5)
7. Meen & Rice(Note 5)	N/A	N/A	N/A	N/A	N/A	–	N/A	68,877	302	133	30,393	3.46	9,179	(16.0)	77,727	360	141	30,505	3.27	10,982	(5.4)
8. Esquina Tapas Bar(Note 6)	N/A	N/A	N/A	N/A	N/A	–	N/A	10,660	155	572	39,326	1.06	6,095	2.4	19,522	308	601	38,072	0.96	11,726	0.5
9. Fishschool Restaurant(Note 7)	N/A	N/A	N/A	N/A	N/A	–	N/A	6,321	70	429	38,712	1.77	2,710	(24.0)	24,593	331	376	27,928	1.46	9,244	(30.0)
10. Mak Mak(Note 5)	N/A	N/A	N/A	N/A	N/A	–	N/A	1,141	13	224	19,686	1.42	256	(568.3)	66,139	366	272	49,182	2.92	17,976	(1.2)
11. RHODA(Note 5)	N/A	N/A	N/A	N/A	N/A	–	N/A	N/A	N/A	N/A	N/A	N/A	–	N/A	16,246	158	583	59,966	1.25	9,475	(18.9)
12. Commissary(Note 5)	N/A	N/A	N/A	N/A	N/A	–	N/A	N/A	N/A	N/A	N/A	N/A	–	N/A	9,388	48	303	59,246	2.61	2,844	(57.2)

For the seven months ended 31 July 2016 and 2017

		Seven months ended 31 July 2016							Seven months ended 31 July 2017						
		Approximate number of customer visits	Number of operating days	Average spending per customer per meal (Note 1) (HK$)	Average daily revenue (Note 2) (HK$)	Daily table turnover rate (Note 3) (times)	Seven months ended 31 July 2016 revenue (HK$' 000) (unaudited)	Net profit (loss) margin (%)	Approximate number of customer visits	Number of operating days	Average spending per customer per meal (Note 1) (HK$)	Average daily revenue (Note 2) (HK$)	Daily table turnover rate (Note 3) (times)	Seven months ended 31 July 2017 revenue (HK$' 000) (unaudited)	Net profit (loss) margin (%)
1.	208 Duecento Otto	43,050	212	322	65,349	1.99	13,854	6.3	45,099	212	315	67,023	2.09	14,209	6.7
2.	22 Ships	26,307	213	410	50,587	3.09	10,775	2.6	24,998	212	407	48,006	2.95	10,177	4.1
3.	Duddell's (Note 4)	50,216	210	660	157,877	1.39	33,892	4.1	49,714	209	719	170,948	1.38	36,460	7.2
4.	Chachawan	39,833	213	293	54,860	5.67	11,685	13.9	36,450	212	301	51,759	5.21	10,973	11.8
5.	Ham & Sherry	27,169	213	286	36,504	1.88	7,775	2.5	25,440	212	295	35,434	1.64	7,512	3.6
6.	Aberdeen Street Social	67,504	213	301	95,327	2.88	20,305	(2.0)	60,268	212	284	80,709	2.58	17,110	(5.1)
7.	Meen & Rice (Note 5)	45,359	209	140	30,356	3.29	6,345	(6.2)	48,118	212	150	34,011	3.44	7,210	0.3
8.	Esquina Tapas Bar (Note 6)	11,232	178	602	37,977	0.96	6,760	0.1	N/A	N/A	N/A	N/A	N/A	—	N/A
9.	Fishschool Restaurant (Note 7)	14,278	178	383	30,710	1.57	5,466	(31.7)	3,011	88	788	26,956	0.67	2,372	(4.8)
10.	Mak Mak (Note 5)	36,562	213	285	48,994	2.77	10,436	(2.8)	39,265	212	254	46,999	2.99	9,964	0.1
11.	RHODA (Note 5)	3,548	38	518	48,345	1.21	1,837	(85.1)	14,221	202	590	41,531	0.91	8,390	(17.2)
12.	Commissary (Note 5)	N/A	N/A	N/A	N/A	N/A	—	—	38,101	212	275	49,426	2.40	10,478	(21.6)

Notes:

1. Average spending per customer per meal is derived from the revenue of the relevant restaurant divided by the approximate number of customer visits.

2. Average daily revenue is calculated by dividing the revenue of the relevant restaurant by the number of operating days.

3. Daily table turnover rate is calculated by dividing the approximate number of customer visits per operating day by the number of seats of the relevant restaurant.

4. Only the revenue attributable in Duddell's catering services was taken into account in the calculation of Duddell's average daily revenue and average spending per customer per meal. The annual revenue of Duddell's included revenue attributable to membership fees and sponsorship income from Duddell's wines and spirits supplier in relation to its art programmes.

5. Meen & Rice and Mak Mak commenced operations in March and December 2015, respectively. RHODA and Commissary commenced operations in June and November 2016, respectively.

6. In December 2016, we disposed of the entire interest in Esquina Tapas Bar which we acquired with effect from July 2015.

7. In March 2017, we disposed of the entire interest in Fishschool Restaurant which commenced its operations in October 2015.

The following sets forth an analysis of the operating performance of our restaurants during the Track Record Period.

208 Duecento Otto

There was a decrease in our daily revenue generated from 208 Duecento Otto of approximately 14.5% from approximately HK$85,970 in 2014 to approximately HK$73,474 in 2015, driven by the drop of number of customer visits from 104,911 in 2014 to 85,402 in 2015 due to the opening of new restaurants in nearby area of the location of 208 Duecento Otto in late 2015. However, 208 Duecento Otto managed to increase the average spending per meal per customer from HK$297 to HK$313 as part of the management's improvement strategies. In spite of the decreasing revenue, the expenses for 208 Duecento Otto remained stable, thereby decreasing the net profit margin of 208 Duecento Otto from approximately 8.4% in 2014 to 1.7% in 2015.

Our daily revenue generated from 208 Duecento Otto decreased by approximately 10.5%, from approximately HK$73,474 for the year ended 31 December 2015 to approximately HK$65,779 for the year ended 31 December 2016. Such decrease was mainly resulted from the opening of new restaurants near 208 Duecento Otto in late 2015 and early 2016 which led to the decrease in number of customer visits for 2016 and daily table turnover rate. As part of the management's improvement strategies, we managed to further increase the average spending per meal from HK$313 in 2015 to HK$337 in 2016, and thus improving the performance of 208 Duecento Otto. Also, the management of 208 Duecento Otto has taken cost control measures, such as reducing its headcount which led to a decrease in staff costs of approximately 19.4%, from approximately HK$9.3 million for the year ended 31 December 2015 to approximately HK$7.5 million for the year ended 31 December 2016, and has managed to increase its net profit margin for the year ended 31 December 2016 to approximately 6.5% as compared with 1.7% for the year ended 31 December 2015.

Our daily revenue generated from 208 Duecento Otto increased by 2.6% from approximately HK$65,349 for the seven months ended 31 July 2016 to approximately HK$67,023 for the seven months ended 31 July 2017. Such increase was mainly driven by the increase in number of customer visits from 43,050 for the seven months ended 31 July 2016 to 45,099 for the seven months ended 31 July 2017 and a slight increase of daily table turnover rate for the same period. In addition, with the better cost control measures, 208 Duecento Otto further increased net profit margin from approximately 6.3% for the seven months ended 31 July 2016 to 6.7% for the seven months ended 31 July 2017.

With an aim of further increasing revenue and profitability, we entered into an agreement with a delivery service provider in August 2017, pursuant to which the delivery service provider would provide a catering outlet for a number of restaurants, including 208 Duecento Otto, with the kitchen unit divided for each of the participating restaurants for the supply of food and drinks at the catering outlet for collection or delivery to customers. The delivery service provider would promote the food and drinks prepared by 208 Duecento Otto in the catering outlet. In return, the delivery service provider would charge 208 Duecento Otto a certain percentage of the revenue generated. The management expects that the cooperation will enable us to increase its exposure and generate additional revenue while incurring relatively low expenses by primarily leveraging on existing resources.

22 Ships

Our daily revenue generated from 22 Ships remained stable throughout the two years ended 31 December 2015. 22 Ships increased its net profit margin from approximately 7.0% in 2014 to approximately 10.3% in 2015 due to effective cost control measures implemented on staff costs contributing to a decrease in the average staff headcount from 25 in 2014 to 23 in 2015, which led to a decrease in staff costs of approximately 7.0%, from approximately HK$7.1 million for the year ended 31 December 2014 to approximately HK$6.6 million for the year ended 31 December 2015.

Our daily revenue decreased by approximately 17.6%, from approximately HK$60,303 for the year ended 31 December 2015 to HK$49,715 for the year ended 31 December 2016. Such decrease mainly resulted from the opening of new restaurants near 22 Ships in early 2016 which led to the decrease in number of customer visits and daily table turnover rate for 2016. The net profit margin of 22 Ships also decreased from approximately 10.3% for the year ended 31 December 2015 to approximately 2.9% for the year ended 31 December 2016, which was driven by the decrease in revenue.

Our daily revenue generated from 22 Ships slightly decreased by 5.1% from approximately HK$50,587 for the seven months ended 31 July 2016 to approximately HK$48,006 for the seven months ended 31 July 2017. Such decrease was mainly due to the opening of new restaurants in nearby area of the location of 22 Ships in early 2016, which led to the decrease in number of customer visits from 26,307 for the seven months ended 31 July 2016 to 24,998 for the seven months ended 31 July 2017 and daily table turnover rate from approximately 3.1 times for the seven months ended 31 July 2016 to approximately 3.0 times for the seven months ended 31 July 2017. The net profit margin of 22 Ships, however, increased from approximately 2.6% for the seven months ended 31 July 2016 to approximately 4.1% for the seven months ended 31 July 2017, primarily due to better cost control measures implemented on staff costs, contributing to a decrease in average staff headcount from 23 for the seven months ended 31 July 2016 to 20 for the seven months ended 31 July 2017, which led to a decrease in staff costs of approximately 9.1%, from approximately HK$3.3 million for the seven months ended 31 July 2016 to approximately HK3.0 million for the seven months ended 31 July 2017.

Duddell's

Our daily revenue generated from Duddell's increased by approximately 2.8%, from approximately HK$156,583 for the year ended 31 December 2014 to approximately HK$160,969 for the year ended 31 December 2015. Although Duddell's had a slight decrease in the number of customer visits from 87,963 in 2014 to 87,047 in 2015, an increase in the average spending per customer per meal from HK$611 in 2014 to HK$669 in 2015 contributed to an increase in net profit margin from approximately 3.2% for the year ended 31 December 2014 to approximately 4.3% for the year ended 31 December 2015. Such increase was driven by the increase in revenue and the decrease in depreciation charge for the year.

Our daily revenue generated from Duddell's increased slightly by approximately 3.0%, from approximately HK$160,969 for the year ended 31 December 2015 to HK$165,763 for the year ended 31 December 2016. The net profit margin of Duddell's also increased from approximately 4.3% for the year ended 31 December 2015 to approximately 7.3% for the year ended 31 December 2016, which was driven by (i) better cost control in raw materials and consumables used; (ii) the decrease in staff cost incurred for the year ended 31 December 2016 due to no provision of bonus payment for the year ended 31 December 2016, which led to a decrease in staff costs of approximately 5.3%, from approximately HK$20.8 million for the year ended 31 December 2015 to approximately HK$19.7 million for the year ended 31 December 2016; and (iii) the increase in the average spending per customer per meal from HK$669 in 2015 to HK$682 in 2016.

Our daily revenue generated from Duddell's increased by approximately 8.3% from approximately HK$157,877 for the seven months ended 31 July 2016 to approximately HK$170,948 for the seven months ended 31 July 2017. Such increase was driven by the increase in average spending per customer from HK$660 to HK$719 together with a stable daily table turnover rate, offset by the decrease in number of customer visits from 50,216 during the seven months ended 31 July 2016 to 49,714 during the seven months ended 31 July 2017. The net profit margin of Duddell's also increased further from approximately 4.1% for the seven months ended 31 July 2016 to approximately 7.2% for the seven months ended 31 July 2017, which was driven by the decrease in advertising and promotion expenses.

Chachawan

Our daily revenue generated from Chachawan increased by approximately 3.7%, from approximately HK$54,345 for the year ended 31 December 2014 to approximately HK$56,335 for the year ended 31 December 2015, which was due to the increase in the number of customer visits from 61,696 in 2014 to 67,085 in 2015 with a stable average spending per meal per customer and the increase in daily table turnover rate from approximately 5.4 times in 2014 to approximately 5.6 times in 2015. However, the net profit margin of Chachawan decreased from approximately 10.1% for the year ended 31 December 2014 to approximately 8.4% for the year ended 31 December 2015 due to the increase in staff costs for the year.

Our daily revenue generated from Chachawan decreased slightly by approximately 4.8%, from approximately HK$56,335 for the year ended 31 December 2015 to approximately HK$53,607 for the year ended 31 December 2016. However, the net profit margin of Chachawan increased from approximately 8.4% for the year ended 31 December 2015 to approximately 13.4% for the year ended 31 December 2016, which was mainly due to more stringent staff cost control implemented by us with decrease in average headcount from 27 in 2015 to 26 in 2016 and due to no provision of bonus payment for 2016, which led to a decrease in staff costs of approximately 20.3%, from approximately HK$7.4 million for the year ended 31 December 2015 to approximately HK$5.9 million for the year ended 31 December 2016.

Our daily revenue decreased by approximately 5.7% from approximately HK$54,860 for the seven months ended 31 July 2016 to approximately HK$51,759 for the seven months ended 31 July 2017. Such decrease was mainly the result of the decrease in the number of customer visits from 39,833 for the seven months ended 31 July 2016 to 36,450 for the seven months ended 31 July 2017 and the decrease in daily table turnover rate from approximately 5.7 times for the seven months ended 31 July 2016 to approximately 5.2 times for the seven months ended 31 July 2017. Due to the decreasing trend of Chachawan's revenue for the year ended 31 December 2016 and the seven months ended 31 July 2017, we implemented certain measures to boost revenue. Such measures include self-takeaway services which started in mid-August 2017 and tapping into the outdoor catering market. The net profit margin of Chachawan decreased slightly from approximately 13.9% for the seven months ended 31 July 2016 to approximately 11.8% for the seven months ended 31 July 2017, which was mainly due to the increase in property rentals and related expenses upon the renewal of rental contract in April 2017.

Ham & Sherry

Our daily revenue generated from Ham & Sherry remained stable throughout the two years ended 31 December 2015. Ham & Sherry turned from a net profit position for the year ended 31 December 2014 to a net loss position of approximately HK$40,000 for the year ended 31 December 2015, which was mainly attributable to the increase in staff costs for the year.

Our daily revenue generated from Ham & Sherry decreased by approximately 14.7%, from approximately HK$42,250 for the year ended 31 December 2015 to approximately HK$36,059 for the year ended 31 December 2016. Such decrease mainly resulted from the opening of new restaurants near Ham & Sherry in early 2016 which led to the decrease in (i) number of customer visits for 2016; and (ii) daily table turnover rate. Our Directors consider there was an improvement of the performance of Ham & Sherry starting mid-2016 after a few months have lapsed since the opening of these new restaurants. In spite of the declining revenue attributable to the competition from those new restaurants, the successful cost control measures in relation to staff cost, which led to a decrease in staff costs of approximately 8.0%, from approximately HK$5.0 million for the year ended 31 December 2015 to approximately HK$4.6 million for the year ended 31 December 2016 and the improvement strategies to increase average spending per customer per meal form HK$276 in 2015 to HK$289 in 2016 allowed us to improve the profitability of Ham & Sherry. As a result, Ham & Sherry recorded a net profit for the year ended 31 December 2016 as compared to a net loss for the year ended 31 December 2015.

Our daily revenue decreased by 2.9% from approximately HK$36,504 for the seven months ended 31 July 2016 to approximately HK$35,434 for the seven months ended 31 July 2017. Such decrease was mainly the decrease in number of customer visits from 27,169 for the seven months ended 31 July 2016 to 25,440 for the seven months ended 31 July 2017 and decrease in daily table turnover rate from approximately 1.9 times for the seven months ended 31 July 2016 to approximately 1.6 times for the seven months ended 31 July 2017. In spite of the declining revenue, the successful staff costs control measures, which led to a decrease in staff costs of approximately 10.7%, from approximately HK$2.8 million for the seven months ended 31 July 2016 to approximately HK$2.5 million for the seven months ended 31 July 2017, and the improvement strategies, such as strengthening our staff with upselling techniques, effectively increased the average spending per customer per meal form HK$286 for the seven months ended 31 July 2016 to HK$295 for the seven months ended 31 July 2017. Such measures allowed us to further increase the net profit margin of Ham & Sherry from approximately 2.5% for the seven months ended 31 July 2016 to approximately 3.6% for the seven months ended 31 July 2017.

Aberdeen Street Social

Our daily revenue generated from Aberdeen Street Social decreased by approximately 7.8%, from approximately HK$133,212 for the year ended 31 December 2014 to approximately HK$122,840 for the year ended 31 December 2015. Such decrease was mainly attributable to the drop in the average spending per customer per meal from HK$388 in 2014 to $355 in 2015. However, Aberdeen Street Social turned from a net loss position for the year ended 31 December 2014 to a net profit position for the year ended 31 December 2015, as a result of the full-year operations of the restaurant in 2015, bringing an increase in the number of customer visits from 73,529 in 2014 to 125,804 in 2015.

Our daily revenue generated from Aberdeen Street Social decreased by approximately 25.0%, from approximately HK$122,840 for the year ended 31 December 2015 to approximately HK$92,151 for the year ended 31 December 2016. Our Directors believe such decrease mainly resulted from the lack of customer traffic at the restaurant location and less than optimal market reception to the concept of the restaurant. In response to this, we changed the menu of Aberdeen Street Social in August 2016 to offer a more relaxed dining experience to attract more customers. We also implemented various staff cost control measures in Aberdeen Street Social which included continuous review and adjustment of employee headcount. Aberdeen Street Social's headcount reduced from an average of 55 in 2015 to 46 in 2016. In addition, Aberdeen Street Social did not provide any bonus payments to restaurant staff in 2016. As a result, the staff cost in 2016 reduced by approximately 21.9%, from approximately HK$16.0 million for the year ended 31 December 2015 to approximately HK$12.5 million for the year ended 31 December 2016. We recorded a net loss for Aberdeen Street Social in 2016 as compared to the net profit in 2015, which was mainly due to the decrease in both the number of customer visits and the average spending per customer per meal for the year ended 31 December 2016.

Our daily revenue decreased by approximately 15.3% from approximately HK$95,327 for the seven months ended 31 July 2016 to approximately HK$80,709 for the seven months ended 31 July 2017. Such decrease was mainly due to the lack of customer traffic at the restaurant location as stated above. The number of customer visits to Aberdeen Street Social decreased from 67,504 for the seven months ended 31 July 2016 to 60,268 for the seven months ended 31 July 2017 and the daily table turnover rate decreased from approximately 2.9 times for the seven months ended 31 July 2016 to approximately 2.6 times for the seven months ended 31 July 2017. In view of the decreasing trend of Aberdeen Street Social's revenue for the year ended 31 December 2016 and the seven months ended 31 July 2017, we have implemented certain measures with an aim to boost revenue, which included but not limited to (i) making changes to menu offerings to include more British comfort food that are more accessible and affordable to a larger crowd; (ii) offering corporate discount arrangements with several companies and institutions; (iii) introducing exclusive tasting menu for online food and restaurant guide platform users; and (iv) organising regular drinking events to increase bar business and customer base. The net profit margin of Aberdeen Street Social further deteriorated to approximately -5.1% for the seven months ended 31 July 2017 as compared with approximately -2.0% for the seven months ended 31 July 2016, which was primarily due to the decrease in gross profit for the period net off by the decrease in staff costs of approximately 14.5%, from approximately HK$7.6 million for the seven months ended 31 July 2016 to approximately HK$6.5 million for the seven months ended 31 July 2017, driven by our stringent staff cost control, which further reduced the average headcount to 42 for the seven months ended 31 July 2017, resulting in a decrease of approximately 14.0% in staff cost for the seven months ended 31 July 2017 as compared with the same period in 2016.

Had Aberdeen Street Social ceased operations on 1 November 2017, our Group would have recognised a loss of approximately HK$6.9 million in its financial statements, consisting of (i) write-off of the net book value of the property, plant and equipment of Aberdeen Street Social of approximately HK$6.6 million; and (ii) staff compensation of approximately HK$0.3 million. Food and materials could have reused in other restaurants of our Group and therefore would not be written off for the calculation of the financial impact of an immediate closure of Aberdeen Street Social. As a result, our Directors are of the view that if we were to immediately close down Aberdeen Street Social, the closure would have a material and adverse impact on our business operations and financial performance.

Having considered the significant investment we have made, our Directors considered that the closing down of the restaurant would result in significant loss. Instead, our Directors have recently successfully renewed the licence agreement with a fixed term of 36 months and a variable term of a further 36 months. We have also secured an arrangement with the licensor, under which Aberdeen Street Social can use the event venue, the Qube, to provide catering services activities at an agreed price (comprising a fixed fee and a fee as a percentage of its expected gross sales from catering services activities for the event concerned), which we consider to be favourable in improving Aberdeen Street Social's performance and facilitating the investment payback. The licensor will also procure and ensure customers referred by the lessors shall order all the food and beverages consume at the Qube exclusively from Aberdeen Street Social except that if the expected licence fee payable to PMQ is equal to or exceed HK$800,000 per event, the licensor is only obliged to recommend Aberdeen Street Social to the customers. To the best of our Directors' knowledge and belief, the basis of using the amount of HK$800,000 is a commercial decision after considering events previously held at the Qube which may last for more than one day depending on the type of events such as cocktail party, product launch event, exhibition and etc. For clarification purposes, the HK$800,000 is the rental value payable (which do not include the fee payable to us in respect of the catering services provided) by a venue user to PMQ (not earned by our Group), which is used to determine whether an event should be referred to Aberdeen Street Social. In light of the above, we expect that Aberdeen Street Social will achieve investment payback in 2021, which is within the variable term of the relevant licence agreement. Based on the above, our Directors are of the view that it is in the best interest of our Group to continue to operate Aberdeen Street Social.

Meen & Rice

Meen & Rice commenced its operations in March 2015 and achieved breakeven in April 2015. Our daily revenue generated from Meen & Rice increased slightly by approximately 0.4%, from approximately HK$30,393 for the year ended 31 December 2015 to approximately HK$30,505 for the year ended 31 December 2016. Our Directors seek to improve Meen & Rice's performance by adjusting the number of kitchen and waitering staff to tighten up cost control, and cooperating with an Independent Third Party to commence delivery services towards the end of 2016. Meen & Rice recorded net losses in both year ended 31 December 2015 and 2016, but with a significant decrease in net loss by approximately 60% in 2016.

Our daily revenue increased by 12.0% from approximately HK$30,356 for the seven months ended 31 July 2016 to approximately HK$34,011 for the seven months ended 31 July 2017. Such increase was driven by the increase in the number of customer visits from 45,359 for the seven months ended 31 July 2016 to 48,118 for the seven months ended 31 July 2017 and the increase in average spending per meal per customer from HK$140 for the seven months ended 31 July 2016 to HK$150 for the seven months ended 31 July 2017. The increase in daily revenue was mainly due to the partnership with a delivery service provider which increased the exposure of Meen & Rice to our target customers. Meen & Rice continued to improve and recognised a net profit position for the seven months ended 31 July 2017 as compared to a net loss for the seven months ended 31 July 2016.

Esquina Tapas Bar

We invested in Esquina Tapas Bar from July 2015 to December 2016. Our daily revenue generated from Esquina Tapas Bar decreased by approximately 3.4%, from approximately HK$39,326 for the year ended 31 December 2015 to approximately HK$37,977 for the year ended 31 July 2016 as a result of the decrease in the daily table turnover rate from approximately 1.1 times in 2015 to approximately 1.0 times in 2016. In order to streamline our business and concentrate on our restaurant operations in Hong Kong, we disposed of the entire interests of Esquina Tapas Bar in December 2016.

Fishschool Restaurant

Fishschool Restaurant commenced its operations in October 2015 and recorded net losses for both 2015 and 2016. The restaurant did not offer lunch because of the low customer traffic in the area during lunch hours. Our daily revenue generated from Fishschool Restaurant decreased by approximately 27.9%, from approximately HK$38,712 for the year ended 31 December 2015 to approximately HK$27,928 for the year ended 31 December 2016. Its performance deteriorated due to (i) the lack of customer traffic at the restaurant location; and (ii) as the restaurant is located in the proximity of residential areas, its liquor licence was subject to a shorter sales hour condition imposed by the LLB than those usually granted for restaurants in commercial areas, which led to decreases in both average spending per customer per meal and daily table turnover rate. Fishschool Restaurant continued to record net loss throughout the Track Record Period. Due to its prolonged investment payback period with the investment payback falling outside the lease period of the then tenancy agreement and its continuing underperformance, we disposed of Fishschool Restaurant in March 2017 to limit its negative impact to our financial performance and operating results. For the operating period in 2017 before its disposal, the daily revenue generated was approximately HK$26,956, a decrease of approximately 12.2% from the amount of approximately HK$30,710 for the seven months ended 31 July 2016. The number of customer visits for the period in 2017 was 3,011 with average daily table turnover rate of approximately 0.7 times.

Mak Mak

Mak Mak commenced its operations in December 2015 and achieved breakeven in March 2016. Our daily revenue generated from Mak Mak increased substantially by approximately 149.5%, from approximately HK$19,686 for the year ended 31 December 2015 to approximately HK$49,182 for the year ended 31 December 2016, as it began to attract more customers after its commencement of operations in December 2015 and there were only 13 operating days in 2015. Mak Mak recorded net losses for the years ended 31 December 2015 and 2016, as the restaurant only commenced operations in mid-December 2015.

Our daily revenue decreased by approximately 4.1% from approximately HK$48,994 for the seven months ended 31 July 2016 to approximately HK$46,999 for the seven months ended 31 July 2017. Such decrease was mainly due to the decrease in average spending per meal per customer from HK$285 for the seven months ended 31 July 2016 to HK$254 for the seven months ended 31 July 2017, despite the increase in the number of customer visits from

36,562 for the seven months ended 31 July 2016 to 39,265 for the seven months ended 31 July 2017. Mak Mak changed from a net loss position for the seven months ended 31 July 2016 to a net profit position for the seven months ended 31 July 2017, which was mainly due to the cost control measures implemented by us including the decrease in cleaning and laundry expenses as Mak Mak ceased to outsource cleaning and laundry services to external providers.

RHODA

RHODA commenced its operations in June 2016 and achieved breakeven in August 2016. With 158 operating days in 2016, RHODA recorded an average daily revenue of approximately HK$59,966.

Our daily revenue generated from RHODA decreased by approximately 14.1%, from approximately HK$48,345 for the seven months ended 31 July 2016 to approximately HK$41,531 for the seven months ended 31 July 2017. Such decrease was attributable to the decline in the daily table turnover rate from approximately 1.2 times for the seven months ended 31 July 2016 to approximately 1.0 times for the seven months ended 31 July 2017. Our Directors are of the view that the seven months ended 31 July 2017 was considered as a ramp-up period for RHODA and it was still building its customer base. Due to the net loss position for RHODA for the year ended 31 December 2016 and the seven months ended 31 July 2017, we have imposed certain measures in order to increase the profitability going forward, such as (i) offering corporate discount arrangement with several companies and institutions; and (ii) organising different types of events, including collaboration events with celebrity guest chefs or events with linkage to fashion and music.

Commissary

Commissary commenced its operations in November 2016 and achieved breakeven in December 2016. With only 48 operating days in 2016, Commissary recorded an average daily revenue of approximately HK$59,246.

Our daily revenue generated from Commissary was approximately HK$49,426 for the seven months ended 31 July 2017. Its number of customer visits was 38,101, with an average spending per meal per customer of HK$275 and a daily table turnover rate of 2.4 times for the period. Due to the net loss position for Commissary for the year ended 31 December 2016 and the seven months ended 31 July 2017, we implemented certain measures to increase profitability, such measures include (i) making changes to menu offerings and adjustments in menu price in August 2017; (ii) increasing signage displays in the shopping mall in which is located; (iii) offering corporate discount arrangements with several companies and institutions; and (iv) making discount arrangements with customers of a nearby cinema.

Please refer to the sub-section headed “Expansion plans, site selection and dish development — Breakeven and investment payback” in this section for further discussions relating to the breakeven and investment payback periods of our restaurants.

Investment in minority stake in other establishments and provision of restaurant ancillary consultancy services

Leveraging on our expertise in restaurant operations, since late 2015, we have been looking into opportunities for investment as a minority shareholder in third party establishments with food and beverage operations. While we are not responsible for the daily operations and management of these establishments in which we have invested, we may provide restaurant consultancy or back office management services to these establishments, depending on their needs.

We co-invested (as a 30% minority shareholder) in Potato Head (HK) which owned and operated the Potato Head facility in Sai Ying Pun, a mixed use entertainment venue which comprises, among others, a bar and a restaurant. The lifestyle and hospitality brand also has operations in Jakarta, Bali and Singapore. Due to its underperformance, a share of loss of approximately HK$6.5 million and approximately HK$0.4 million were recognised in relation to the amount due from Potato Head (HK) for the year ended 31 December 2016 and the seven months ended 31 July 2017, respectively.

The table below sets forth further details of Potato Head:

	Name of food and beverage establishments	Location	Nature of establishment	Date of commencement of operations	Our investment
1.	Potato Head	Third Street, Sai Ying Pun	Mixed use entertainment venue which comprises, among others, a bar and a restaurant	26 May 2016	30% shareholding interest

We have entered into a shareholders agreement in respect of the above investments, which is described in the section headed "History, reorganisation and group structure" in this prospectus.

The daily operations of Potato Head is controlled and managed by a management team designated by the controlling shareholders of Potato Head. We provide management services to the restaurant facility of Potato Head on processes related to financial control, financial reporting, operations support, purchasing and human resources for a fixed monthly fee currently of HK$55,000 per month. The fee was negotiated and agreed after arms' length discussions in the context of our investment in Potato Head (HK) and by reference to the range of services we agreed to provide to support the setting-up and operations of the restaurant facilities of Potato Head.

We may also provide restaurant consultancy services to restaurants in which we hold controlling interest, with the agreement of the relevant minority investors. We have provided restaurant consultancy services, advice and guidance on financial control, financial reporting operations support, purchasing and human resources related processes to RHODA (in which we hold an 85% controlling shareholding interest) for a fixed annual fee of HK$760,000. Please refer to the section headed "Continuing connected transactions" in this prospectus for details.

All restaurant consultancy services are provided through Maxmount.

Trademark licensing arrangement

On 16 May 2017, Top Glorification (the "**Licensor**") (our subsidiary which had been licensed by Oman International to use and sub-license the use of the trademark of "Duddell's" in the UK) entered into a trademark sub-licence agreement (the **"Sub-licence Agreement"**) with an Independent Third Party (the "**Licensee**") for the right to use the "Duddell's" trademark in relation to the operation of a restaurant (Duddell's London) under the Duddell's trading name in London.

The following sets forth the salient terms of the Sub-licence Agreement:

Licence period	16 May 2017 to 15 May 2022
Licence fees	(i) Initial fee: £10,000, payable upon signing of the Sub-licence Agreement; and (ii) Monthly royalties fee: 1% of the monthly gross revenue of the Restaurant.
Licensor's obligations	The Licensor is responsible for granting the Licensee the non-exclusive and non-transferable sub-licence to use the "Duddell's" trademark in the UK in relation to the operations of Duddell's London only.
Licensee's obligations	The Licensee is responsible for, among other things: (i) to submit a revenue certificate certifying the amount of licence fee payable on a monthly basis; (ii) at the end of each accounting period, the Licensee shall at its own cost and expense cause its entire records for gross revenue to be audited by an independent certified public accountant and to deliver to the Licensor a certificate issued by the accountant containing, among others, the gross revenue for the accounting period; and

	(iii) submit to the Licensor for its review before any publication or distribution of all proposed advertising and other communications and materials which display or use the "Duddell's" trademark.
Applicable territory	The Licensee is granted a right to use the "Duddell's" trademark in the UK in relation to the operations of Duddell's London.
Termination clause	The Sub-licence Agreement shall be terminated automatically upon certain customary events of default, including but not limited to (1) the Licensee committing a material breach of any provisions of the Sub-licence Agreement; (2) the Licensee failing to pay the licence fees; or (3) the Licensee becoming insolvent.

On the same date, Maxmount also entered into a restaurant consultation and service agreement for the provision of restaurant consultancy services to the said Licensee in relation to the setup, design and menu creation of Duddell's London for the period from 16 May 2017 to 15 May 2018 for a management fee of 2% of the monthly gross revenue of Duddell's London.

Duddell's London was opened in November 2017.

Our Directors are of the view that we have the capability to provide trademark sublicensing and consultancy services as (i) we have more than seven years of experience in restaurant management; and (ii) we have established the reputation and recognition both locally in Hong Kong and internationally as reflected by the several Michelin status of our restaurants (e.g. Duddell's was awarded at least one Michelin star throughout the Track Record Period).

Under the proposed consultancy arrangements, we are obliged to provide advice on restaurant operation and management (based on our expertise and know-how on operations) as and when required by our clients. However, our Directors emphasise that they are not involved in the decision-making of restaurant operations and management at the relevant restaurants in the UK and Taiwan and shall not be considered as involving in the day-to-day operations of the overseas restaurants. We will earn royalty (for use of our trademark) and consultancy fees (such as a percentage of the relevant restaurants' revenue) based on the terms of the consultancy contracts, but our financial performance is insulated from the profit and loss of such restaurants. As we do not have to bear the capital investment and cost of operations of these restaurants, our Directors believe that the provision of consultancy services will be profitable to our Group.

SALES AND MARKETING

Our revenue was generated mainly through our provision of dining and event hosting services. Our revenue for each of the three years ended 31 December 2016 and the seven months ended 31 July 2017 amounted to approximately HK$170.5 million, HK$206.5 million, HK$232.4 million and HK$134.9 million, respectively. The following table sets forth a breakdown of our revenue (including membership fees) derived from each of our restaurants and as a percentage of our total revenue for each of the three years ended 31 December 2016 and the seven months ended 31 July 2017:

	Year ended 31 December						Seven months ended 31 July			
	2014		2015		2016		2016		2017	
	Revenue (HK$'000)	*% of total revenue*	*Revenue (HK$'000)*	*% of total revenue*	*Revenue (HK$'000)*	*% of total revenue*	*Revenue (HK$'000) (Unaudited)*	*% of total revenue*	*Revenue (HK$'000)*	*% of total revenue*
208 Duecento Otto	31,207	18.3	26,745	13.0	24,009	10.3	13,854	10.8	14,209	10.5
22 Ships	21,398	12.6	21,950	10.6	18,196	7.8	10,775	8.3	10,177	7.5
Duddell's	57,255 *(Note 3)*	33.6	60,576 *(Note 3)*	29.3	61,378 *(Note 3)*	26.5	33,892 *(Note 3)*	26.3	36,460 *(Note 3)*	27.1
Chachawan	18,912	11.1	20,393	9.9	19,620	8.5	11,685	9.0	10,973	8.1
Ham & Sherry	13,207	7.7	13,858	6.7	13,198	5.7	7,775	6.0	7,512	5.6
Aberdeen Street Social	28,508	16.7	44,714	21.7	33,727	14.5	20,305	15.8	17,110	12.7
Meen & Rice *(Note 1)*	—	—	9,179	4.4	10,982	4.7	6,345	4.9	7,210	5.3
Esquina Tapas Bar *(Note 2)*	—	—	6,095	3.0	11,726	5.0	6,760	5.2	—	—
Fishschool Restaurant *(Note 5)*	—	—	2,710	1.3	9,244	4.0	5,466	4.2	2,372	1.8
Mak Mak *(Note 1)*	—	—	256	0.1	17,976	7.7	10,436	8.1	9,964	7.4
RHODA *(Note 4)*	—	—	—	—	9,475	4.1	1,837	1.4	8,390	6.2
Commissary *(Note 4)*	—	—	—	—	2,844	1.2	—	—	10,478	7.8
Total:	170,487	100.0	206,476	100.0	232,375	100.0	129,130	100.0	134,855	100.0

Notes:

1. Meen & Rice and Mak Mak commenced their operations in March and December 2015, respectively.

2. In December 2016, we disposed of the entire interest in Esquina Tapas Bar which we acquired with effect from July 2015.

3. Includes revenue attributable to membership fees and sponsorship income from Duddell's wines and spirits supplier, amounted to approximately HK$2.3 million, HK$1.8 million, HK$1.3 million and HK$0.8 million for each of the three years ended 31 December 2016 and the seven months ended 31 July 2017, respectively.

4. RHODA and Commissary commenced operations in June and November 2016, respectively.

5. In March 2017, we disposed of the entire interest in Fishschool Restaurant which commenced its operations in October 2015.

Dining and event hosting services

Our restaurants are independently operated as full-service restaurants, i.e. traditional sit-down restaurants with full table services provided by waiting staff. Customers are served at their tables from start to finish, including order taking, food delivery and payment processing. Delivery and take-away services are also available at selected restaurants. In addition to the provision of dining services, we provide event hosting services for events which are hosted at our restaurants or other third party venues. The event hosting services may include personalised menus, house floral arrangements, cakes, audio and visual systems, photographers, staging, decoration, table settings and other administration services. The events hosted include product launches, private parties, annual dinners and other corporate functions. Since we would incur cost for the preparation of dishes and beverages, the decoration of the venues and the administration for hosted events, we would generally impose a food and beverage minimum spending (based on a minimum number of guests) and require payment of a percentage of the agreed total fee as deposit.

Customer loyalty programmes

We consider the establishment of restaurant specific membership programmes, which are tailored to the concept of each of our restaurants, can complement or enhance the dining experience at that restaurant.

Duddell's membership and art programme

We seek to combine dining experience with appreciation of arts at Duddell's and have created a membership programme which offers various benefits and privileges to its members including, among other things, food and beverage credit, discount on consumption, priority booking, dedicated tables and invitation to regular art programmes. The main types of memberships are individual (annual membership fee: HK$10,000 (new member)/HK$8,000 (renewal for members who had joined pre-July 2013) (including a HK$4,000 food and beverage credit)), couple (annual membership fee: HK$14,000 (new member)/HK$11,000 (renewal for members who had joined pre-July 2013) (including a HK$6,000 food and beverage credit)) and corporate/ art corporate (annual membership fee: ranging from HK$30,000 (for 4 nominees) to HK$70,000 (for 12 nominees)) (including food and beverage credit of 50% of membership fee)).

In addition to the food and beverage credits mentioned above, art corporate memberships (primarily directed at galleries and auction houses in Hong Kong) would also include programme collaboration opportunity with us on one artist talk or screening per year and other privileges. With a number of galleries, art fairs and auctions being held in Hong Kong (which are typically located in Central, Admiralty and Wanchai areas), we believe that this positions us well with our target customers (including gallery owners or operators who invariably need to entertain their clients or artists). However, given Duddell's positioning as a high-end Cantonese restaurant located in the central business district of Hong Kong, we believe our corporate membership is also attractive to the corporate community as a dining venue. As at the Latest Practicable Date, approximately 53.3% of our corporate members were art galleries, auction houses, art exhibition operators or art insurers. The membership fee income from Duddell's membership programme amounted to approximately HK$1.5 million, HK$1.0 million, HK$0.5 million and HK$0.3 million for the years ended 31 December 2014, 2015 and 2016 and the seven months ended 31 July 2017, respectively.

The walls and other common spaces of Duddell's are used for display of art work, which was curated by our staff with the advice of our Art Committee during the Track Record Period. The Art Committee, comprising Mr. Lo Yeung Kit, Alan, Mr. Zhao Lingyong and two Independent Third Parties, provided their advice on a *pro bono* basis to Duddell's during the Track Record Period. The Art Committee members spent very limited time on this advisory role, and we believe that it is commonplace in the Hong Kong art community for prominent figures like Mr. Lo Yeung Kit, Alan and Mr. Zhao Lingyong who take up art advisory roles of similar nature that do not involve substantive time commitment to be provided on a *pro bono* basis out of their aspiration in the promotion of art appreciation. As we had our dedicated staff who are primarily responsible of managing our art programmes and relationships with the art community established through our corporate membership programmes, we were not reliant on our Art committee members to maintain programmes consistent with Duddell's restaurant concept. The Art Committee was dismissed on 31 December 2016. Our Directors confirm that the display of art work at Duddell's would continue to be curated by our staff and the dismissal of the Art Committee had no material adverse effect on our operations and financial performance up to the Latest Practicable Date.

We aim to exhibit a diverse range of art work of different artists or group work with themes, typically for three to four months on each occasion, and had also hosted a "pop up" art show for shorter period in tandem with art events hosted elsewhere. The organisation of such events (which involves, among other things, selection of artists and artworks, preparation of marketing materials and publicity, arrangement for logistics of delivery, insurance and display) are primarily undertaken by our staff and we may retain the services of independent third party art curators for art shows from time to time. Artworks displayed at our premises are provided on loan by art galleries with whom we collaborate, private collection owners or artists introduced to us through personal network of our Directors, and we typically bear all costs of transportation, installation and insurance of the works on terms agreed with the art owners or the gallery providing the works. We also collaborate with Duddell's corporate members to offer art talks, typically in late afternoons or early evenings, at part of our two-floor restaurant with light refreshments. We believe these events can provide us greater visibility among our potential customer pool and can attract greater customer following for Duddell's. All of the membership fee income (excluding food and beverage credits) were used to subsidise our art programme during the Track Record Period and we intend to continue to operate our art programme on this basis.

In addition to the membership programmes, Duddell's has entered into sponsorship programmes with corporate sponsors. The sponsorship packages are tailored to the sponsors' business and provides the sponsors with brand exposure through marketing materials for Duddell's art programmes and other joint marketing efforts while the sponsors provide an annual cash sponsorship fee. As at the Latest Practicable Date, Duddell's had one sponsorship programme which was entered into with Supplier C (see paragraph headed "Our suppliers and raw materials — Top five suppliers" in this section) pursuant to which the sponsor provides, among other things, an annual cash sponsorship of HK$800,000 subject to certain conditions.

Cash vouchers

Some of our restaurants issue and sell cash vouchers which can be used to redeem food and beverages at the issuing restaurants. As the cash vouchers (typically having a validity period of one year) are redeemed by the bearer, they could be used as gifts by our customers and therefore a useful tool for us to expand our customer base.

Pricing policy for menu items

As each of our restaurants serves a different range of cuisines with individual menus, we have not adopted a standardised pricing range for menu items across our restaurants. Generally, in pricing the menu items, we mainly take into account the following factors: (i) target profit margin for the restaurant; (ii) cost of food ingredients or beverages; and (iii) prices of similar dishes set by competitors. We prepare an annual budget for each restaurant and fix the target monthly cost of food ingredients (generally ranging from 20% to 35% of the total food sales revenue) and the target monthly cost of beverages (generally ranging from 17% to 30% of total beverage sales for each restaurant). The head chef of each restaurant is responsible for keeping the food and beverage cost within the agreed range. For the three years ended 31 December 2016 and the seven months ended 31 July 2017, our cost of raw materials and consumables used accounted for approximately 26.2%, 25.4%, 25.0% and 24.5%, respectively of our total revenue.

Settlement and cash management

Our customers mainly settle their bills by credit cards or cash. Some of our restaurants also issue and sell cash vouchers to its customers. The table below sets forth the breakdown of the revenue by types of settlement during the Track Record Period:

	Year ended 31 December						Seven months ended 31 July	
	2014		2015		2016		2017	
	(HK$'000)	*% of total revenue*	*(HK$'000)*	*% of total revenue*	*(HK$'000)*	*% of total revenue*	*(HK$'000)*	*% of total revenue*
Settlement by way of:								
Credit card	132,780	77.9	159,136	77.1	168,142	72.4	95,936	71.1
Cash	25,637	15.0	31,808	15.4	45,134	19.4	24,689	18.3
Others(Note)	12,070	7.1	15,532	7.5	19,099	8.2	14,230	10.6
Total:	170,487	100.0	206,476	100.0	232,375	100.0	134,855	100.0

Note: Others mainly include coupons, cash vouchers, octopus cards and cheques and does not include "JIA Group coupon booklets".

Credit cards

Our restaurants accept credit cards from all major credit card issuers for settlement of bills. The settlement terms with credit card companies are usually within seven days after the billing date which is also the service rendered date. During the Track Record Period, service charges ranging from approximately 1.6% to 3.5% were generally imposed by the credit card issuers.

Cash and cash management

We handle a certain amount of cash every day. We have imposed certain measures to prevent misappropriation of cash, including but not limited to (i) daily reconciliation of cash balance by a staff of each restaurant; (ii) delivery of cash to bank for deposit once to thrice every week; and (iii) keeping the cash pending delivery to bank for deposit in safes located in each restaurant. Our accounts department will also cross-check the cash balance between the daily records provided by each of our restaurants and the banks each time cash has been deposited in the bank. The cash is collected and deposited into the bank accounts of each of our restaurants by a designated employee either from our head office or the restaurant concerned.

We have taken out insurance in respect of cash kept at each of our restaurants. Our Directors confirm that there was no incident of any material cash misappropriation during the Track Record Period.

Membership and cash vouchers

Payments from our customers for Duddell's memberships are recognised on a straight line basis over the life of the memberships as membership fee income other than the portion attributable to food and beverage credits given under the memberships which is required to be treated under HKFRS as membership fee receipt in advance from customers in our Group's combined statement of financial position, until consumed or upon expiry of the validity period (typically one year), forfeited. Similarly, payments received for our restaurant specific cash vouchers (typically having one year validity) are also required under HKFRS to be treated as membership fee receipt in advance from customers in our Group's combined statements of financial position, until redeemed or upon expiry, forfeited. Upon consumption of the food and beverage credits or redemption of the cash vouchers, the corresponding amount of advances will be recognised as revenue. Any food and beverage credits or cash vouchers which have not been consumed or redeemed before the expiry of their validity period are recognised as forfeited income in our Group's profits and loss. During the three years ended 31 December 2014, 2015 and 2016 and for the seven months ended 31 July 2017, the amounts of membership fee income arising from the above arrangements were approximately HK$1.5 million, HK$1.0 million, HK$0.5 million and HK$0.3 million, respectively; the amounts of forfeited income for the three years ended 31 December 2014, 2015 and 2016 and for the seven months ended 31 July 2017 were nil, nil, approximately HK$0.5 million and HK$0.1 million, respectively.

We do not intend to cease any of Duddell's membership programme or the cash vouchers schemes of our restaurants.

Marketing

Advertising

Our marketing team is responsible for formulating and implementing our marketing strategies, promoting customer loyalty and our restaurants. We maintain a customer database so we can inform our customers about our latest news and promotional offers of our restaurants from time to time. In addition, Duddell's offers a membership programme and hosts art events which we believe will enhance our customer base and promote customer loyalty of Duddell's.

As online information and social media have significant influence on customers' choice nowadays, effective online marketing helps to increase the number of diners. Each of our restaurants has its own website containing information such as food photos and menus, which keeps our customers updated with the food we offer. We also use social media channels, such as Twitter, Instagram and Facebook, to market our restaurants. An Independent Third Party external marketing consultant monitors the major food-critic websites and social media websites for coverage of our restaurants in Hong Kong and prepares the contents of our marketing materials.

We will also partner with online restaurant reservation platforms such as Opentable, online takeaway platform such as Deliveroo and patron networks such as Hooch (which offers one complimentary drink per day to its members at partner restaurants) to increase our restaurants visibility among our target customers.

Dining promotions

From time to time, we participate in dining promotions organised by various organisations. We have offered a variety of year-round promotions to selected credit card holders, club members, fashion boutique members, such as complimentary beverage, guaranteed or priority booking or discount at some of our restaurants under certain conditions. We also gave out "JIA Group coupon booklets" which include dining offers of our restaurants. Guest chef events were organised to enhance our restaurants publicity.

New restaurants to be opened

We generally start our marketing activities for our new restaurants, including but not limited to press invitations and tasting events, approximately two months before the respective commencement dates of operations.

Advertising and promotion expenses

For each of the three years ended 31 December 2016 and the seven months ended 31 July 2017, our advertising and promotion expenses amounted to approximately HK$5.9 million, HK$7.5 million, HK$6.8 million and HK$3.9 million, respectively, representing approximately 3.5%, 3.6%, 2.9% and 2.9% of our total revenue for the same periods, respectively.

Seasonality

Our business is subject to seasonal fluctuations. During the Track Record Period, we generally recorded relatively higher monthly revenue in March, May, November and December, and relatively lower monthly revenue in January, February, July and August. Our Directors are of the view that the relatively higher monthly revenue in March, May, November and December was mainly due to (i) the major events and exhibitions held in Hong Kong in the said periods, including but not limited to Hong Kong Sevens, Art Basel Hong Kong, Hong Kong International Wine & Spirits Fair and Hong Kong International Jewelry Manufacturers' Show; and (ii) relatively fine weather in those months. On the other hand, the relatively lower monthly revenue in January, February, July and August was mainly due to (i) customer preferences to traditional Chinese cuisine during Chinese New Year; and (ii) our customers travelling abroad during the Chinese New Year and summer holidays.

OUR CUSTOMERS

Our customers are mainly retail customers. According to the Industry Consultant, customers who have monthly household income reaching HK$25,200 or above are mid-to-high income level customers. As at the Latest Practicable Date, all of the restaurants operated by us are located on Hong Kong Island, such as Central, Wan Chai, Admiralty and Repulse Bay. According to the Industry Consultant, by locating our restaurants in the commercial business district, tourist areas and neighbourhoods with a high concentration of high-income families, it is considered to be more competitive in the industry. For instance, according to the Census and Statistic Department, the median monthly household income of the families residing in Wan Chai District was approximately HK$40,000 in 2016, approximately 58.7% higher than that of the Hong Kong overall. Also, the median monthly household income of the families residing in Central and Western District was approximately HK$39,500 in the same year, approximately 56.7% higher than that of the Hong Kong overall. For each of the three years ended 31 December 2016 and for the seven months ended 31 July 2017, our largest customer and top five customers accounted for less than 5% and 30% of our total revenue for the same periods, respectively. We had not entered into any long-term contract with our customers during the Track Record Period and up to the Latest Practicable Date.

None of our Directors, their respective close associates, or any Shareholders who, to the knowledge of our Directors, owns more than 5% of our issued capital, has any interest in any of our top five customers during the Track Record Period.

OUR SUPPLIERS AND RAW MATERIALS

During the Track Record Period, our suppliers mainly included the suppliers of food ingredients, beverage ingredients, utensils and other ancillary equipment. We obtained most of our food ingredients from local suppliers, importers and distributors in Hong Kong. We also engaged external licensing consultants, pest control companies, renovation, repair and maintenance service companies, and cleaning companies. During the Track Record Period and up to the Latest Practicable Date, we had not entered into any long-term contract with our suppliers.

Some of our restaurants may from time to time enter into exclusive pouring agreements with our wine and spirit suppliers, which are usually renewed yearly, in respect of which our restaurants would receive cash sponsorship and complementary products. For other beverage suppliers, we generally agree the quotations with our suppliers yearly, which do not include any minimum purchase commitment.

Duddell's has entered into a sponsorship programme with Supplier C (as referred to in the sub-paragraph headed "Top five suppliers" in this paragraph) pursuant to which Supplier C has agreed to supply wines and spirits to Duddell's at special prices and offer cash sponsorship for Duddell's art programmes, but Duddell's is required to meet the specified sales volume target in order to receive the full amount of the cash sponsorship. For the three years ended 31 December 2016 and the seven months ended 31 July 2017, the sponsorship income recognised from Supplier C amounted to HK$492,000, HK$800,000, HK$800,000 and HK$484,000, respectively.

Some of the wine products of Altaya Wines Limited (please refer to the sub-paragraph headed "Top five suppliers" in this paragraph) are sold on a consignment basis.

To the best knowledge of our Directors, we did not have any incident where any of our Directors or employees was involved in any bribery or kick back arrangement with our suppliers during the Track Record Period.

During the Track Record Period, we did not experience any interruption of supply, early termination of supply agreements or failure to secure sufficient quantities of irreplaceable food ingredients and beverages that had any material adverse impact on our business or results of operations.

Top five suppliers

The following tables set forth the details of our top five suppliers based on our total purchases attributable to them during the Track Record Period:

For the year ended 31 December 2014

Ranking	**Supplier**	**Principal business activities**	**Our purchases from the supplier** *(HK$'000)*	**Approximate % of our total raw materials and consumables used attributable to the supplier**	**Approximate years of business with our Group as at the Latest Practicable Date**
1	Altaya Wines Limited	Wholesaler of wine	3,282	7.4	8.0
2	Supplier A	Wholesaler of seafood	3,157	7.1	5.0
3	Supplier B	Wholesaler of fruits and vegetables	3,108	7.0	5.0
4	Supplier C	Wholesaler of wine	1,851	4.2	8.0
5	Supplier G	Wholesaler of fruits, vegetables and meat	1,550	3.5	5.0
			Total:	29.2	

For the year ended 31 December 2015

Ranking	Supplier	Principal business activities	Our purchases from the supplier *(HK$'000)*	Approximate % of our total raw materials and consumables used attributable to the supplier	Approximate years of business with our Group as at the Latest Practicable Date
1	Supplier A	Wholesaler of seafood	3,431	6.5	5.0
2	Supplier B	Wholesaler of fruits and vegetables	3,188	6.1	5.0
3	Supplier C	Wholesaler of wine	2,127	4.1	8.0
4	Supplier D	Wholesaler of seafood	1,979	3.8	5.0
5	Altaya Wines Limited	Wholesaler of wine	1,916	3.6	8.0
			Total:	24.1	

For the year ended 31 December 2016

Ranking	**Supplier**	**Principal business activities**	**Our purchases from the supplier** *(HK$ '000)*	**Approximate % of our total raw materials and consumables used attributable to the supplier**	**Approximate years of business with our Group as at the Latest Practicable Date**
1	Supplier A	Wholesaler of seafood	3,744	6.4	5.0
2	Supplier B	Wholesaler of fruits and vegetables	3,577	6.1	5.0
3	Supplier C	Wholesaler of Wine	2,862	4.9	8.0
4	Supplier E	Importer and distributor of fine food products	2,186	3.8	5.0
5	Supplier F	Wholesaler of Thai food ingredients and products	2,038	3.5	3.0
			Total:	24.7	

For the seven months ended 31 July 2017

Ranking	Supplier	Principal business activities	Our purchases from the supplier *(HK$ '000)*	Approximate % of our total raw materials and consumables used attributable to the supplier	Approximate years of business with the group as at the Latest Practicable Date
1	Supplier B	Wholesaler of fruits and vegetables	2,241	6.8	5.0
2	Supplier A	Wholesaler of seafood	2,125	6.4	5.0
3	Supplier C	Wholesaler of wine	1,569	4.7	8.0
4	Supplier F	Wholesaler of Thai food ingredients and products	1,474	4.5	3.0
5	Supplier E	Importer and distributor of fine food products	1,416	4.3	5.0
			Total:	26.7	

For the three years ended 31 December 2016, our top five suppliers were Independent Third Parties save and except Altaya Wines Limited, and our total raw materials and consumables used attributable to them amounted to approximately HK$12.9 million, HK$12.6 million and HK$14.4 million, representing approximately 29.2%, 24.1% and 24.7% of our total raw materials and consumables used, respectively. During the same periods, our total purchases attributable to our largest supplier amounted to approximately HK$3.3 million, HK$3.4 million and HK$3.7 million, representing approximately 7.4%, 6.5% and 6.4% of our total raw materials and consumables used, respectively.

For the seven months ended 31 July 2017, our top five suppliers were Independent Third Parties, and our total purchases attributable to them amounted to approximately HK$8.8 million representing approximately 26.7% of our total raw materials and consumables used during the same period. Our total purchases during the same period attributable to our largest supplier amounted to approximately HK$2.2 million representing approximately 6.8% of our total raw materials and consumables used.

For each of the three years ended 31 December 2016 and the seven months ended 31 July 2017, our total purchases attributable to Altaya Wines Limited amounted to approximately HK$3.3 million, HK$1.9 million, HK$1.2 million and HK$0.6 million, respectively, representing approximately 7.4%, 3.6%, 2.1% and 1.8%, of our total raw materials and consumables used, respectively. Altaya Wines Limited, one of our top five suppliers for the year ended 31 December 2015, is indirectly held as to 33% by Mr. Pong Kin Yee (one of our Shareholders) and 67% by his associate. Save as aforesaid, none of our Directors, their respective close associates or any Shareholder (who or which, to the best knowledge of our Directors owns more than 5% of the issued share capital of our Company) has any interest in any of our top five suppliers during the Track Record Period.

Food and beverages

For details of our inventory control of ingredients, please refer to the sub-section headed "Food and beverage preparation procedures — Food storage and preservation, and inventory control" in this section. For the three years ended 31 December 2016 and the seven months ended 31 July 2017, our raw materials and consumables used accounted for approximately 26.2%, 25.4%, 25.0% and 24.5% of our total revenue for the same periods, respectively.

Equipment and tools

Our operation team (headed by our operation director) is responsible for placing orders for the equipment and tools and replacement thereof based on the requests from our restaurant managers and head chefs from time to time. Depending on our needs, our equipment and tools may originate from local or overseas market procured through local distributors. For each of the three years ended 31 December 2016 and the seven months ended 31 July 2017, the additional equipment and tools purchased were approximately HK$4.3 million, HK$4.7 million, HK$4.0 million and HK$0.3 million, respectively.

Utilities

Town gas and electricity are the principal sources of power for our operations. We also use charcoal for a stove in Chachawan and RHODA respectively. For the three years ended 31 December 2016 and seven months ended 31 July 2017, our utility expenses including town gas, electricity and charcoal together accounted for approximately 3.1%, 3.2%, 3.3% and 3.3% of our total revenue for the same periods, respectively.

Credit and payment terms

Our suppliers generally grant us credit periods of 30 days after the issuance of invoices or 30 days after relevant month end. Payments would not be approved until the invoices received from our suppliers are checked and verified by the managers (or the head chef and sous chef for food supplies) of the relevant restaurant. Our accounting team will also check and re-affirm such payments. Approvals from the operations directors and the group accounting manager are required in specific occasions. In most scenarios, we settle our suppliers' invoices by cheques in Hong Kong dollars.

FOOD AND BEVERAGE PREPARATION PROCEDURES

Ingredients procurement

Food ingredients

During the Track Record Period, our food ingredients were either imported or sourced through local distributors. The prices of food ingredients were determined with reference to a number of factors, including type, specifications, place of origin, quality, season, and the business relationship between our Group and the relevant supplier.

We maintain a list of approved food ingredient suppliers, which is revised from time to time by our senior operations director upon consideration of the views of the head chefs and sous chefs of our restaurants. Our selection criteria for food ingredient suppliers include (i) reputation; (ii) length of operations; (iii) ingredient quality; (iv) pricing and payment terms; (v) delivery schedule; (vi) historical performance; and (vii) business relationship with our Group. Our Directors confirm that we do not rely on any single food ingredient supplier for our food ingredients.

Depending on our restaurants' needs from time to time, our head chefs place orders to our food ingredient suppliers. All the food ingredients ordered are delivered directly to our restaurants. Our head chefs and sous chefs will check the quality and quantity of the food ingredients before confirming receipt. All the food ingredients not conforming to the agreed type and quality will be returned to our suppliers, upon which our suppliers will arrange re-delivery. We did not engage any external independent inspection and testing agency to carry out these checks on the food ingredients delivered to our restaurants by our suppliers during the Track Record Period and up to the Latest Practicable Date.

Brazilian meat scandal

In March 2017, there were allegations of rotten meat being sold with falsified certificates from some of the major Brazilian meat processing companies, in which 21 processing factories in Brazil were under the investigation (the "**Investigated Factories**") by the Brazilian government. On 21 March 2017, the FEHD issued a rapid alert announcing that in view of the fact that the quality of the meat exported from Brazil is in question, for the sake of prudence, it temporarily suspended the import of frozen and chilled meat and poultry meat from Brazil.

During the Track Record Period, only one of our restaurants (Meen & Rice) sourced meat from Brazil, specifically chicken wings. Once we were aware of the Brazilian meat scandal we immediately ceased the sale of chicken wings at Meen & Rice. In April 2017, our supplier was able to source chicken wings from France at similar cost and as such we started the resale of chicken wings at Meen & Rice. Our purchases attributable to the Brazilian meat products during the Track Record Period is minimal. Further information about our food safety and quality control measures please refer to the section headed "Business — Quality control — Food safety and quality" in this prospectus.

Beverages

The restaurant manager or bar manager (as the case may be) of each restaurant is responsible for monitoring the inventories, checking the price and minimum quantity for purchases and placing orders for beverages. Our restaurant staff will check the quality and quantity of the beverages before confirming receipt.

We maintain a list of approved beverage suppliers, which we review from time to time. We have more than one approved supplier for each type of beverage we serve in each of our restaurants. Apart from the exclusive pouring arrangements that our restaurants may enter into with our wine and spirit suppliers, our Directors confirm that we do not rely on any single supplier for our beverages.

Ancillary equipment and utensils

Based on the needs of the restaurants, the head chef and manager of each of our restaurants may submit requests to our operation team (headed by our senior operations director) for new and/or replacement ancillary equipment and utensils. For some kitchen equipment, we would seek quotations from at least two suppliers to compare the price, quality and delivery and payment terms. The head chef and manager of the relevant restaurant will check whether the ordered ancillary equipment and utensils are in conformity with the order placed. The settlement of any invoice received is subject to the verification by the manager of the relevant restaurant. Our group accounting manager will check and re-affirm the settlement of invoices on a weekly basis.

Food storage and preservation, and inventory control

Food ingredients are generally delivered to our restaurants on a daily basis to ensure freshness. All the food ingredients are stored at the appropriate temperature and conditions and in containers and storage facilities in accordance with our internal procedures and manuals. For perishable food ingredients, we maintain a minimum level of inventory for daily consumption, which are generally stored for not more than two days.

Our head chefs, managers and bar managers closely monitor the food ingredients and beverage inventory at each of our restaurants. We also maintain a record of the amount of discarded food ingredients to facilitate our inventory control. During the Track Record Period, we did not experience any excessive accumulation of inventory in relation to our food and beverage ingredients.

Food processing

All the food processing procedures such as washing, cutting, seasoning, cooking, serving and utensil-washing are carried out by our kitchen staff in the kitchens of each of our restaurants, which are closely monitored by our head chefs, sous chefs and managers. Our head chefs and sous chefs are responsible for the quality of the dishes served to our customers, and carry out assessments of the dishes in terms of the visual presentation, aroma and flavour from time to time in order to further improve the recipes.

We segregate the duties of our kitchen staff in order to ensure efficiency and quality. Separate sets of cutting boards and knives are used for raw food and cooked food. All the used food processing equipment must be cleaned thoroughly before using for processing another dish. After our customers finish the dishes, the used utensils will be collected, washed and dried immediately.

EXPANSION PLANS, SITE SELECTION AND DISH DEVELOPMENT

We have expanded the number of our restaurants in Hong Kong and we owned and operated 10 restaurants as at the Latest Practicable Date. When deciding on opening new restaurants, our Directors will consider factors such as the location, expected performance of such restaurant based on our Directors' experience and estimation on customer-traffic and the market reception of the restaurant concept and cuisine based. We will continue to seek opportunities to cooperate with internationally renowned chefs to develop new dining concepts and experience.

We plan to open the CPS Restaurant, which comprises a restaurant and lounge, at the revitalised Central Police Station Compound with expected floor areas of 450 sq.m. and 110 sq.m., respectively. In this regard, Ultra Wealthy entered into a operating agreement with The Jockey Club CPS Limited, the company that operates the Central Police Station Compound, in July 2016. To the best knowledge and belief of our Directors, as at the Latest Practicable Date, the Central Police Station Compound was under redevelopment and revitalisation and the site would be made available to our Group in the first half of 2018 for preparation of its operations. Once the preparation is completed, we expect to commence the operations of the restaurant and lounge by the end of the first half of 2018. Upon its commencement of operations, the restaurant will offer Chinese provincial cuisine with an estimated seating capacity of approximately 80. We expect the average spending per customer in the CPS Restaurant will be of approximately HK$300 based on the current market conditions. The restaurant is expected to achieve a breakeven in approximately four months and investment payback to be achieved in approximately three years. Up to the Latest Practicable Date, no significant cost has been incurred or committed. Some material terms of the operating agreement with The Jockey Club CPS Limited are listed below:

Term	3 years commencing on and from the date of occupation permit with an option to renew for a further term of 3 years
Annual plan	We are to submit a proposed annual plan for the operations no later than 90 days prior to the business commencement due date and at least 60 days before the beginning of each accounting year. Such plan should include the annual forecast of operations including any promotional and marketing plans and campaigns, annual forecast of gross receipts and other reasonable matters
Monthly contribution	Monthly contribution shall be calculated by gross receipts multiplied by the stipulated percentage, to be paid monthly
Performance monitoring	At least three months before the operation commencement date a three year business plan and financial plan shall be submitted

We plan to open a casual dining restaurant. Our Directors consider that the casual dining restaurants to be opened by our Group will be a full-service restaurants. Therefore those factors considered by us as disclosed in the section headed “Business — Expansion plans, site selection and dish development — Restaurant development” in this prospectus are generally applicable in the development of the new casual dining restaurants. In addition, our Directors will also consider factors relevant to the operations of casual dining restaurants, such as cosiness of the environment, design of food and drinks which are easier to prepare and consume, table density, and other measures to encourage quicker table turnaround and identification of locations which will catch the target customers.

Given that (i) we have not changed our business focus on full-service restaurants; and (ii) we already have casual dining restaurants such as Meen & Rice and Mak Mak in our existing restaurant mix, our Directors believe that our management team has the experience and knowledge in the food and beverage industry to operate casual dining restaurants.

We also intend to expand our restaurant networks by opening new restaurants and explore the possibility of opening food joints at major tourist attractions and facilities. We acquired Esquina Tapas Bar in July 2015 as our first expansion outside Hong Kong, which was subsequently disposed of in December 2016 to streamline our business and concentrate on our restaurant operations in Hong Kong.

To manage our expansion plans, our project management team will draw up detailed implementation plans and capital expenditure budgets in respect of our restaurants and investments for the approval of our Board before making any lease commitments or other significant investments.

While we plan to open our new restaurants with our resources or with the investment of co-investors, we may seek to expand our restaurant network through acquisitions when suitable opportunities arise. Nevertheless, as at the Latest Practicable Date, we have not identified any acquisition target for its expansion plan.

We estimate that the total investment cost for establishing the restaurant and lounge at the revitalised Central Police Station Compound and expanding our restaurant network to be approximately HK$5.0 million and HK$12.0 million respectively, of which HK$9.0 million and HK$8.0 million for the years ending 31 December 2018 and the six months ending 30 June 2019, respectively, which will be funded by the net proceeds of the Share Offer and our internal resources.

In addition, we shall continue to enhance our equipment, utensils and furnishing in our restaurants. We will also continue to monitor and refine the interior design of existing restaurants and will arrange for refurbishment if necessary. We expect the additional maintenance expenses for our restaurants to be financed by the net proceeds from the Share Offer and our internal resources.

Restaurant development

Set out below are our general procedures of the development of a restaurant:

- Concept development and site selection: Generally, the development of a restaurant may originate from a concept developed by our Directors and/or senior management followed by the identification of a suitable site, or identification of a potential spot followed by development of a suitable concept for the location. We may also develop dining concepts and identify suitable sites in collaboration with an identified chef (such as in the case of 22 Ships and Ham & Sherry). In our site selection process, we will take into account the following factors, including but not limited to (i) suitability of the premises for carrying out restaurant business; (ii) premises conditions; (iii) proximity to competitors; (iv) lease conditions and rent; (v) size of premises; (vi) surrounding neighbourhood; and (vii) potential clientele.

  22 Ships and Ham & Sherry are located closely on the same street (i.e. Ship Street in Wanchai). We opened 22 Ships, which serves tapas with a modern twist, in October 2012. 22 Ships achieved breakeven in two months and investment payback in 18 months, after its opening. Our Directors noted the customer traffic at Ship Street and considered that there was a business case for opening another restaurant nearby, and formed a business plan to open Ham & Sherry in 2013. While 22 Ships serves Spanish tapas with a modern twist, Ham & Sherry serves traditional Spanish tapas and a selection of aged Spanish hams. The hidden “Back Bar” that serves

sherries and cocktails is also a distinctive feature of Ham & Sherry. While there was a decrease in daily revenue for 22 Ships during late 2015 and early 2016, our Directors are of the view that the decrease was the result of the opening of new restaurants near 22 Ships which led to the decrease in the number of customer visits and daily table turnover rate for 2016. The performance of 22 Ships has gradually recovered starting mid-2016 a few months after the opening of these new restaurants, and Ham & Sherry also recorded a net profit for the year ended 31 December 2016 as compared to a net loss for the year ended 31 December 2015. Accordingly, our Directors do not consider that there is any cannibalisation effect between 22 Ships and Ham & Sherry in the sense that any increase in Ham & Sherry's customer traffic will result in a reduction of customer traffic in 22 Ships or *vice versa*.

Generally, when concept development is in an advanced stage and a suitable site is identified, our Directors will identify and approach a suitable head chef for the new restaurant, and the price range of the dishes, target customer segment and menu will be determined.

- Arrangement with chefs: Generally, chefs of our restaurants are our employees or consultants to whom we pay a salary or consultancy fee. Occasionally as a separate arrangement, depending on the concept or positioning of our new restaurants, we may invite key chefs to take up equity interest as investors but without being required to contribute material capital funding in the restaurants prior to the commencement of the restaurant operations, and they as investors may have better motivation to contribute towards the setting up of the restaurants based on their experience and expertise. The commercial terms are generally agreed before the commencement of operations of the relevant restaurants while the transfer or issue of equity interest to the chefs may take place after the commencement of operations. Such arrangements can also encourage the alignment of the interests of those chefs with us as restaurant owner, so that they would have a vested interest in the performance of the restaurants from their inception. Such chefs may work exclusively for the relevant restaurants or may have interest in other restaurant operations, depending on his role as agreed with us. We believe this is a common practice within the food and beverage industry, and that we will be able to identify replacement chefs should the need arise without material adverse impact on the performance of the restaurants.

  In the past, we have agreed to provide, prior to the commencement of the operations of Chachawan, 10% shareholding in Fit Asia, the then holding company of Chachawan, to Mr. Adam Lee Cliff. He was employed exclusively for that restaurant. Mr. Adam Lee Cliff has since transferred his interest to us in December 2015 and we have employed a replacement head chef for that restaurant. As confirmed by our Directors, Mr. Adam Lee Cliff left the Group on his own accord and our Directors confirm that there was no disagreement between Mr. Adam Lee Cliff and our Group. Our Group did not suffer any material adverse impact from Mr. Adam Lee Cliff's departure.

We have also cooperated with Mr. Jason Atherton, a renowned chef, as culinary director in establishing 22 Ships, Ham & Sherry and Aberdeen Street Social, where the then shareholders of the respective restaurant holding companies had agreed to provide 25% shareholding interest in the restaurant holding companies to Mr. Jason Atherton, prior to the commencement of the operations of these restaurants. Further information relating to our relationship with Mr. Jason Atherton is set out in the paragraph headed "Relationship with Mr. Jason Atherton" in this section.

We have also provided 15% shareholding interest in Pure Love to Mr. Nathan Daniel Green, the executive chef of RHODA.

- Lease negotiation: We commence negotiation of the lease with the landlord after a suitable site has been selected. Besides negotiating the terms of the lease such as monthly rent, term, option to renew and rent-free period, upon the landlord's request, we will submit our business plan to the landlord for approval. Depending on the landlord's requirements, such business plan may include the proposed theme, name, design, layout plan and renovation plan of the restaurant. The approved business plan will form part of the lease.

  We generally commence the negotiation for the renewal of the leases of our restaurants around six months before their expiries. We will take into consideration the performance of the restaurants, customer traffic, market reception to the restaurant concept as well as the restaurant location and prevailing market rent in deciding whether to renew the leases, relocate the restaurants, cease their operations or dispose of the restaurants.

- Design and renovation: We generally engage an external interior design consultant to design our restaurant in accordance with the confirmed theme and the approved business plan (if applicable). Renovation is carried out by external contractors. Our senior project manager is responsible for supervising the design and renovation process, which generally takes approximately 1.5 to 6 months, depending on the size of the restaurant and whether submission of building plans to the Building Authority in Hong Kong for approval is necessary.

- Licensing: During the design and renovation process, we commence the licensing procedures for the new restaurant. During the Track Record Period, we engaged external independent licensing consultants to advise us and apply on our behalf all the necessary licences and permits for our restaurants in Hong Kong. For details on the licensing requirements, please refer to the section headed "Regulatory overview" in this prospectus.

- Recruitment, training and purchasing: During the design and renovation process, we commence the procurement of utensils in conformity with the confirmed theme and dining environment of the new restaurant and staff recruitment and training (save for kitchen staff and waiters, the recruitment and training of whom start around one month prior to the commencement of operations of the new restaurant). Our head chefs and managers of a new restaurant provide training to our kitchen staff and waiters. Our head chefs are responsible for providing training on food preparation to our kitchen staff and waiters and our managers are responsible for providing training on services and operational skills to our kitchen staff and waiters. Training in respect of new restaurants normally commences one to two weeks before the “soft opening”. As part of our staff training, about one week before the commencement date of operations of a new restaurant, we arrange a trial run for the new restaurant to ensure the staff are well prepared to serve our customers during which our Directors, staff and their families and friends would provide comments on the quality of our food, beverage and services.

- Marketing and launching: The commencement date of the operations of a new restaurant mainly depends on the progress of the renovation and licensing. We normally commence our marketing of the new restaurant approximately two months before the commencement of its operations. For details of such marketing, please refer to the paragraph headed “Sales and marketing — Marketing — New restaurants to be opened” in this section.

Dish development

We develop new menus and dishes for new restaurants and introduce seasonal and festive dishes at our restaurants from time to time to cater for the evolving needs of our customers, and refine, update and improve the current menus and dishes of our restaurants from time to time in response to the changing tastes of our customers, popularity of menu items, seasonal factors and changing costs of food ingredients. Set out below are the general procedures for our dish development:

- Proposal: The head chef of each restaurant prepares the proposal for a new or modified dish, which includes basic information of the dishes, such as the name of restaurant, theme name, recipe, target price and cost.

- Approval: Our executive Directors and senior management will consider the proposal and carry out dish tasting. The recipe may then be further adjusted. The menu is subject to the approval of our executive Directors.

- Implementation: The menu will be revised upon approval of the proposal, and the kitchen staff will be instructed and trained to follow the recipe of the new or modified dish. The features of the new or modified dish will be explained by the head chef to the waiters. We may also update our customers through various online social media platforms and by having promotions of the new or modified dish at our restaurant.

Breakeven and investment payback

Significant costs will be incurred in the course of opening a new restaurant. Our restaurants opened during the Track Record Period were mainly funded by our internal resources, bank borrowings and interest free shareholders' loans. After Listing, our expansion of restaurant network will be initially funded by our internal resources, bank borrowings and the proceeds from the Share Offer. For details of our future plans, please refer to the section headed "Future plans and use of proceeds — Business strategy" in this prospectus.

Our Directors consider that (i) a ramp-up period is normally required to allow a newly opened restaurant to generate stable income, and achieve breakeven and investment payback, and (ii) a restaurant achieves (a) breakeven when its monthly revenue first sufficiently covers its monthly operating costs (excluding amortisation); and (b) investment payback when its accumulated net cash inflow since the commencement of its operations can cover the total initial investment amount for the establishment of the restaurants (which includes investments by equity and shareholders' loans).

According to the Ipsos Report, the length of investment payback period of a restaurant is generally affected by (i) size of the restaurant; (ii) cuisine offered and operation model; (iii) operating location; and (iv) marketing strategy and expenses. An investment payback period from one year to four years is deemed as normal in the food service industry in Hong Kong. We aim to achieve breakeven for each of our restaurants between two to four months and investment payback within around two to three years for our smaller restaurants (involving initial investment amount of less than HK$10 million, being all our restaurants other than Duddell's and Aberdeen Street Social) and between three to four years for our larger restaurants (involving initial investment of HK$10 million or more, such as Duddell's and Aberdeen Street Social), as the leases for our operating premises (including options to renew and after taking into leases already renewed) are for periods of 60 months or more, except 22 Ships, Ham & Sherry, Meen & Rice and Mak Mak which is on three-year lease and Commissary which is on a four-year lease. An investment payback period will be considered as "prolonged" if it is more than three years for smaller restaurants (i.e. investments less than HK10.0 million) or more than four years for larger restaurants (i.e. investments of HK10.0 million or more).

We set forth below the breakeven and investment payback periods of our restaurants as at the Latest Practicable Date:

		Breakeven period *(Note 1)*	**Investment payback period** *(Note 2)*	**Expected year of investment payback** *(Note 3)*
1.	208 Duecento Otto	2 months	22 months	N/A
2.	22 Ships	2 months	18 months	N/A
3.	Duddell's	2 months	44 months	N/A
4.	Chachawan	4 months	22 months	N/A

		Breakeven period *(Note 1)*	Investment payback period *(Note 2)*	Expected year of investment payback *(Note 3)*
5.	Ham & Sherry	4 months	Not yet achieved	2018
6.	Aberdeen Street Social	3 months	Not yet achieved	2021
7.	Meen & Rice	2 months	Not yet achieved	2020
8.	Mak Mak	3 months	Not yet achieved	2019
9.	RHODA	3 months	Not yet achieved	2021
10.	Commissary	2 months	Not yet achieved	2020

Notes:

1. The approximate period from a restaurant's commencement of operations to the time when its monthly revenue first sufficiently covers its monthly operating expenses.

2. The approximate period from a restaurant's commencement of operations to the time when its accumulated net cash inflow is able to cover the total initial investment amount for its establishment (which includes investment by equity and shareholder loans).

3. The expected year of investment payback is calculated based on the performance of the restaurant for the year ended 31 December 2016 and the seven months ended 31 July 2017 and its estimated or forecasted EBITDA for the five months ended 31 December 2017 and the year ending 31 December 2018.

4. When deciding whether to dispose of a restaurant we will take into consideration, among other things, the investment amount, the investment payback period, whether or not a potential buyer can be identified, the price of and the potential gain or loss from the disposal and the overall financial impact of the disposal .

All of our 10 restaurants have achieved breakeven (having taken between one month to four months to do so). 208 Duecento Otto, 22 Ships and Chachawan have achieved investment payback within 18 to 22 months and Duddell's has achieved investment payback in 44 months. These are in line with our expectations described above and the food service industry norm according to the Ipsos Report.

We develop our budget prior to opening of a restaurant and monitor its performance to manage its investment payback period, taking into consideration a number of factors, including (i) the size of the investment which is generally driven by size, theme and location of restaurant which may not necessarily have a direct bearing on revenue or profit margin but are also affected by average customer spending, table turnover rate and operating expenses; (ii) market reception; (iii) timing of the commencement of the restaurant, which could be affected by factors such as the timing of the delivery of premises by the landlord and the issue of the restaurant licences; (iv) timing of the issue and the conditions as relating to sales hours attached to liquor licences which could affect the revenue generated from the sales of alcoholic beverages at the restaurant; and (v) other operational conditions specific to individual restaurants, such as location.

We monitor our performance by regularly comparing our actual operating data against the budget and devise improvement strategies. Our improvement strategies include revising and changing menus of the restaurants on a regular basis, engaging new executive and guest chefs and bar managers, introducing cost saving measures and launching marketing campaigns and cooperating with delivery service provider and online platform for lunch delivery services, which we believe will enhance the attractiveness of our restaurants. Where restaurants shows signs of recovery or profitability our Directors will take into consideration whether the investment payback period is within the lease period and from there determine whether or not disposal of a restaurant will benefit our Group. However, if our Directors do not observe any positive impact to the performance of the restaurants after the implementation of the improvement strategies for a prolonged period, we would consider other measures, including but not limited to changing the concepts, negotiating more favourable terms with the landlord in relation to the tenancy agreements, closing down restaurants we consider to be continuously underperformed, or selling the restaurant to potential buyers if identified. Our Directors will also take into consideration the loss impact of closing down the operations, where such loss is significant our Directors may continue the operations of the restaurant.

Based on the EBITDA of each of our restaurants in Hong Kong for the year ended 31 December 2016 and the seven months ended 31 July 2017, our Directors currently expect that two out of our six restaurants in Hong Kong that have not yet achieved investment payback, namely Mak Mak and Commissary, and can achieve investment payback within approximately two to four years from their respective dates of commencement of operations.

For our remaining restaurants, namely RHODA, Meen & Rice, Ham & Sherry and Aberdeen Street Social, taking into account their lower than expected revenue and less than optimal market reception, our Directors currently expect they can achieve investment payback within approximately six to seven years for Aberdeen Street Social, approximately five to six years for Ham & Sherry, approximately four to seven years for Mean & Rice and approximately three to five years for RHODA, from their respective dates of commencement of operations. We disposed of Fishschool Restaurant in March 2017 because of its prolonged investment payback period and continuing under-performance.

Set out below are the further analysis on the investment payback periods of these restaurants and the measures we have taken or will take to achieve investment payback.

Restaurants with long investment payback periods

Ham & Sherry

We expect Ham & Sherry to achieve investment payback in 2018. We have been working on improving their performance to accelerate investment payback.

We have introduced regular updates to its menu and will launch various marketing campaigns such as online promotions, special weekend/Sunday offer, festival-themed dining promotion, back bar themed parties, sherry pairing menu, dine-in discount for delivery service customers, Group-wide discount programmes, etc. Ham & Sherry showed signs of improvement during the Track Record Period with an increasing net profit margin, our Directors are confident that investment payback for Ham & Sherry will be achieved within the current lease term, ending in October 2019.

Aberdeen Street Social

The longer-than-expected investment payback period of up to 2021 for Aberdeen Street Social was primarily due to the lack of customer traffic at the restaurant location which has reflected in its decline in revenue and less than optimal market reception to the concept of the restaurant. In addition to the change of dining concept at the restaurant in August 2016, our Directors seek to improve the performance of Aberdeen Street Social by introducing regular updates to its menu including British concept food of a price more accessible and affordable and launching different marketing campaigns such as, guest chef engagement, season or occasion themed (e.g. sports, cultural, LGBT-oriented) dining events, introduction of wine or spirit pairing menu, online competitions awards, dining coupons, co-organised special events with other organisers leveraging on their members or subscribers database, Group-wide discount programmes, etc. After considering the underperformance of the restaurant and the significant investment already made, our management considered that closing down or disposing of the restaurant would result in significant loss and financial impact to our Group. Our management was able to negotiate with the landlord of Aberdeen Street Social for more favorable terms such as a rent-free period of two months and appointment as their designated caterer for events held at the Qube. Please refer to the sub-section headed "Operating performance of our restaurants — Aberdeen Street Social" in this section for more information.

Meen & Rice

In respect of Meen & Rice which was opened in March 2015, we expect it to achieve investment payback in 2020 which is within the lease period. The extended expected investment payback period was mainly attributable to the greater than expected impact of weather conditions on customer traffic to it which is located outside of the main city and the higher residential density areas. Our Directors seek to improve Meen & Rice's performance and shorten its investment payback period by, among others, adjusting the number of kitchen and waitering staff to tighten up cost control. We have also cooperated with an Independent Third Party to commence delivery services towards the end of 2016, and our Directors have observed an improvement on the operating performance of Meen & Rice since early 2017. The effective improvement strategies implemented resulted to a net profit position as at 31 July 2017.

RHODA

Opened in June 2016, RHODA is expected to achieve investment payback in 2021. The delay in achieving the investment payback was mainly attributable to decline in daily table turnover. However, our Directors are of the view that the seven months ended 31 July 2017 was considered as a ramp-up period for RHODA and was still accumulating customer base. Our Directors seek to improve the performance of RHODA by, among others, (i) corporate discount arrangement with several companies and institutions; (ii) organising different types of events, including collaboration events with celebrity guest chefs or events with linkage to fashion and music; (iii) introducing lunch menus; and (iv) participating in food expos, etc. The negative net profit margin for RHODA is reducing and our Directors expect that the investment payback period will be within the lease term and will continue to monitor the performance of RHODA.

Commissary

We expect Commissary to achieve investment payback in 2020. In addition to a number of group-wide promotion campaigns that have been launched in early 2017, such as dine-in discount for delivery service customers and group-wide discount programmes, we have also introduced (i) changes to menu offerings and adjustments in menu price in August 2017; (ii) increasing signage displays in Pacific Place; (iii) corporate discount arrangements with several companies and institutions; and (iv) discount arrangements with customers of a nearby cinema. etc. The negative net profit margin for Commissary is reducing and our Directors are confident that the investment payback for Commissary will be achieved within the current lease term.

Investors should note that the estimated investment payback periods of our restaurants were calculated based on historical performance and their estimated or forecasted EBITDA for the year ended 31 December 2017 and the year ending 31 December 2018. To the extent that our Group is able to improve revenue stream with the measures described above or otherwise, the investment payback period could be reduced. Investors should also refer to the section headed "Risk factors — Risks relating to our business" in this prospectus that sets out risks that can affect investment payback period and the future performance of our existing and new restaurants. For details on operating performance of each of our restaurants, please refer to the paragraph headed "Our restaurants" in this section.

For the restaurant and lounge at the Central Police Station which are expected to open by the end of the first half of 2018, we aim to achieve breakeven in approximately four months and investment payback to be achieved in approximately three years after commencement of its operations, taking into account the estimated investment cost, restaurant location, timing of commencement of operations, target pricing and industry norm of the investment payback.

QUALITY CONTROL

Our operations directors, head chefs, restaurant managers, marketing consultant and marketing team meet every two to four months for each restaurant to discuss operational matters, such as sales performance, customers complaints and feedbacks, and marketing plans, with a view to upkeeping our standard of services and our customers' dining experience.

Food safety and quality

Our food safety and quality control procedures are closely associated with our food preparation procedures, the details of which are set out in the paragraph headed "Food and beverage preparation procedures" in this section. We have also implemented other quality control measures including the following:

- We install wash basins and provide sanitizer and clean towel in all of our kitchens. We have stringent guidance that all our kitchen staff must keep their hands clean during food and beverage preparation.

- We do not permit our kitchen staff who is nauseous or suffering from any discharging wound, sores on any exposed part of the body, discharge of the ear or nose, attacks of gastroenteritis, fever, flu or upper respiratory tract infection to take part in any food preparation process.

- All our kitchens are cleaned and sanitised once every afternoon after lunch hours and once before closing.

- We engage cleaning companies and pest control companies for monthly cleaning and pest control for each of our restaurants.

- We train our employees on our quality control measures and carry out continuing supervision and evaluation.

To the best knowledge of our Directors, during the Track Record Period and up to the Latest Practicable Date, we have not received any material complaints or claims regarding our food safety and quality, and our restaurants have not been subject to any investigation on food hygiene by any government authorities or any consumer protection organisations due to any food safety incident.

Service quality

The manager or the assistant manager of each of our restaurants provides daily briefing session on service quality to our front-line service staff at their restaurant. Staff performance review is carried out regularly. All our restaurants are cleaned thoroughly every night to ensure our customers can have a comfortable and hygienic dining environment. Our operation staff also regularly visits our restaurants, and if necessary, arranges refurbishment to the same during the off-hours.

Our customers usually provide their feedback (i) on the spot to our restaurant managers; (ii) on social network or food-critic websites or our web pages; or (iii) through emails. Our restaurant managers would timely follow up the complaints received.

Our marketing consultants monitor the major food-critic websites and press reports for customers' comments, suggestions and complaints on our restaurants, which will be reported to our operations directors and marketing staff for follow-up actions.

Relationship with Mr. Jason Atherton

Mr. Jason Atherton is the culinary director of 22 Ships, Ham & Sherry and Aberdeen Street Social and he has been provided 25% shareholding interest in the respective restaurant holding companies (see the section headed "History, reorganisation and group structure" in this prospectus) in connection with his collaboration with us in establishing these restaurants prior to their commencements.

Mr. Jason Atherton started off working for Michelin-starred chefs for years and is now a renowned chef and restaurateur. His restaurant group has interests in restaurants in the United Kingdom, Dubai, New York, Shanghai and Australia, including a one Michelin-starred restaurant in London. Mr. Jason Atherton has been introduced to Ms. PY Wong through Mr. Eu Yee Kwong Geoffrey. Inspired by the success of Mr. Jason Atheron's London restaurant, Mr. Eu Yee Kwong Geoffrey subsequently invested with others through J C Tapas (Mr. Jason Atherton being provided 25% shareholding interest) in the opening of Esquina Tapas Bar in 2011, and our opening of 22 Ships in 2012. With effect from 1 July 2015, we acquired Esquina Tapas Bar from J C Tapas (see the section headed "History, reorganisation and group structure — Our operating subsidiaries — Hidden Glory (BVI)" in this prospectus) after arms' length negotiations with Mr. Eu Yee Kwong Geoffrey (on behalf of other financial investors in J C Tapas) without the involvement of Mr. Jason Atherton. We subsequently sold Esquina Tapas Bar to J C Tapas on 31 December 2016 in order to streamline our business and concentrate on our restaurant operations in Hong Kong, which resulted in a gain of HK$736,000 for the year ended 31 December 2016.

Following the establishment of 22 Ships, Ham & Sherry and Aberdeen Street Social, Mr. Jason Atherton has also provided consultancy services to us for a consultancy fee on matters including menu design, recipe development, kitchen management system and dining concept, and introduction to suitable executive chefs for the relevant restaurants, based on his extensive experience in the food and beverage industry. Mr. Jason Atherton does not participate in the daily management and operation of Ham & Sherry, Aberdeen Street Social and 22 Ships, which operate independently from him. Each of those restaurants have their own executive/ head chef who is ultimately responsible for the dish development and the menu offered by the restaurant and managing the kitchen and delivery of menu items, working in association with the restaurant managers (who manage the waiters and other floor staff). However, Mr. Jason Atherton's Michelin-starred status and his association with these restaurants has been and continues to be a focus of our marketing and promotional efforts in respect of the restaurants. While the reputation of the culinary director can help draw customer following, we have noted from the performance of each of the three restaurants that there is no assurance that such association will ensure immediate financial success of a restaurant.

Although Mr. Jason Atherton's track record and his assistance with the concept development of 22 Ships, Ham & Sherry and Aberdeen Street Social have facilitated the marketing promotion of, and contributed to customer interest in, the restaurants, we believe that consistently good food and dining experience is fundamental to sustainable performance of an independent service restaurant. Given that the delivery of cuisines is the responsibility of our executive/head chefs at the restaurants, should our collaboration with Mr. Jason Atherton end, we do not believe that there should be any material disruption to the daily operations of 22 Ships, Ham & Sherry and Aberdeen Street Social.

We expect that any termination of collaboration (including the terms of any buy-out of Mr. Jason Atherton's interests in the relevant restaurant holding companies) will be managed and agreed in advance between the parties as we have done in the past with the chef of Chachawan and we will need to adjust our marketing and promotion strategy to the extent that we will no longer refer to Mr. Jason Atherton's continued role in those restaurants. There may be a risk that customers who prefer to seek out restaurants developed or headed by renowned chefs may choose not to patronise 22 Ships, Aberdeen Street Social or Ham & Sherry if Mr. Jason Atherton were not associated with them, which may lead to reduced revenue and therefore profitability of those restaurants. However, we believe we will be able to maintain customer loyalty by continuing to deliver high quality of food and services at these restaurants and, in the case of Aberdeen Street Social, an ambience that is not readily replicable given its location at a historic colonial house in PMQ.

MAJOR LICENCES AND QUALIFICATIONS

The major licences and permits necessary for the operation of a restaurant in Hong Kong include a general restaurant licence issued by FEHD and, if liquor is served for consumption in such restaurant, a liquor licence issued by LLB. Since discharge of effluents is involved during the operation of a restaurant, a restaurant in Hong Kong also needs to obtain a water pollution control licence issued by the Environmental Protection Department.

Given the absence of any record of suspension or revocation of the current licences of our restaurants during their respective validity period up to the Latest Practicable Date or any criminal conviction against our restaurants in Hong Kong during such period (save for the penalty of HK$15,000 imposed on Brightsome on 17 August 2016, details of which are set out in sub-section headed "Legal proceedings and legal compliance — Legal compliance — Restaurant and liquor licenses" in this section), and having satisfied all the relevant licensing requirements and obtained such licences, the Legal Counsel is satisfied that there should not be any material legal impediment in the renewal of the aforementioned licences upon expiry.

For further details on the rules and regulations applicable to our business operations, please refer to the section headed "Regulatory overview" in this prospectus. As at the Latest Practicable Date, we had obtained and maintained all the relevant licences, approvals, certificates and permits necessary to conduct our restaurant operations in Hong Kong. We will commence the renewal application process for each licence with sufficient lead time to ensure its renewal before expiry.

Licences of our restaurants in Hong Kong

The table below sets forth information on the licences of our restaurants in Hong Kong as at the Latest Practicable Date:

			Valid period of current licence (both dates inclusive)		
	Name of restaurant	**Licence holding company**	**General restaurant licence**	**Liquor licence**	**Water pollution control licence**
1.	Meen & Rice	Capital Creative	27 August 2017 to 26 August 2018(Note 1)	9 June 2017 to 8 June 2018	2 September 2015 to 30 September 2020
2.	Chachawan	Kingswide	4 April 2017 to 3 April 2018 (Note 2)	8 January 2018 to 7 October 2018	26 September 2014 to 30 September 2019
3.	Ham & Sherry	Gain Long	15 August 2017 to 14 August 2018(Note 3)	17 December 2016 to 16 December 2018	27 January 2015 to 31 January 2020
4.	22 Ships	Ideal Profit	3 June 2017 to 2 June 2018 (Note 4)	12 November 2017 to 11 November 2019	30 June 2014 to 30 June 2019
5.	208 Duecento Otto	Luck Wealthy	25 November 2017 to 24 November 2018 (Note 5)	20 April 2017 to 19 April 2018	14 October 2015 to 31 October 2020
6.	Aberdeen Street Social	Profit Holder	23 January 2017 to 22 January 2019 (Note 6)	13 May 2017 to 12 May 2019	23 July 2015 to 31 July 2020
7.	Duddell's	Top Glorification	18 November 2017 to 17 November 2018 (Note 7)	23 April 2016 to 22 April 2018	13 May 2015 to 31 May 2020
8.	Mak Mak	Brightsome	18 July 2017 to 17 July 2018 (Note 8)	28 December 2017 to 27 December 2018	25 November 2015 to 30 November 2020
9.	RHODA	Pure Love	11 January 2018 to 10 January 2019(Note 9)	16 June 2017 to 15 June 2018	9 May 2016 to 31 May 2021

	Name of restaurant	Licence holding company	General restaurant licence	Valid period of current licence (both dates inclusive) Liquor licence	Water pollution control licence
10.	Commissary	King Access	5 May 2017 to 4 May 2018 *(Note 10)*	9 November 2017 to 8 November 2018	11 November 2016 to 30 November 2021

Notes:

1. The current general restaurant licence of Meen & Rice has been endorsed with the permission to sell (i) non-bottled drinks prepared by diluting drink mixes/fruit juices with water on the premises; and (ii) siu mei and lo mei.

2. The current general restaurant licence of Chachawan has been endorsed with the permission to sell (i) cut fruit; (ii) fresh fruit juices extracted on the premises; and (iii) milk and milk beverages.

3. The current general restaurant licence of Ham & Sherry has been endorsed with the permission to sell (i) non-bottled drinks in pressurised containers by means of a manual dispensing machine; and (ii) non-bottled drinks prepared by diluting drink mixes/fruit juices with water on the premises.

4. The current general restaurant licence of 22 Ships has been endorsed with the permission to sell oyster to be eaten in raw state.

5. The current general restaurant licence of 208 Duecento Otto has been endorsed with the permission to sell (i) fresh fruit juices extracted on the premises; and (ii) non-bottled drinks in pressurised containers by means of a manual dispensing machine.

6. The current general restaurant licence of Aberdeen Street Social has been endorsed with the permission to sell (i) cut fruit; (ii) frozen confection sold by the scoop; (iii) milk and milk beverages; and (iv) non-bottled drinks in pressurised containers by means of a manual dispensing machine.

7. The current general restaurant licence of Duddell's has been endorsed with the permission to sell shell fish.

8. The current general restaurant licence of Mak Mak has been endorsed with the permission to sell (i) fresh fruit juices extracted on the premises; (ii) non-bottled drinks in pressurised containers by means of a manual dispensing machine; and (iii) non-bottled drinks prepared by diluting drink mixes/fruit juices with water on the premises.

9. The current general restaurant licence of RHODA has been endorsed with the permission to sell (i) fresh fruit juices extracted on the premises; (ii) non-bottled drinks in pressurised containers by means of a manual dispensing machine; and (iii) non-bottled drinks prepared by diluting drink mixes/fruit juices with water on the premises.

10. The current general restaurant licence of Commissary has been endorsed with the permission to sell (i) fresh fruit juices extracted on the premises; (ii) non-bottled drinks in pressurised containers by means of a manual dispensing machine; (iii) non-bottled drinks prepared by diluting drink mixes/fruit juices with water on the premises; and (iv) oyster to be eaten in raw state.

AWARDS AND RECOGNITION

The table below sets forth the major awards and recognition received by us during our operating history:

Restaurant	Award/Recognition	Awarding body	Year of Grant
208 Duecento Otto	Best of Design Restaurant	Elle Decoration Magazine	2010
	Readers' Choice Awards — Best New Restaurant	HK Magazine	2010
	Dining Awards 2010: New Restaurants Readers' Choice	Time Out Hong Kong	2010
	Dining Awards 2010: Pizza Almost Famous and Readers' Choice	Time Out Hong Kong	2010
	Top 5 Thin Crust Pizzas	Hong Kong Tatler	2010
	Best of HK — Restaurant Design	Time Out Hong Kong	2011
	The Foodie Forks: Readers' Choice — Outstanding Reliable Favourite	Foodie Magazine	2014
Duddell's	Best of Hong Kong For Drinks	Travel & Leisure SE Asia 2013	2013
	Bites of Distinction — Novel concepts category	Crave Magazine	2013
	The Best Food of the Year — Kumquat puffs	Time Out Hong Kong	2013
	Best Restaurants — Best Interior Design	Hong Kong Tatler	2014
	Design Awards 2014 — Best New Restaurant (shortlisted)	Wallpaper* Magazine	2014
	U Favourite Foods Award (Cantonese restaurant)	U Magazine	2014
	Top 10 Restaurant Award — Chinese (Guangdong, Non-Hotel-Upscale) category	WOM Guide	2014
	One Michelin Star[(Note 1)]	Michelin Guide Hong Kong and Macau	2014
	Two Michelin Stars[(Note 1)]	Michelin Guide Hong Kong and Macau	2015

Restaurant	Award/Recognition	Awarding body	Year of Grant
	Top 20 Best Restaurants	Hong Kong Tatler	2016
	Two Michelin Stars(Note 1)	Michelin Guide Hong Kong and Macau	2016
	Two Michelin Stars(Note 1)	Michelin Guide Hong Kong and Macau	2017
	100 Top Tables	South China Morning Post	2017
	One Michelin Star(Note 1)	Michelin Guide Hong Kong and Macau	2018
22 Ships	One of Hong Kong's best 'no reservations' restaurants	CNN Travel	2013
	One of 4 Must-Try Restaurants in Hong Kong	Travel + Leisure Southeast Asia	2013
	Best Restaurants — Best No Reservation Restaurant	Hong Kong Tatler	2014
	Bib Gourmand(Note)	Michelin Guide Hong Kong and Macau	2014
	Top 10 Restaurants Award — Spanish and Portuguese category	WOM Guide	2014
Chachawan	The Foodie Forks: Editor's Choice — Outstanding Reliable Favourite	Foodie Magazine	2014
	Thai SELECT — Seal of Approval for Thai Cuisine(Note 2)	Department of International Trade Promotion, Royal Thai Government	2015
	Bites of Recognition — South & Southeast Asia category	Crave Magazine	2016
Aberdeen Street Social	Top 10 Restaurants Award — (British category)	WOM Guide	2014
	Top 20 Best Restaurants	Hong Kong Tatler	2015
	Best Restaurants — Best Cocktails	Hong Kong Tatler	2015
	Bites of Distinction — British and European category	Crave Magazine	2016
	Michelin Recommended	Michelin Guide Hong Kong and Macau	2017
Ham & Sherry	Best New Bar (Honourable Mentions)	Foodie Magazine	2014
	Top 10 Restaurants Award — Spanish and Portuguese category	WOM Guide	2014

Restaurant	Award/Recognition	Awarding body	Year of Grant
	The Foodie Forks — Best Mixologist	Foodie Magazine	2015
	Best Bar Food	The Bar Awards	2016
	Bites of Distinction — Spanish category	Crave Magazine	2016
RHODA	Bites of Distinction — Best Openings and British & European categories	Crave Magazine	2016
	Top 20 Best Restaurants	Hong Kong Tatler	2017
	Best Restaurant — Best Interior Design	Hong Kong Tatler	2017
	Top 100 Tables	South China Morning Post	2017

Notes:

(1) One Michelin star is awarded to "a very good restaurant in its category", two Michelin stars denote "excellent cuisine, worth a detour", while Michelin Bib Gourmand are "inspectors' favourite for good value under HK$300".

(2) Thai SELECT indicates a degree of excellence of three-to-four-star (as compared to five-star or higher), and is awarded to restaurants serving the authentic Thai food.

COMPETITION

According to the Ipsos Report, the competition within the independent full-service restaurant industry in Hong Kong is intense. In Hong Kong, the key factors of competition between independent full-service restaurants are the quality of the food and services offered at the restaurant, its prices and location.

The main entry barriers of the food service industry in Hong Kong include high initial costs, complex licence application processes and intense competition within the market.

High operational costs, including rental and labour costs, shortage of qualified labour and harsh winter of tourism industry are the main threats to the food service industry in Hong Kong.

Healthy meal options and implementation of advanced technology are the future trends of the food service industry in Hong Kong.

For further details on the independent full-service restaurant industry in Hong Kong, including but not limited to details on the competitive landscape and market entry barriers of the industry in which we operate in, please refer to the section headed "Industry overview" in this prospectus.

We consider that our competitive strengths have contributed to our success. As such, even though the competition within the independent full-service restaurant industry in Hong Kong will continue to be fierce and intense in the future, we are confident that our competitive strengths will enable us to withstand the intense competition, overcome the threats to the food service industry and catch up with the future trends. For further details of our competitive strengths, please refer to the paragraph headed "Our competitive strengths" in this section.

EMPLOYEES AND SAFETY MEASURES

Employees

Our Group had a total of 207, 245, 298, 304 and 288 full-time employees in Hong Kong operations as at 31 December 2014, 31 December 2015, 31 December 2016, 31 July 2017 and the Latest Practicable Date respectively. During the Track Record Period, all workers working for Esquina Tapas Bar were under the employment of J C Tapas. As of 31 December 2016, our Group disposed of the entire interest of Esquina Tapas Bar. The following table sets forth the number of our employees by functional role as at the Latest Practicable Date:

	Number of employees
Senior Management	7
Administration *(Note 1)*	15
Executive/Head chefs	13
Other chefs	79
Marketing/ Public Relations/ Events	12
Restaurant staff *(Note 2)*	111
Kitchen staff/Cleaners	51
Total	288

Notes:

1. Our administration department is composed of (i) accounting staff; and (ii) operation staff.

2. Our restaurant staff is composed of (i) general managers; (ii) restaurant managers and supervisors; (iii) bar managers and bartenders; and (iv) waiters and waitresses.

We rely on our staff to provide quality food and services to our customers. We believe that our success highly depends on our ability to recruit and retain a sufficient number of competent chefs, restaurant staff and other supporting employees. We place emphasis on building rapport with our staff. Our Directors and senior management team constantly communicate with our chef and other front-line staff in order to keep themselves fully aware of the latest development of our business operations from time to time. We also encourage our staff to share their thoughts and exchange their views on our business strategies and development. Our Directors believe that by creating a supportive work environment, we have been and will be able to retain our talents and foster a sense of belonging among them.

In line with the industry norm, we need to hire part-time staff from time to time when there is temporary staff shortage or for special events or peak seasons. Part-time staff are generally allocated to carry out basic tasks with low-skill requirements.

Recruitment

We recruit our employees based on a number of factors such as their experience in the independent full-service restaurant industry, skills and qualifications, educational background and our vacancy needs, and typically through human resources agents, advertisements and referrals. Our new recruits are required to undergo a three-month probation period after which they will become our full-time employees if their supervisors are satisfied with their performance during the probation period.

Training

Our head chefs are generally responsible for providing training in relation to food processing and kitchen operation and our restaurant managers are generally responsible for providing training in relation to dining services. On-the-job training is provided to new recruits.

Employee retention

Competition for talent in the independent full-service restaurant industry is intense. We believe we offer competitive remuneration package and career development opportunities to our staff. We strive to offer reward and promotion opportunities to our staff which are commensurate with their contributions. We conduct yearly reviews with our full-time employees, and based on their performance, make salary adjustments, and give discretionary bonus. In adjusting the remuneration level of our employees, we take into account the market conditions and prevailing market rates for equivalent job positions. We also provide employees' benefits including medical care and sharing of tips given by customers among our restaurant staff. Our staff costs, including all salaries and benefits payable to our employees, amounted to approximately HK$59.8 million, HK$73.0 million, HK$79.5 million and HK$50.5 million, respectively for the three years ended 31 December 2016 and the seven months ended 31 July 2017, which represented approximately 35.1%, 35.4%, 34.2% and 37.4%, respectively, of our total revenue for the same periods.

We operate a defined contribution retirement benefits scheme (the "**MPF Scheme**") under the Mandatory Provident Fund Scheme Ordinance for all of our employees in Hong Kong who joined us after the commencement of the said ordinance. Contributions are made based on a percentage of the employees' basic salaries. Effective from June 2014, the cap of contribution amount has been changed from HK$1,250 to HK$1,500 per employee per month. We contribute the lower of HK$1,500 or 5% of the relevant monthly salary to the MPF Scheme, a contribution to be matched by our employees.

Our Company has conditionally adopted the Share Option Scheme. The purpose of the Share Option Scheme is to enable us to grant options to the participants in recognition of their contribution made or to be made to our Group. For further details, please refer to the paragraph headed "D. Share Option Scheme" in Appendix V to this prospectus.

During the Track Record Period and up to the Latest Practicable Date, there had not been any labour strike within our Group and we did not experience any material labour disputes nor any material insurance claims in excess of HK$100,000 related to employees' injuries except for the one work injury case which occurred in 2016, further discussion of this case is set out in the sub-section headed "Employees and safety measures — work safety" below in this section. We had not set up any trade union for our staff. Our Directors believe we have maintained a good working relationship with our employees.

Work safety

We are committed to providing a safe working environment to our employees. In order to comply with the safety related laws and regulations, and occupational health and safety regulations issued by the relevant authorities in Hong Kong, we have set up and implemented various work place safety measures and guidelines for our restaurants and offices. Our Group have taken out insurance with a view to providing sufficient coverage for all work related injuries for employees during the Track Record Period. To facilitate our safety review, we maintain internal records of our work injuries. Our Directors consider these measures help to reduce the number and seriousness of work injuries in our work place.

During the Track Record Period and up to the Latest Practicable Date, no significant incidents or accidents in relation to work safety had occurred at our restaurants. We recorded 43 work injuries of our employees during the Track Record Period and up to the Latest Practicable Date. Our Directors confirm that all of these work injuries were reported to our insurer and the Commissioner of Labour. The compensation we paid to our injured employees in respect of each injury for the three years ended 31 December 2016 and the seven months ended 31 July 2017 amounted to no more than HK$100,000 except for one case which occurred in 2016 for the compensation amount of HK$121,980.

LEASED PROPERTIES

As at the Latest Practicable Date, we did not own any property and leased 17 properties in Hong Kong. Except for the property listed in item 11 in the table below, as at the Latest Practicable Date, all of the leased properties were leased from Independent Third Parties.

The following table sets out details of the properties leased by our Group as at the Latest Practicable Date:

No.	Address	Our use of property	Approximate floor area (sq. m.)	Term	Rental type
Hong Kong					
1.	3rd and 4th floors (excluding the flat roof on 4th floor), 1 Duddell Street, Central, Hong Kong	Restaurant (Duddell's)	694.75	From 1 November 2017 to 31 October 2020	An aggregate of basic rent and turnover rent

No.	Address	Our use of property	Approximate floor area (sq. m.)	Term	Rental type
2.	Portion of the Flat Roof on 4th floor of 1 Duddell Street, Central, Hong Kong	Outdoor sitting area (Duddell's)	183.46	From 1 November 2017 to 31 October 2020	Basic licence fee
3.	Common lift lobby of 3rd & 4th floor, 1 Duddell Street, Central, Hong Kong	Decorated entrance hallway connecting Duddell's (Duddell's)	60.63	From 1 November 2017 to 31 October 2020	Basic licence fee
4.	Cockloft and lower ground floor, No. 206 Hollywood Road, Hong Kong	Restaurant (Chachawan)	101.16	From 22 April 2017 to 21 April 2022	Basic rent
5.	Shop 3 with its yard and Shop 4 on ground floor, Pao Yip Building, 1-7 Ship Street, Wanchai, Hong Kong	Cocktail bar (Ham & Sherry)	131.87	From 8 October 2016 to 7 October 2019	Basic rent or turnover rent, whichever is the greater
6.	LG/F and G/F, JPC Building PMQ, 35 Aberdeen Street, Central, Hong Kong	Restaurant (Aberdeen Street Social)	437.91	From 1 December 2013 to 30 November 2017 and from 1 December 2017 to 30 November 2020 with an option to renew for a further 36 months	Basic licence fee or turnover licence fee, whichever is the greater
7.	Shop No. 113 on Level 1 (formerly known as lower ground floor), The Pulse, No. 28 Beach Road, Repulse Bay, Hong Kong	Restaurant (Meen & Rice)	155.03	From 1 January 2018 to 31 December 2020	An aggregate of basic rent and turnover rent

No.	Address	Our use of property	Approximate floor area (sq. m.)	Term	Rental type
8.	Flat C on 1st Floor, On Hing Mansion, 156-164 Queen's Road East, 3-4 Ming Yan Lane, 2-4 Tai Wong Street East, Hong Kong	Storage	29.85	From 6 July 2015 to 5 July 2018	Basic rent
9.	Shop No. 6 on ground floor of Commercial Portion of J Senses, 60, 60A, 62, 64 & 66 Johnston Road, No. 18 Ship Street, Wanchai, Hong Kong	Restaurant & bar (22 Ships)	87.98	From 16 July 2015 to 15 July 2018	Basic rent or turnover rent, whichever is the greater
10.	Unit No. 1, Lower Ground Floor, Hollywood Centre, 233 Hollywood Road, Hong Kong	Storage (208 Duecento Otto)	18.21	From 19 August 2017 to 18 August 2019	Basic rent
11.	The designated portions of office No. 5 on 22nd floor, Universal Trade Centre, 3 Arbuthnot Road, Hong Kong	Office	219.24	From 7 September 2015 to 6 September 2018	Basic rent
12.	Shop 217A, Second Floor, Landmark Atrium, 15 Queen's Road Central, Hong Kong	Restaurant (Mak Mak)	171.05	From 15 October 2015 to 31 October 2018 with an option to renew for a further 3 years	Basic rent or turnover rent, whichever is greater
13.	Unit C on the 11th Floor, Reality Tower, No. 4 Sun On Street, Chai Wan, Hong Kong	Shop and retail-related storage	188.22	From 15 October 2016 to 14 October 2018	Basic rent

No.	Address	Our use of property	Approximate floor area (sq. m.)	Term	Rental type
14.	Shop A on ground floor (including the open area and yard thereof) and Portion of Shop A on 1st floor, (including the open area thereof) and Shop B on 1st floor of Tai Ping Mansion, Nos. 208-214 Hollywood Road, Nos.21-27 Tai Ping Shan Street, Hong Kong	Restaurant (208 Duecento Otto)	358.74	From 1 December 2015 to 30 November 2018 with an option to renew for a further 3 years	Basic rent
15.	Portion of Shop 1 (known as Shop 1A) on Ground Floor, Upton, 180 Connaught Road West, Hong Kong	Restaurant (RHODA)	192.31	From 17 March 2016 to 16 March 2019 with an option to renew for a further 3 years	An aggregate of basic rent and turnover rent
16.	Shop 405, 4/F, Pacific Place, 88 Queensway, Admiralty, Hong Kong	Restaurant (Commissary)	214.10	From 1 September 2016 to 31 August 2020	An aggregate of basic rent and turnover rent
17.	Portion of Lower Ground Floor and Second Floor of Block 50, and Portion of Ground Floor of Block 15, Central Police Station Compound, 10 Hollywood Rood, Hong Kong	Restaurant and lounge (CPS)	560	3 years from date of commencement of operation with an option to renew for 3 years	Turnover rent

No.	Address	Our use of property	Approximate floor area (sq. m.)	Term	Rental type
18.	Storeroom No.4 on Basement Second Floor, The Pulse, No.28 Beach Road, Hong Kong	Storage (Meen & Rice)	8.08	3 years commencing on and from 1 January 2018 and co-terminate with the tenancy agreement set out in item (7) above	Basic license fee

Notes:

1. The liabilities of Top Glorification under the sub-tenancy agreement in respect of item 1 above and the sub-licence agreements in respect of items 2 and 3 above are secured by a first fixed and floating charge over all the property and assets owned by Top Glorification and located in the leased licensed properties covered by items 1, 2 and 3 above and their related rights.

2. The agreement for items 2, 3, 6 and 17 are not registrable under Land Registration Ordinance (Chapter 128 of the Laws of Hong Kong).

As at the Latest Practicable Date, the lease for item 1 (which has a term exceeding three years) in the table above is a sub-lease with Tangs Department Stores Limited as lessor, the head lease of which has not been registered by the landlord. Under the Land Registration Ordinance (Chapter 128 of the Laws of Hong Kong), this unregistered lease shall, as against subsequent *bona fide* purchaser or mortgagee for valuable consideration of the same premises, be absolutely null and void to all intents and purposes. As advised by the Legal Counsel, this would be very rare as it is very likely that any purchaser will inspect the leased property before creation of a sale and purchase agreement with the owner and they should be aware of the existence of the sub-tenancy, and check whether and when the sub-tenant will give vacant possession of the property to the owner. It follows that it would be quite difficult to claim that they are bona fide purchaser thus evicting the tenant because of the non-registration. In light of the above, the Company respectfully submits that the business risk associated with the non-registration is not significant. As advised by the Legal Counsel, the Land Registration Ordinance does not compel the registration of documents and non-registration of such lease will not render the lease / sub-lease invalid or non-enforceable against Tangs Department Stores Limited. On this basis, since there is no legal obligation to register such written instrument affecting land under the Land Registration Ordinance, the Legal Counsel is of the view that such non-registration does not amount to a breach of law and hence is not a non-compliance. As at the Latest Practicable Date, based on the information available to the Directors, the Directors are not aware of any potential sale and purchase of this property. For discussion about the risk in respect of non-registration of the lease, please refer to the section headed "Risk factors — Risks relating to our business — We have not registered one of our leases relating to Duddell's and may face vacation" in this prospectus.

For the three years ended 31 December 2016 and the seven months ended 31 July 2017, our property rental and related expenses amounted to approximately HK$20.6 million, HK$24.3 million, HK$31.7 million and HK$19.2 million, representing approximately 12.1%, 11.8%, 13.6% and 14.2% respectively of our total revenue for the same periods.

LEGAL PROCEEDINGS AND LEGAL COMPLIANCE

Legal proceeding

As at the Latest Practicable Date, no member of our Group was involved in any litigation, claim or arbitration of material importance, and no litigation, claim or arbitration of material importance is known to our Directors to be pending or threatened against any member of our Group that would have a material adverse effect on our business, operating results or financial condition.

Legal compliance

Our Directors confirm that, during the period commencing from 1 January 2015 and up to the Latest Practicable Date, save for the non-compliance incidents set out below which we have sought to rectify or manage as described in greater detail below, our Directors confirm that we have complied with all applicable laws and regulations in all material respects in Hong Kong and obtained all necessary approvals, permits, licences and certificates that are material to our business operations from the relevant government authorities. Save for the fine imposed against Brightsome in August 2016 which has been settled in September 2016, no provision for penalties in relation to the non-compliance incidents is made in the financial statements of the Group for the three years ended 31 December 2016 and the seven months ended 31 July 2017, as (i) the Group has not received any notice of prosecution for material non-compliance incidents; and (ii) based on the opinion from the Legal Counsel, save for the non-compliance set out in sub-section headed "1. Restaurant and liquor licences — (c) Sale of liquor to patrons without effective liquor licences" below, the past breaches were time barred from prosecution.

Non-compliance incidents	Reason(s) for the non-compliance	Legal consequence including potential maximum penalty and other financial liabilities	Remedial actions
1. Restaurant and Liquor Licences			
(a) Operation of restaurants in breach of section 31(1) of the Food Business Regulation without provisional general restaurant licences: Name of restaurant: Meen & Rice Period of non-compliance: 1 day on 5 March 2015	Meen & Rice was opened after we were informed by our external licensing consultant that the FEHD had confirmed that all conditions to the issue of provisional general restaurant licences have been satisfied. The provisional general restaurant licences were issued with an effective date a few days after the date of commencement of operations of the restaurant.	As advised by the Legal Counsel, the maximum penalty for operating a restaurant without a valid restaurant licence is HK$50,000, imprisonment for six months and HK$900 maximum for each day if the offence is proven to be continued. The Legal Counsel also advised that as more than six months have lapsed since the occurrence, such non-compliance is time barred from prosecution pursuant to section 26 of the Magistrates Ordinance.	Our administrative manager and a designated staff are responsible for monitoring the licensing progress and the date of commencement of operation of each restaurant to ensure that a provisional general restaurant license is obtained before a new restaurant commences operation. We will not commence operation of any new restaurant without obtaining necessary licences and permits that are material to the operation of a restaurant in Hong Kong (namely, general restaurant licence issued by the FEHD and water pollution control licence issued by the EPD).

Non-compliance incidents	Reason(s) for the non-compliance	Legal consequence including potential maximum penalty and other financial liabilities	Remedial actions
(b) Continuing to operate certain restaurants in breach of section 31(1) of the Food Business Regulation within the time gap between the conversion of provisional general restaurant licences to non-provisional general restaurant licences: Name of restaurant / Period of non-compliance Aberdeen Street Social — 22 days from 1 January 2015 to 22 January 2015 Mak Mak — 33 days from 15 June 2016 to 17 July 2016 RHODA — 7 days from 16 December 2016 to 22 December 2016	Generally, a provisional general restaurant licence is granted when certain basic requirements are fulfilled. Substantive examination or inspection by various government authorities will commence only after the provisional general restaurant licence is granted (and invariably after restaurants have commenced business). While we and our licensing consultants endeavoured to promptly meet the relevant authorities' requirements, the process involved substantive third party inputs that were not within our control and that contributed to the delay in conversion from a provisional to non-provisional general restaurant licence, such as inspection scheduling of various government authorities, time required for the issuance of certification or reports by authorised persons or the landlord and the time required for alteration on additional building work required to satisfy the relevant government authority requirements. In addition, our Company did not suspend operation of the foregoing restaurants due to the following reasons: (i) as advised by our external licensing consultants during the respective time gaps arising from the conversion of provisional to non-provisional general restaurant licences for each of the aforesaid restaurants, the relevant restaurants have promptly fulfilled the major conditions underlying the respective licence applications, and our external licensing consultants did not expect a prolonged period before the issuance of the relevant non-provisional general restaurant licenses, for it believed only administrative procedures by the relevant authorities remained outstanding; (ii) as such our Company did not expect a prolonged time gap between the expiry of its provisional general restaurant license and issuance of non-provisional general restaurant license, and (iii) the tenancy agreements for Aberdeen Street Social, Mak Mak and RHODA contain restrictions on operating hours and days of suspension of business that may lead to breach of such tenancy agreements.	As advised by the Legal Counsel, the maximum penalty for operating a restaurant without a valid restaurant licence is HK$50,000, imprisonment for six months and HK$900 maximum for each day if the offence is proven to be continued. The Legal Counsel also advised that as more than six months have lapsed since the occurrence of non-compliances relating to Aberdeen Street Social and RHODA, such non-compliances are time barred from prosecution pursuant to section 26 of the Magistrates Ordinance. On 17 August 2016, a summons was issued against Brightsome (which owns and operate Mak Mak) for carrying on a food business without a food licence. Brightsome pleaded guilty to the summons and was fined HK$15,000.00. The fine was settled on 15 September 2016, and as advised by the Legal Counsel, Brightsome and their directors will not have any further potential liability from the summons.	We will (i) increase our communication with our external licensing consultants, contractors, and other parties who may be involved in the licensing process to ensure that issues raised by the government authorities are addressed in a timely manner; (ii) maintain all correspondences with the relevant government authorities in writing in order to reserve our legal rights if there were any future disputes and/or prosecution; and (iii) suspend operation of our restaurant if after confirmation with our external licensing consultants there is expected to be a prolonged time gap between the expiry of provisional general restaurant licence and issuance of non-provisional general restaurant licence.

Non-compliance incidents	Reason(s) for the non-compliance	Legal consequence including potential maximum penalty and other financial liabilities	Remedial actions
(c) Sale of liquor to patrons without effective liquor licences Name of restaurant / Period of non-compliance Aberdeen Street Social: 29 days from 1 January 2015 to 29 January 2015 Mak Mak: 36 days from 15 June 2016 to 20 July 2016 RHODA: 6 days from 16 December 2016 to 21 December 2016	For the LLB to issue a liquor licence to a restaurant, the restaurant must have been issued with the provisional general restaurant licence or non-provisional general restaurant licence. In relation to the aforesaid breach by Aberdeen Street Social, Mak Mak and RHODA, the delay in the conversion from provisional to non-provisional general restaurant licence in turn led to a corresponding delay in the processing and issue of the liquor licence.	Sale of liquor to patrons without effective liquor licenses is In breach of section 17(3B) of the Dutiable Commodities Ordinance. Breach of section 17(3B) of the Dutiable Commodities Ordinance is subject to a maximum penalty of a fine of HK$1,000,000 and imprisonment for two years. As advised by the Legal Counsel, the likelihood of prosecution and imprisonment is remote given that the relevant license has been subsequently renewed or granted by the authority. In the event of any prosecution and conviction, the Legal Counsel has advised that a fine of HK$12,000 for each charge is a fair estimate taking into account a precedent case of a similar nature. Such fine will not have any material financial and operational impact on the Group. As at the Latest Practicable Date, we have not been prosecuted for such breach.	Our administrative manager and a designated staff are responsible for monitoring the licensing progress. We will suspend sale of liquor for consumption at our restaurants if there is expected to be a prolonged time gap in obtaining a valid liquor licence.

Non-compliance incidents	Reason(s) for the non-compliance	Legal consequence including potential maximum penalty and other financial liabilities	Remedial actions
2. Water pollution control licence			
Some of our restaurants (namely, Meen & Rice, Ham & Sherry, Aberdeen Street Social and Duddell's) did not hold valid water pollution control licenses for the discharge of trade effluents into communal sewer or communal drain in water control zones, in breach of section 9 of the Water Pollution Control Ordinance (Chapter 358 of the Laws of Hong Kong).	Our external licensing consultants did not advise us that a water pollution control license is a pre-requisite before the commencement of operation of each of our restaurants.	Breach of section 9 of the Water Pollution Control Ordinance is subject to a maximum penalty of imprisonment for six months and for a first offence, a maximum fine of HK$200,000, for a second or subsequent offence, a maximum fine of HK$400,000 and for a continuing offence, a maximum daily fine of HK$10,000. As advised by the Legal Counsel, as more than six months have lapsed since the last occurrence of the non-compliance for our restaurants, such non-compliances are time barred from prosecution pursuant to section 26 of the Magistrates Ordinance. As at the Latest Practicable Date we have not been prosecuted for any of such breaches.	Water pollution control licences have subsequently been granted to all of our restaurants in Hong Kong.

Non-compliance incidents	Reason(s) for the non-compliance	Legal consequence including potential maximum penalty and other financial liabilities	Remedial actions
3. MPF Prior to September 2015, we failed to enroll our part-time staff, who were employed on a daily or hourly basis, in its MPF scheme for MPF contributions to be made for them, in breach of sections 7 and 7AA of the Mandatory Provident Fund Schemes Ordinance. As at the Latest Practicable Date, we have not been prosecuted for any of such breaches. At that time, there were 1,444 part-time staff involved and the total shortfall of our MPF contribution as employer was approximately HK$0.58 million.	Our human resources staff had mistakenly believed that MPF requirements do not apply to our part-time staff who were employed on a daily or hourly basis.	As advised by the Legal Counsel, breach of sections 7 and 7AA of the Mandatory Provident Fund Schemes Ordinance is subject to a maximum penalties of a fine of HK$350,000 and imprisonment for three years and a fine of HK$100,000 and imprisonment for six months for the first conviction (and a maximum fine of HK$200,000 and imprisonment for 12 months for any subsequent occasion) respectively for each offence.	We remedied such breach by contacting the trustee banks and making MPF contributions for all those part-time staff in our best endeavour (we had made MPF contributions for 1,368 part-time staff, but had not been able to make the MPF contributions for the remaining 76 part-time staff because of our lack of updated information on them), and in September 2015, we have informed the MPF Schemes Authority on a no name basis about this non-compliance, together with the remedial action carried out by us. As at 31 December 2017, we have employed 210 part-time staff and have made MPF contributions for all part-time staff. Our human resources manager will regularly contact the trustee banks to ensure that the human resources team is kept up to date on MPF compliance. There has been no such further non-compliance as at the Latest Practicable Date.

Non-compliance incidents	Reason(s) for the non-compliance	Legal consequence including potential maximum penalty and other financial liabilities	Remedial actions
		As advised by the Legal Counsel, the estimated penalty would be approximately HK$12.3 million based on average penalties levied by the MPFA in certain similar past cases published on the MPFA website and the number of part-time employees for whom we had made subsequent MPF contributions, but the chance of prosecution is remote given the breach was not willful and MPF contributions have been made up to the trustee banks to a great and substantial extent. Even if there is any prosecution and conviction, the chance of a maximum sentence and/or imprisonment being imposed is remote. We have not been prosecuted for such non-compliance as at the Latest Practicable Date. The Legal Counsel also advised that in light of contributions subsequently made by the Group and the trustee banks' duty to report them to the MPF Schemes Authority under section 135 of the Mandatory Provident Fund Schemes (General) Regulation, the above non-compliances are time barred from prosecution given that the rectifications measures carried out in September 2015 and the MPF Schemes Authority should have had notice of such non-compliances latest by early October 2015. As advised by the Legal Counsel, the above non-compliances are time barred from prosecution.	

Deed of Indemnity

Ms. PY Wong and Giant Mind have entered into the Deed of Indemnity whereby they have agreed to indemnify our Group, subject to the terms and conditions of the Deed of Indemnity, in respect of any liabilities which may arise as a result of any non-compliances by our Group on or before the date on which the Share Offer becomes unconditional. Further details of the Deed of Indemnity are set out in the paragraph headed "E. Other information — 1. Tax indemnity and indemnity relating to compliance matters" in Appendix V to this prospectus.

INTERNAL CONTROL MEASURES

Internal control measures to prevent the recurrence of non-compliance incidents

In order to continuously improve our Group's corporate governance and to prevent recurrence of the abovementioned non-compliances in the future, our Group has, after taking into account the recommendations made by Moore Stephens as disclosed in the paragraph headed "Review by Moore Stephens" in this section below, adopted or will adopt the following internal control measures:

Internal control and risk management measures

In order to continuously improve our Group's corporate governance and to prevent recurrence of the abovementioned non-compliances in the future, our Group has adopted the following measures:

1. Establishment of the Legal Compliance Committee

On 23 January 2018, our Company established the legal compliance committee for the purpose of assisting in overseeing compliance with laws and regulations relevant to our operations as well as the adequacy and effectiveness of regulatory compliance procedures and system. The legal compliance committee comprises: (i) Ms. PY Wong, chief executive officer and an executive director; (ii) Ms. Wan Suet Yee Cherry, the compliance officer of our Company and an executive Director; and (iii) Mr. Leung Yuk Lun Ulric, one of our independent non-executive Directors. For further details of the qualifications and experience of the members of the Legal Compliance Committee, please refer to the section headed "Directors, senior management and staff" in this prospectus.

The Legal Compliance Committee shall:

- review the effectiveness of our Group's regulatory compliance procedures and system, including operational and compliance procedures and risk management functions;

- assess and review the adequacy of resources, staff qualifications and experience, and training programmes in relation to our Group's regulatory compliance functions;

- assist our audit committee in overseeing our Group's corporate governance functions, which includes (i) developing and reviewing the policies and practices on corporate governance and making recommendations to our audit committee on an annual basis; (ii) reviewing and monitoring the training and continuous professional development of our Directors and senior management; (iii) reviewing and monitoring our Group's policies and practices on compliance with legal and regulatory requirements; and (iv) reviewing the compliance with the Corporate Governance Code set out in Appendix 15 to the GEM Listing Rules and the disclosure in the corporate governance report to be included in our annual report;

- receive and handle any actual or suspected or potential non-compliance matters reported by the management of our Group and if deemed necessary engage external professional advisers in making recommendations to the Company's management in respect of such actual or potential non-compliance matters; and

- review the effectiveness of our Group's ongoing measures to prevent future non-compliance incidents and provide updates on the applicable laws related to our Group's business operations with the assistance of external professional parties including legal advisers, compliance adviser, external licensing consultants and internal control consultant from time to time.

2. *General restaurant licence, liquor licence and water pollution control licence compliance requirements*

We have clearly set out in a manual all internal procedures for timely application and renewal of necessary licenses and provided training to our relevant staff to ensure their understanding of the requirement. Our legal compliance committee and Directors will ensure that all of our restaurants will obtain all of the necessary licences and permits before their commencement of operations.

In particular, our Company adopted the below measures to enhance our compliance of such licensing requirements: (i) establishment of internal compliance guidelines setting out specific timeframes for compliance for each restaurant, whether it concerns a renewal of a non-provisional general restaurant licence, liquor licence or water pollution control licence; or a conversion from a provisional general restaurant licence thereto; (ii) identification of designated staff to monitor such progress and documenting correspondences with relevant government authorities; (iii) establishment of a reporting mechanism to the legal compliance committee if any non-provisional general restaurant license is not obtained by a certain timeframe, taking into account any restrictions set out in the tenancy agreements of respective restaurants; (iv) if deemed required by the legal compliance committee, engagement of external legal advisers and licensing consultants to advise on licensing requirements and compliance matters and keep our Directors and the legal compliance committee informed of any changes and updates on licensing requirements; (v) suspension of operation of our restaurant if after confirmation with our external licensing consultants there is material non-compliance with the conditions of the general restaurant licence (provisional or non-provisional) liquor licence and water pollution control licence or there is expected to be a prolonged time gap between the expiry of provisional general restaurant licence and issuance of non-provisional general restaurant licence; and (vi) participation by our Directors and/or the legal compliance committee in trainings organised from time to time by relevant authorities on compliance issues.

3. MPF related compliance requirements

On 19 October 2015, our human resources and accounting staff attended training sessions given by a tax consultant and a trustee bank on the on-going obligations of timely MPF contributions, respectively. Our human resources manager will be responsible for updating the human resources team on the MPF compliance matters for reporting to the legal compliance committee and the Directors upon identifying any relevant non-compliances.

4. Post-listing compliance requirements

- on 24 March 2017, our Directors attended training sessions conducted by our legal advisers as to Hong Kong law on the on-going obligations and duties of a director of a company whose shares are listed on the Stock Exchange;

- we have engaged Innovax Capital as our compliance adviser effective upon Listing to advise us on compliance matters under the GEM Listing Rules;

- we will engage an internal control consultant to have an annual review on the adequacy and effectiveness of our internal control systems, including areas of financial, operational, compliance and risk management, for the year ending 31 December 2018; and

- on 23 January 2018, we established an audit committee which comprises all of our independent non-executive Directors, namely Mr. Leung Yuk Lun Ulric, Mr. Devin Nijanthan Chanmugam and Mr. Wee Keng Hiong Tony. The audit committee has adopted its terms of reference which sets out clearly its duties and obligations to, among other things, overseeing the internal control procedures, risk management and accounting and financial reporting matter of our Group, and ensuring compliance with the relevant laws and regulations.

Review by Moore Stephens

In preparation for the Listing, we engaged Moore Stephens to perform a detailed review and evaluation of the adequacy and effectiveness of our Group's internal control system including the areas of financial, operation, compliance and risk management. Following such review and evaluation performed by Moore Stephens, our Group has implemented all of the recommendations relating to the above-mentioned non-compliance incidents given by Moore Stephens on our internal control system.

In relation to the non-compliance incidents mentioned in the sub-section headed "Legal proceedings and legal compliance — Legal compliance" in this section, Moore Stephens has reviewed and provided recommendations to our internal control designs for preventing the recurrence of the above-mentioned non-compliance incidents. Key measures adopted and to be adopted by our Group pursuant to the recommendations of Moore Stephens are set out in the paragraph headed "Internal control measures — Internal control measures to prevent the recurrence of non-compliance incidents" in this section.

Moore Stephens performed internal control expert review in this connection and the result of such internal control expert review was that it did not note any statement of findings of material weakness or material insufficiency in our Group's internal control system related to the above mentioned non-compliance items.

View of our Directors and the Sole Sponsor

Our Directors consider and the Sole Sponsor concurs that the abovementioned non-compliance incidents would not affect the suitability of our executive Directors under Rules 5.01, 5.02 and 11.07 of the GEM Listing Rules or the suitability of listing of our Company under Rule 11.06 of the GEM Listing Rules having taken into account that (i) as advised by our external licensing consultants, the relevant restaurants subject to licensing non-compliance had promptly fulfilled the major conditions underlying the respective license applications, with only administrative procedures by the relevant authorities outstanding, and did not anticipate a prolonged delay before the issuance of a non-provisional general restaurant license; (ii) the failures to suspend the operation of the relevant restaurants and sale of liquor during the gap between the conversion of provisional licences to a non-provisional licences were caused by unexpected prolonged delay before the issuance of a non-provisional licence while the Directors verily believed that the relevant restaurants had promptly fulfilled the major conditions under the respective license conditions, thus such non-compliance did not involve any dishonesty on the part of our Directors or cast any doubt on their integrity or competence; (iii) the enhanced internal control measures set up to monitor ongoing compliance with the relevant laws and regulations to prevent the recurrence of non-compliance incidents in the future, including the establishment of the legal compliance committee; (iv) the remoteness of the likelihood of prosecution of the above-mentioned non-compliance incidents as advised by the Legal Counsel; (v) the non-compliance incidents in the case of licensing related issues were commonplace in the food and beverage industry; and (vi) the executive Directors' commitment to implement changes to the internal control measures.

In view of the above, our Directors believe, and the Sole Sponsor concurs that the internal control measures are sufficient and could effectively ensure a proper internal control system of our Group and prevent the recurrence of non-compliance incident.

ENVIRONMENTAL PROTECTION

We are subject to environmental protection laws and regulations in Hong Kong. For details, please refer to the section headed "Regulatory overview — (B) Environmental protection" in this prospectus. During the Track Record Period, save as disclosed in the sub-section headed "Legal proceedings and legal compliance" in this section, our Directors confirm that the Group was in material compliance with the applicable environmental laws and regulations in Hong Kong.

During the Track Record Period, our sewage charge, garbage collection and disposal expenses, and grease tank cleaning expenses, all of which were our costs of compliance with the applicable environmental protection laws and regulations, were immaterial. Our Directors expect the cost of compliance with the applicable environmental laws and regulations for the year ended 31 December 2017 to be immaterial.

INTELLECTUAL PROPERTY RIGHTS

Our Directors believe that our brands are essential to our success and competitive position. Each of our restaurants is operated under different self-owned brands. As at the Latest Practicable Date, we had registered 13 trademarks in Hong Kong, one trademark in Singapore and one trademark in United Kingdom, which are being used or intended to be used by our Group. We will consider the registration of trademarks which we would use for our operations and expansion as and when necessary.

In 2014, we became aware that a Thai restaurant in Shanghai, the PRC adopted the same name and logo as Chachawan, one of our restaurants. Immediately upon our notice of the matter, we made clarifications with various media platforms that our Chachawan had no affiliation whatsoever with such restaurant in Shanghai, the PRC. The restaurant in question subsequently ceased to use the name and logo of Chachawan. Our Group has not taken any legal action in the PRC regarding such matter.

As at the Latest Practicable Date, save as disclosed above, we have not received any material claim against us for infringement of any trademark nor were we aware of any pending or threatened claims in relation to any such infringement, nor had any material claim been made by us against third parties in relation to the infringement of intellectual property rights owned by us or third parties.

Please refer to the paragraph headed "B. Further information about our business — 2. Intellectual property rights" in Appendix V to this prospectus for further details of the registration of our trademarks and domain names.

INSURANCE

Our Group maintains: (i) fire, liability or other property insurance for the property, equipment, inventory or business interruption in relation to our operations; and (ii) insurance for employees' compensation for personal injury and occupational diseases. Our Directors are of the view that our insurance coverage is adequate to cover our operations and in line with standard industry practice in Hong Kong.

The insurance expenses of our Group in the three years ended 31 December 2016 and the seven months ended 31 July 2017 amounted to approximately HK$1.3 million, HK$1.2 million, HK$1.4 million and HK$0.8 million, respectively. We had not made nor been the subject of any material insurance claim during the Track Record Period and up to the Latest Practicable Date save as disclosed in the sub-section headed "Employees and safety measures — employee retention" above in this section.

CONTINUING CONNECTED TRANSACTIONS

Following the Listing, the following transactions will continue between our Group and the relevant connected person(s) (as defined in the GEM Listing Rules), which will constitute continuing connected transactions under the GEM Listing Rules. These continuing connected transactions shall continue to be conducted in compliance with the applicable provisions of the GEM Listing Rules.

Exempt continuing connected transactions that are fully exempt from Shareholders' approval, annual review and all disclosure requirements

The following transactions are made in the ordinary and usual course of our business and on normal commercial terms and each of the relevant percentage ratios (other than the profits ratio) of the aggregate transaction value on an annual basis is less than 5% and the annual transaction value for each of the following transactions is less than HK$3 million. Accordingly, the following transactions fall within the de minimis rule under Rule 20.74(1) of the GEM Listing Rules and are fully exempt from the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

(1) **Office Tenancy Agreement**

Big Team (as tenant) entered into a tenancy agreement (the "**Office Tenancy Agreement**") dated 7 September 2015 with Golders Way Company Limited ("**Golders Way**") (as landlord), pursuant to which Golders Way agreed to lease designated portions of Office No. 5 on 22nd Floor, Universal Trade Centre, No. 3 Arbuthnot Road, Hong Kong ("**Property A**") to Big Team for a term of three years commencing from 7 September 2015 and ending on 6 September 2018 (both days inclusive) at the monthly rent of HK$75,000 (inclusive of management fee, government rent, rates and property tax but exclusive of water, gas and electricity charges), which was agreed after arm's length negotiations between the parties with regard to the then prevailing market rent and the estimated increase of such rent of the properties in the same area and of similar grading as Property A. Under the Office Tenancy Agreement, our Group is entitled to use the reception area and conference room in Property A.

The rental expenses recognised by us under the Office Tenancy Agreement for each of the two years ended 31 December 2016 and the seven months ended 31 July 2017 amounted to approximately HK$300,000, HK$900,000 and HK$525,000 respectively. It is expected that the annual rent payable by us under the Office Tenancy Agreement for each of the two years ending 31 December 2018 will amount to approximately HK$900,000 and HK$700,000 respectively.

Golders Way is a company incorporated in Hong Kong which is ultimately owned as to 50% by Ms. PY Wong, our executive Director, Chairperson, chief executive officer and Controlling Shareholder, and as to 50% by Mr. Wong Kiam Seng, father of Ms. PY Wong. As such, Golders Way is a connected person of our Company for the purposes of the GEM Listing Rules.

(2) **Master Purchase Agreement**

Top Glorification (as purchaser) entered into a master purchase agreement (the "**Master Purchase Agreement**") dated 7 October 2015 with Cigarro Limited ("**Cigarro**", as supplier) for a term of three years commencing from 7 October 2015 and ending on 6 October 2018 (both days inclusive), pursuant to which Cigarro agreed to supply cigar, tobacco and cigarettes and other related products to Top Glorification at the price to be determined after arm's length negotiations between the parties from time to time with reference to the then prevailing market price of similar product in the market by way of consignment arrangement. It is expected that the aggregate annual transaction amounts under the Master Purchase Agreement will not exceed HK$1,000,000.

For each of the three years ended 31 December 2016 and the seven months ended 31 July 2017, the total amount of our Group's purchases of the goods from Cigarro was approximately HK$64,000, HK$43,000, HK$38,000 and HK$15,000, respectively.

Cigarro is a limited company incorporated in Hong Kong and is ultimately owned and controlled as to 50% by Ms. PY Wong, our executive Director, Chairperson, chief executive officer and Controlling Shareholder and as to 50% by PC Asia, which is owned as to 50% by Ms. PY Wong and as to 50% by Mr. Wong Kiam Seng, father of Ms. PY Wong. As such, Cigarro is a connected person of our Company for the purposes of the GEM Listing Rules.

(3) **JA Service Agreements**

During the Track Record Period, a non-controlling shareholder of subsidiaries, namely Mr. Jason Atherton, entered into yearly service agreements (the "**JA Service Agreements**") with our Group to provide consultancy services to us in connection with the business operations of Ham & Sherry, 22 Ships and Aberdeen Street Social on matters including menu design, advice on new recipe, new kitchen management system and dining concept, and any other advisory services as agreed from time to time, for an aggregate annual consultancy of GBP50,000. For each of the three years ended 31 December 2016 and the seven months ended 31 July 2017, the consultancy service fee to such non-controlling shareholder of subsidiaries amounted to approximately HK$661,000, HK$582,000, HK$530,000 and HK$289,000 respectively.

The JA Service Agreements expired on 31 December 2017, and is expected to be renewed on substantially the same terms and expire on 31 December 2018. The aggregate annual consultancy fee payable to Mr. Jason Atherton under the renewed JA Service Agreements for the year ending 31 December 2018 is expected to be approximately GBP50,000 (equivalent to approximately HK$540,000).

As Mr. Jason Atherton is holding 25% of the issued share capital in each of Ideal Profit, Gain Long and Profit Holder and hence a connected person of our Company at the subsidiary level for the purposes of the GEM Listing Rules, such transaction between our Group and Mr. Jason Atherton will constitute continuing connected transaction of our Company under the GEM Listing Rules.

(4) **Nathan Employment Contract**

On 30 May 2016, Mr. Nathan Daniel Green entered into an employment contract (the "**Nathan Employment Contract**") with Pure Love to serve as an executive chef of RHODA for a monthly salary of HK$85,000. For the year ended 31 December 2016 and the seven months ended 31 July 2017, the total remuneration (including salaries and other benefits and allowance, retirement benefit scheme contributions, discretionary bonus and bonus based on performance) paid to Mr. Nathan Daniel Green amounted to approximately HK$1.0 million and HK$0.6 million. It is expected that the total remuneration (including salaries and other benefits and allowance, retirement benefit scheme contributions, discretionary bonus and bonus based on performance) payable to Mr. Nathan Daniel Green would amount to approximately HK$1,002,000 for the year ended 31 December 2017, and that the Nathan Employment Contract will continue until it is terminated in accordance with the terms thereof.

As Mr. Nathan Daniel Green is holding 15% of the issued share capital in Pure Love and hence a connected person of our Company at subsidiary level for the purposes of the GEM Listing Rules, such transaction between our Group and Mr. Nathan Daniel Green will constitute a continuing connected transaction of our Company under the GEM Listing Rules.

OUR CONTROLLING SHAREHOLDERS

So far as our Directors are aware, immediately following completion of the Capitalisation Issue and the Share Offer (without taking into account any Shares which may be issued upon the exercise of any options which may be granted under the Share Option Scheme), the following persons will individually and/or collectively be entitled to exercise or control the exercise of 30% or more of the voting power at general meetings of our Company:

Name	Number of Shares immediately following completion of the Capitalisation Issue and the Share Offer	Approximate shareholding percentage in our Company immediately following completion of the Capitalisation Issue and the Share Offer
Ms. PY Wong *(Notes 1 and 2)*	461,710,000	53.69%
Giant Mind	409,670,000	47.64%

Notes:

1. 409,670,000 Shares will be held by Giant Mind, which will be solely owned by Ms. PY Wong upon completion of the Share Offer and the said repurchase by Giant Mind in the section headed "Substantial Shareholders and significant Shareholders — Our substantial Shareholders and significant Shareholders" and 52,040,000 Shares by Ms. PY Wong in her personal capacity.

2. As at the Latest Practicable Date, Ms. PY Wong, one of our Controlling Shareholders, is indirectly interested in 66,787,235 shares of Gameone Holdings Limited, an integrated game developer, operator and publisher focusing in the market of Hong Kong and Taiwan and whose shares are listed on the Stock Exchange (stock code: 8282), through her shareholding in PC Asia.

Relevant Minority Shareholders

Each of Ms. Lo Kit Yee Grace, Resto Holdings, Mr. Pong Kin Yee, Mr. Darrin Woo, Mr. Chu Lawrence Sheng Yu, Mr. Zhao Lingyong, Mr. Sun Tao Hung, Stanley, Yellow Remnant, Ms. Yeow Yin Peh, Lynn, Mr. Hong Ching Seng and Ms. Loi Yan Yi (the "**Relevant Minority Shareholders**"), being passive investors not involved in the day to day operations or management of the relevant companies and their restaurants and being reliant on Ms. PY Wong's expertise in the restaurant business to help manage the relevant restaurants on their behalf throughout the Track Record Period. These shareholders have confirmed in writing that since the incorporation of Top Glorification, Duddell's (HK), Ideal Profit, Gain Long, Profit Holder and Fit Asia, they have followed unanimously all Ms. PY Wong's decision in relation to all management affairs of those companies and her casting of votes in all resolutions in all board and shareholders' meetings. Such "voting arrangement" does not amount to a formal and irrevocable surrender of their respective shareholders'/directors' voting rights as minority shareholders to Ms. PY Wong but aims to enable Ms. PY Wong to discharge her duties under her stewardship. It serves as a reflection and written affirmation of the historical reality, namely, the passive investors having entrusted Ms. PY Wong as steward to operate and manage the relevant restaurants on their behalf, and provides among other indicators, evidential support to the assertion that Ms. PY Wong has the ability to control unilaterally each of the relevant restaurant comprising the Group.

Each of the Relevant Minority Shareholders has also confirmed in writing that from the date on which they became a shareholder of Big Team and our Company and up until the time immediately before the Share Offer becoming unconditional, they have followed and will follow unanimously all Ms. PY Wong's decisions in relation to all management affairs of Big Team and our Company and her casting of votes in all resolutions in their board (if applicable) and shareholders' meetings. In light of the above, for the sole purpose of the GEM Listing Rules, the Relevant Minority Shareholders together with Ms PY Wong and Giant Mind were and will continue to be a group of Controlling Shareholders up until the time immediately before the Share Offer becoming unconditional.

The table below sets out the identities and shareholdings of the Relevant Minority Shareholders immediately following completion of the Capitalisation Issue and the Share Offer (but not taking into account of any options that may be granted under the Share Option Scheme):

Name	**Number of Shares**	**Approximate shareholding percentage in our Company**
Resto Holdings *(Notes 2 and 4)*	16,510,000	1.92%
Mr. Pong Kin Yee *(Note 4)*	22,010,000	2.56%
Mr. Darrin Woo *(Note 4)*	11,010,000	1.28%
Mr. Chu Lawrence Sheng Yu *(Note 4)*	11,010,000	1.28%
Mr. Zhao Lingyong *(Note 4)*	11,010,000	1.28%
Mr. Sun Tao Hung Stanley *(Note 4)*	16,510,000	1.92%
Yellow Remnant *(Notes 1 and 4)*	34,140,000	3.97%
Ms. Yeow Yin Peh, Lynn *(Note 4)*	2,090,000	0.24%
Mr. Hong Ching Seng *(Note 4)*	2,090,000	0.24%
Ms. Loi Yan Yi *(Note 4)*	2,090,000	0.24%
Ms. Lo Kit Yee Grace *(Notes 3 and 4)*	Not applicable	Not applicable

Notes:

1. As at Latest Practicable Date, Yellow Remnant was held as to 50% by Neri Lyndon Uykim (郭錫恩) and 50% by Hu Ju-Shan (胡如珊).

2. As at Latest Practicable Date, Resto Holdings was owned as to 33% by Altaya Group Limited (wholly and directly owned by Mr. Pong Kin Yee) and 67% by Sinomate Limited, a direct wholly-owned subsidiary of Sinomate International Limited, a company held by BMO Trustee Asia Limited as trustee for the benefit of Mr. Pong Kin Yee's father.

3. Immediately following completion of the Capitalisation Issue but prior to the completion of the Share Offer 456,220,000 Shares will be held by Giant Mind, which is owned as to 89.8% by Ms. PY Wong and as to 10.2% by Ms. Lo Kit Yee Grace. As part of the Share Offer, Giant Mind shall offer 46,550,000 Shares, i.e. the Sale Shares, for sale and subscription. The net proceeds from the sale of the Sale Shares will serve as the consideration for a share repurchase by Giant Mind in relation to its 102 ordinary shares held by Ms. Lo Kit Yee Grace, after which the entire issued share capital of Giant Mind shall be held solely by Ms. PY Wong.

4. All Relevant Minority Shareholders will cease to be Controlling Shareholders immediately after the Share Offer becoming unconditional.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the Capitalisation Issue and the Share Offer (without taking into account any Shares which may be issued upon the exercise of any options which may be granted under the Share Option Scheme), our Controlling Shareholders shall comprise Ms. PY Wong and Giant Mind.

Save as certain fully-exempt continuing connected transactions, our Directors do not expect that there will be any significant transactions between our Group and our Controlling Shareholders immediately following the Listing. The fully-exempt continuing connected transactions between our Group and Controlling Shareholders and/or his/her/its associates are set out in the section headed "Continuing connected transactions" in this prospectus.

Having taken into consideration the following factors, our Directors are of the view that we are capable of carrying on our business independently from, and do not place undue reliance on our Controlling Shareholders and their respective close associates after the Listing:

Management independence

Board

Our Board consists of five Directors, among which three are independent non-executive Directors who represent more than one-third of the members of our Board which is in line with the requirement as set out in the GEM Listing Rules.

Each of our Directors is aware of his/her fiduciary duties as a Director which requires, among other things, that he/she acts for the benefit and in the best interests of our Company and not to allow any conflict between the interests of our Company and his/her personal interests. In the event that a potential conflict of interests arises out of any transaction to be entered into between us and our Directors or their respective close associates, the interested Director(s) is/are to abstain from voting at the relevant Board meetings in respect of such transactions and not to be counted in the quorum.

Committees

We have established an audit committee, a remuneration committee, a legal compliance committee and a nomination committee. Save for the legal compliance committee, each committee consists of a majority of independent non-executive Directors.

The audit committee is responsible for reviewing and supervising our financial reporting process and internal control system whereas the remuneration committee's role is to ensure that our Directors are properly remunerated without being influenced by our Controlling Shareholders. The nomination committee is mainly responsible for making recommendations to our Board on appointment of Directors and succession planning for our Directors. The legal compliance committee is mainly responsible for assisting in overseeing compliance with laws and regulations relevant to our operations as well as the adequacy and effectiveness of regulatory compliance procedures and system. For details, please refer to the section headed "Business — Internal control and risk management measure — 1. Establishment of the Legal compliance committee".

Our Directors are of the view that we are capable of managing our business independently of our Controlling Shareholders after the Listing.

Operational independence

Save as disclosed below, our operation team, facilities and equipment are independent from and not connected with our Controlling Shareholders. Contracts of employment of our executive Directors and certain senior management signed with related companies controlled by Ms. PY Wong were transferred to our Group on 1 March 2017, details of which are set out in the section headed "Directors, Senior Management and Staff". We rent the premises of our offices from a 50%-owned company of Ms. PY Wong, at market rent as disclosed in the section headed "Continuing connected transactions" in this prospectus. However, we source our restaurant premises independently as described in the section headed "Business — Expansion plans, site selection and dish development" in this prospectus and we lease our restaurant premises from Independent Third Parties.

Our Group does not rely on our Controlling Shareholder for our operating licences, and has sufficient capital, equipment and employees we require to operate the business independently from our Controlling Shareholders. Our Board is responsible for determining the strategic development and management of our Group. Reporting to our Board is a management team employed by us who is responsible for all essential operational functions, including business development, sales and marketing and sourcing and who makes operational decisions within the authorisation and parameters set by our Board only. Our Company has also established a set of internal controls to facilitate the effective operation of our business.

On the above basis, our Directors are of the view that there is no operational dependence by us on our Controlling Shareholders.

Financial independence

Our Group has obtained financing such as bank loans, on market terms and conditions which are guaranteed by Ms. PY Wong. These guarantees will be released upon the Listing. As such, our Company will be financially independent from our Controlling Shareholders upon the Listing. All outstanding loans and non-trade payables owed to and from our Controlling Shareholders and their respective close associates, if any, will be settled before the Listing.

UNDERTAKINGS

Our Controlling Shareholders have jointly and severally given certain undertakings in respect of our Shares (including those as set out in Rules 13.16A(1) and 13.19 of the GEM Listing Rules) to our Company, the Sole Sponsor and the Sole Bookrunner, details of which are set out in the section headed "Underwriting — Underwriting arrangements and expenses — Undertakings" in this prospectus.

INTERESTS OF OUR CONTROLLING SHAREHOLDERS AND THEIR RESPECTIVE CLOSE ASSOCIATES IN THE RESTAURANT BUSINESS

Classified Group

As at the Latest Practicable Date, Mr. Lo Yeung Kit, Alan (the spouse of Ms. PY Wong), and Mr. Pong Kin Yee, each had 15.25% shareholding in Classified Group Holdings which holds the companies comprising the Classified Group. Classified Group engaged in the business of restaurant operation in Hong Kong and had interests in 12 restaurants in Hong Kong. Mr. Lo Yeung Kit, Alan and Mr. Pong Kin Yee are also the directors of Classified Group Holdings as at the Latest Practicable Date. Particulars of the restaurants comprised in the Classified Group as at the Latest Practicable Date are as follows:

No.	Name of restaurant	Address	Holding company of restaurant	Features and cuisine
1.	Classified(Note 1)	(i) Shop 1, G/F, 108 Hollywood Road, Sheung Wan, Hong Kong (ii) G/F, 31 Wing Fung Street, Wan Chai, Hong Kong (iii) Shop 313, 3/F, Exchange Square Podium, 8 Connaught Place, Central, Hong Kong (iv) G/F & M/F, 5 Sha Tsui Path, Sai Kung, New Territories	Classified Limited	A chain of causal European restaurants serving general western cuisines

No.	Name of restaurant	Address	Holding company of restaurant	Features and cuisine
		(v) A, B & C, G/F, China Tower, 1-9 Lin Fa Kung Street West, Tai Hang, Hong Kong (vi) Shop B, G/F, Kam Yuk Mansion, 13 Yuk Sau Street, Happy Valley, Hong Kong (vii) Shop No. G08A, G/F, Commercial Centre, Ma Hang Estate, 23 and 33 Carmel Road, Stanley, Hong Kong (viii) Shop No. 1, 1/F, New World Tower, 16-18 Queen's Road Central, Hong Kong (ix) Shop No. 107, Level 1 The Pulse, No. 28 Beach Road, Repulse Bay, Hong Kong (x) Shop 1B, G/F The Upton 345 Des Voeux Road West Sai Ying Pun Hong Kong (xi) a portion of 59/F, Cheung Kong Center, 2 Queen's Road Central, Hong Kong(Note 2)		
2.	The Pawn	Shop 7, 1/F, Shop 11, 2/F, and Roof at 3/F, Nos. 60A-66 Johnston Road, Wan Chai, Hong Kong	The Pawn Limited (formerly known as Gempont Limited and Gopopo Limited)	A "gastropub" serving British cuisines

Notes:

1. As at the Latest Practicable Date, there are two franchised "Classified" restaurant in Indonesia operated by an entity outside the Classified Group.

2. Access of this "Classified" restaurant is only available to staff of a specific investment bank.

Limited competition between the restaurants of our Group and those of the Classified Group which have developed and are managed and operated independent of each other

Both our Group and the Classified Group are engaged in the restaurant business and therefore in the broad sense would compete with each other and all other food and beverages operations for dining customers. However, we believe there is only limited competition of business between the restaurants of the two groups as each group is only one of the many participants in the food and beverage industry and has limited market share in the vast market. We also believe that potential dining customers would, depending on their spending power, have preferences as to cuisine or dietary requirements and dining atmosphere and location of dining venues, amongst other things, more likely choose on each occasion from amongst those restaurants that can fulfil the given set of dining criteria.

Developed independently, our Group and the Classified Group were founded at a time when Mr. Lo Yeung Kit, Alan was not the spouse of Ms. PY Wong. Managed and operated independently, our Directors believe that the food and beverage facilities operated by the two groups are of different customer appeal. Our Directors take the view that there is limited competition of businesses between the restaurants of our Group and the restaurants of the Classified Group:

The Classified Group	Our Group
Founding and establishment of restaurants	
The Classified Group was founded in 2006 by Mr. Lo Yeung Kit, Alan, Mr. Pong Kin Yee and an Independent Third Party. Mr. Lo Yeung Kit, Alan became the spouse of Ms. PY Wong in September 2011. Ms. PY Wong has confirmed to us that she has had no shareholding or investment in any member of the Classified Group or its restaurants during the Track Record Period and up to the Latest Practicable Date.	Ms. PY Wong founded our Group in 2009, with her own financial resources and other investors secured from sources independent of Mr. Lo Yeung Kit, Alan. Apart from the participation of Mr. Lo Yeung Kit, Alan and Mr. Pong Kin Yee in Duddell's (through Victory Rich), none of the founders of the Classified Group have invested in any of the other restaurants of our Group. While Mr. Pong Kin Yee is a Shareholder (holding approximately 2.56% Shares in issue immediately after completion of the Capitalisation Issue and the Share Offer), Mr. Lo Yeung Kit, Alan no longer holds any interest in our Group since 29 June 2015. For details of Mr. Lo Yeung Kit, Alan's disposal of interest in our Group, please refer to the section headed "History, Reorganisation and Group structure" in this prospectus.

The Classified Group	Our Group
	Neither Mr. Pong Kin Yee, as an approximate 2.56% Shareholder immediately after the Capitalisation Issue and the Share Offer, nor Mr. Lo Yeung Kit, Alan have the power to direct or materially influence our Group's management, operations and/or development.
Business model	
The Classified Group mainly operates a 11-restaurant chain developed over time since 2006 when the first "Classified" restaurant was set up. The chain is operated and marketed under a unified "Classified" brand. It also operates "The Pawn", established in 2008 and reopened after renovation in 2014.	The history of our Group dates back to 2009 when Ms. PY Wong, through Luck Wealthy, contributed to the setting up of 208 Duecento Otto (which was opened in 2010). We operate since our establishment only independent full-service restaurants, each operating and being marketed independent of all of the others under different brands.
Cuisines, menu and themes	
The "Classified" chain of restaurant serves general western cuisines in a casual setting and offers a standardised menu and restaurant decor throughout the chain. "The Pawn" in Wanchai offers, British cuisine under "gastropub" theme.	Our restaurants serves a variety of cuisines including Spanish, Chinese, Thai, British, Italian and Southern Californian under different brands and themes, and offers a menu, theme and decor unique to that restaurant. Our Directors believe that restaurants of the Classified Group and restaurants of our Group appeal to customers seeking different dining experience and cuisine. For example, a chain restaurant that serves general western food in a casual setting such as that offered by the "Classified" restaurant would not appeal to those customers who seek to enjoy a meal at an independent full-service restaurant that serves food and beverages of a specific cuisine. Our only restaurant that serves British cuisine is Aberdeen Street Social, which offers fine dining which is not available at "The Pawn".

The Classified Group	Our Group
Location	
Four out of the 12 Classified Group restaurants are located in districts (namely "Classified" restaurants in Sai Kung, Tai Hang, Happy Valley and Stanley) where our Group does not have operations.	"Commissary" is located in Admiralty, where the Classified Group has no operation.
The Classified Group also has: (a) in Central, three "Classified" restaurants; (b) in Wanchai, one "Classified" restaurant and the "The Pawn"; (c) in Sheung Wan, one "Classified" restaurant; (d) in the Repulse Bay, one "Classified" restaurant; and (e) in Sai Ying Pun, one "Classified" restaurant, all of which (other the "The Pawn" which is a British "gastropub") are under "Classified" brand serving general western cuisines in a casual setting.	Our Group also has restaurants in Central, Wanchai, Sheung Wan, the Repulse Bay and Sai Ying Pun. However, as set out below, each of these restaurants serve a different cuisine and offer a different dining experience from the relevant Classified Group restaurants operating in the same district: (a) in Central, "Duddell's" and "Mak Mak" are independent full service restaurants in a stylish setting serving Chinese and Thai cuisine respectively; (b) in Wanchai, "22 Ships" and "Ham and Sherry" are tapas bars mainly serving tapas, a distinctive Spanish cuisine; (c) in Sheung Wan, "208 Duecento Otto" and "Aberdeen Street Social" are independent full service restaurants serving Italian cuisine and pizza and modern British cuisine respectively, and "Chachawan" is a full service restaurant serving Thai cuisine; (d) in the Repulse Bay, "Meen & Rice" serves Cantonese food; and (e) in Sai Ying Pun, "RHODA" is an independent full service restaurant in the high-end market, serving modern western dishes cooked with Asian ingredients where the average spending per meal per customer is HK$616 in 2016.

Management and operational independence

None of our Directors or our Group's management team or staff are involved in the management or operations of any member of the Classified Group or its restaurants. Our internal control, financial and accounting and treasury functions are also entirely independent of that of the Classified Group.

Mr. Lo Yeung Kit, Alan has been a director of (i) the companies holding direct or indirect interest in Duddell's, namely Oman International, Victory Rich and Top Glorification until 15 June 2015; (ii) Duddell's (HK) until 6 May 2015; and (iii) Kingswide until 26 June 2015. However, during his directorship of those companies, he has had no management or operational role in any of those companies or restaurants associated with them.

Financial independence

We do not provide any financial support to the Classified Group, and neither do they provide any financial support to us.

Given the limited competition of business, and independence of development, management and operations between our Group and the Classified Group from inception and different investor interests in our Group, our Directors do not consider it desirable or appropriate to seek to merge the two groups, nor do they have any intention for the two groups to be merged at any time.

Disclosure pursuant to Rule 11.04 of the GEM Listing Rules

Save as disclosed in this prospectus, none of our Controlling Shareholders and their respective close associates engages in the business of restaurant operation in Hong Kong that competes or may compete with the business of our Group which shall be disclosed in this prospectus pursuant to Rule 11.04 of the GEM Listing Rules.

NON-COMPETITION UNDERTAKING AND CORPORATE GOVERNANCE MEASURES TO MANAGE CONFLICTS OF INTERESTS

Undertakings

In order to maintain a clear delineation of the businesses between us and Ms. PY Wong and Giant Mind (together the "**Covenantors**"), the Covenantors have entered into the Deed of Non-competition in favour of our Company (for itself and as trustee for each of our subsidiaries from time to time).

Each of the Covenantors has severally undertaken to our Company that each of the Covenantors will not and will procure that her/its close associates will not, except through any member of our Group:

(i) on her/its own account or with each other or in conjunction with or on behalf of any person, firm or company, carry on or be engaged in, concerned with or interested in, directly or indirectly, whether as a shareholder (other than being a director or a shareholder of members of our Group or their associated companies), director, employee, partner or agent, any business that compete or may compete, directly or indirectly or through nominee, joint venture, alliance, cooperation, partnership, with business of full service restaurants (the "**Restricted Activity**") in Hong Kong (the "**Restricted Territory**") unless the prior written consent of our Board has been obtained (including an affirmative vote of a majority of the independent non-executive Directors, who do not have, and are not deemed to have, a material interest in the relevant matter);

(ii) solicit or procure any of the suppliers of our Group from time to time to terminate their business relationships or otherwise reduce the amount of business with our Group;

(iii) solicit or procure any of our Directors or senior management of our Group from time to time to resign or otherwise cease providing services to our Group; and

(iv) make use of any trade secret and other confidential information pertaining to the business of our Group which may have come to her/its knowledge in her/its capacity as a shareholder of our Company or director of any member of our Group for the purpose of competing with the business of full service restaurants in the Restricted Territory;

Each of the Covenantors has severally undertaken to our Company that in the event the Covenantors or any of their close associates (other than members of our Group) are given any business opportunity that is or may involve direct or indirect competition with the Restricted Activity in the Restricted Territory (the "**Business Opportunity**"), the Covenantors shall, and shall procure their close associates (other than members of our Group) to, refer the Business Opportunity to our Group and to assist our Group in obtaining such Business Opportunity on terms no less favourable than those offered to the relevant Covenantors or her/its close associates (the "**First Right of Refusal**"), and that neither Covenantors nor any of their respective close associates will pursue the Business Opportunity until our Company decides not to pursue the Business Opportunity and provides such decision in writing to the Covenantors. Any decision of our Company in respect of the First Right of Refusal will have to be approved by the independent non-executive Directors taking into consideration, inter alia, our Group's prevailing business and financial resources.

Both undertakings above do not apply to the following situations:

(i) the holding by the Covenantors and their close associates of interests in shares or other securities that represents (or upon conversion will represent) less than 10% voting rights in any company the shares of which are listed on a recognised stock exchange and which conducts or is engaged in any Restricted Activity in the Restricted Territory;

(ii) the holding by the Covenantors and their close associates of interests in shares or other securities that represents (or upon conversion will represent) less than 5% voting rights in any non-listed company which conducts or is engaged in any Restricted Activity in the Restricted Territory, provided that the Covenantors and/or their close associates are not entitled to appoint a majority of the directors or management of that company;

(iii) the interest in the Classified Group held by Mr. Lo Yeung Kit, Alan from time to time and his role as a director of the Classified Group (for the avoidance of doubt, including the operation and any future expansion of the Classified Group).

The above undertakings are conditional upon our Shares being listed and quoted on GEM; and the Covenantors' obligations under the Deed of Non-competition will remain in effect until:

(i) the date upon which our Shares cease to be listed on the Stock Exchange; or

(ii) the date upon which the Covenantors and their respective close associates, individually or collectively, ceases to own 30% or more of the then issued share capital of our Company directly or indirectly, or otherwise cease to be regarded as controlling shareholders of the Company under the GEM Listing Rules,

whichever occurs first.

Pursuant to the Deed of Non-Competition, each of our Covenantors has severally undertaken:

(i) to provide our Company (including our independent non-executive Directors) with all information necessary for their annual review and the enforcement of all undertakings, representations and warranties contained in the Deed of Non-Competition;

(ii) to make an annual declaration of compliance with such undertakings, representations and warranties for disclosure in our Company's annual reports; and

(iii) to abstain from voting at any general meeting of our Company if there is any actual or potential conflict of interests.

The declaration and disclosure regarding compliance with and enforcement of the Deed of Non-Competition shall be consistent with the principles of making voluntary disclosures in the Corporate Governance Report of our Company to be issued in accordance with Appendix 15 to the GEM Listing Rules.

Governance to manage conflict of interests

We will adopt the following corporate governance measures to manage any potential conflicts of interest arising from any future potential competing business and to safeguard the interests of our Shareholders:

(i) our independent non-executive Directors shall review, at least on an annual basis, the compliance with and enforcement of the terms of the Deed of Non-Competition by our Covenantors;

(ii) our Company shall disclose decisions with basis on matters reviewed by the independent non-executive Directors relating to non-compliance and enforcement of the Deed of Non-Competition (including why business opportunities referred to it by Ms. PY Wong and Giant Mind were not taken up) either through annual report, or by way of announcement and/or other documents issued or published by our Company as required under the GEM Listing Rules;

(iii) Ms. PY Wong and Giant Mind have undertaken to provide all information necessary to our Company for the annual review by our independent non-executive Directors and the enforcement of the Deed of Non-Competition;

(iv) we will disclose in the corporate governance report of our annual report whether the terms of the Deed of Non-Competition have been complied with and enforced;

(v) in addition to each Director being aware of his/her fiduciary duties as a Director, which require, among other things, that he/she acts for the benefit of our Company and the Shareholders as a whole and does not allow any conflict of interests between his/her duties as a Director and his/her personal interests, our Articles of Association require each Director to declare to our Board any potential conflict of interest with our Group at Board meetings. Our Articles of Association provide that a Director shall not vote (nor be counted in the quorum) on any resolution of our Board approving any contract or arrangement or other proposal in which he/she or any of his/her close associates is materially interested. Our Board (including our independent non-executive Directors) will monitor the potential conflict of interest of Directors and our Directors have to submit confirmations to the Board disclosing details of any interests in competing businesses in any interim or annual reports to be issued by our Company. If potential conflict of interest arises, the interested Director(s) will bring the matter to our independent non-executive Directors and shall not be present during the discussion of the relevant resolution in which the conflict of interest may arise and shall abstain from voting on such proposed resolution;

(vi) our Company has engaged Innovax Capital as our compliance adviser who shall ensure that our Company is properly guided and advised as to compliance with the GEM Listing Rules and any other applicable laws and regulations; and

(vii) our independent non-executive Directors may engage independent professional advisers in appropriate circumstances at our Company's costs.

Our Directors consider that the above corporate governance measures are sufficient to manage any potential conflict of interests between our Covenantors and our Group and to protect the interests of our Shareholders, in particular, the minority Shareholders.

OUR SUBSTANTIAL SHAREHOLDERS AND SIGNIFICANT SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the Capitalisation Issue and the Share Offer (without taking into account any Shares which may be issued upon the exercise of any options which may be granted under the Share Option Scheme), our Substantial Shareholders and Significant Shareholders for the purposes of the GEM Listing Rules are set forth below:

Interests in our Company

Name	Number of Shares immediately following completion of the Capitalisation Issue and the Share Offer	Approximate shareholding percentage in our Company immediately following completion of the Capitalisation Issue and the Share Offer
Ms. PY Wong *(Note)*	461,710,000	53.69%
Giant Mind *(Note)*	409,670,000	47.64%
J C Tapas	45,520,000	5.30%
Ms. Lo Kit Yee Grace *(Note)*	Not applicable	Not applicable

Note: As at the Latest Practicable Date, our Company was wholly-owned by Giant Mind. Immediately following completion of the Capitalisation Issue but prior to the completion of the Share Offer, 409,670,000 Shares will be held by Giant Mind, which is owned as to 89.8% by Ms. PY Wong and as to 10.2% by Ms. Lo Kit Yee Grace. As part of the Share Offer, Giant Mind shall offer 46,550,000 Shares, i.e. the Sale Shares, for sale and subscription. The net proceeds from the sale of the Sale Shares will serve as the consideration for a share repurchase by Giant Mind in relation to its 102 ordinary shares held by Ms. Lo Kit Yee Grace, after which the entire issued share capital of Giant Mind shall be held solely by Ms. PY Wong.

BOARD OF DIRECTORS

Our Board consists of five Directors, including two executive Directors and three independent non-executive Directors. The table below sets forth information regarding our Board:

Name	Age	Position in our Company	Roles and responsibilities in our Group	Date of joining our Group	Date of appointment as Director
Ms. WONG Pui Yain (黃佩茵)	39	Chairperson, chief executive officer, executive Director, chairperson of our nomination committee and member of our remuneration committee and member of our legal compliance committee	Overall strategic planning and management of our Group's business development and operations	July 2009 *(Note 1)*	21 August 2015
Ms. WAN Suet Yee Cherry (溫雪儀)	43	Executive Director, senior operations director and chairperson of our legal compliance committee	Formulating corporate development strategies, execution of daily management and administration of business and operations, and regulatory compliance	3 May 2011 *(Note 2)*	21 August 2015
Mr. Devin Nijanthan CHANMUGAM	40	Independent non-executive Director, chairperson of our remuneration committee, member of our audit committee, member of our nomination committee	Supervising and providing independent judgment to our Board, our audit committee, our remuneration committee, our nomination committee	23 January 2018	23 January 2018

Notes:

1. She has been under the employment of Jia Boutique Hotels from 1 October 2009, in which she dedicated most of her time serving our Group, where her roles and responsibilities primarily related to the management of the restaurants in Jia Boutique Hotels, the preparatory works relating to the development of and the management of 208 Duecento Otto, the first and only restaurant of our Group at the time, as well as the development of subsequent restaurants of our Group. Her contract of employment was transferred to Maxmount with effect from 1 March 2017.

2. She has been under the employment of Jia Boutique Hotels from 3 May 2011, in which she dedicated most of her time serving our Group, where her roles and responsibilities primarily related to the management of the restaurants in Jia Boutique Hotels, the management of 208 Duecento Otto, the first and only restaurant of our Group at the time, as well as the development of subsequent restaurants of our Group. Her contract of employment was transferred to Maxmount with effect from 1 March 2017.

Name	Age	Position in our Company	Roles and responsibilities in our Group	Date of joining our Group	Date of appointment as Director
Mr. LEUNG Yuk Lun Ulric (梁玉麟)	54	Independent non-executive Director, chairperson of our audit committee, member of our nomination committee and member of our legal compliance committee	Supervising and providing independent judgment to our Board, our audit committee, our nomination committee and our legal compliance committee	23 January 2018	23 January 2018
Mr. WEE Keng Hiong Tony	47	Independent non-executive Director, member of our audit committee, member of our remuneration committee	Supervising and providing independent judgment to our Board, our audit committee, our remuneration committee	23 January 2018	23 January 2018

Executive Directors

Ms. WONG Pui Yain (黃佩茵), aged 39, is the founder and a Controlling Shareholder. She is our Chairperson, chief executive officer, executive Director, the chairperson of our nomination committee and a member of our remuneration committee and legal compliance committee. She is currently responsible for overall strategic planning and management of our Group's business development and operations and is also a director of each of the members of our Group.

Ms. PY Wong graduated from University of Western Australia in March 2000 with degree of bachelor of economics. She is experienced in hotel management and has been engaged in the hospitality industry since 2000. She is one of the founders of Irving Management Limited (now known as JIA Hong Kong Operations Limited) which operates the JIA Boutique Hotels in Hong Kong since 2004 and in Shanghai since 2007. She also founded a garden restaurant in a black and white colonial-style house called Graze and an indoor-outdoor restaurant called Kha, both in Singapore, in 2006 and 2008 respectively. Ms. PY Wong was awarded "Innovative Entrepreneur of the Year 2006" by Hong Kong's City Junior Chamber in 2006. She was also named on the list of "Asia's Best Young Entrepreneurs 2008" by Businessweek in 2008, the "Women of Our Time" by South China Morning Post in 2013, the "Restaurateur of the Year" by WOM guide in 2014 and by Hong Kong Tatler in 2016. She was appointed as a non-executive director of Gameone Holdings Limited (listed on GEM, stock code: 8282) on 30 September 2015.

She was a director of the following companies incorporated in Hong Kong, which were deregistered and, if applicable, ceased business immediately prior to its dissolution, with details as follows:

Name of company	Place of incorporation	Date of dissolution	Nature of proceeding	Nature of business before dissolution
Sea To Sky Holdings Limited[Note]	Hong Kong	14 June 2002	Deregistration	Paint removal
Cigair Limited[Note]	Hong Kong	2 September 2005	Deregistration	Never commenced business
Cigarro Holdings Limited[Note]	Hong Kong	2 September 2005	Deregistration	No business operation
W Tien Limited[Note]	Hong Kong	24 March 2006	Deregistration	No business operation
Benton Asia Limited[Note]	Hong Kong	29 June 2007	Deregistration	No business operation
Cigarro (Asia) Limited[Note]	Hong Kong	29 June 2007	Deregistration	No business operation
PC Contracting Limited (沛峻營造工程有限公司)[Note]	Hong Kong	6 January 2012	Deregistration	Paint removal
JIA Beijing Limited[Note]	Hong Kong	17 February 2012	Deregistration	No business operation
JIA Holdings Limited[Note]	Hong Kong	6 July 2012	Deregistration	No business operation

Note: Under section 291AA of the Predecessor Companies Ordinance, an application for deregistration can only be made if (a) all members of such company agree to such deregistration; (b) such company has never commenced business or operation, or has ceased to carry on business or ceased operation for more than three months immediately before the application; and (c) such company has no outstanding liabilities.

She was a director of the following companies incorporated in Singapore that have been struck off:

Name of company	Place of incorporation	Date of striking off	Nature of proceeding	Nature of business before striking off
Adept Holdings Pte Ltd	Singapore	5 March 2008	Struck off(Note)	Information technology
Asiasoft IBIS Project Pte Ltd	Singapore	5 May 2003	Struck off(Note)	Information technology
Aurallix Pte Ltd	Singapore	3 August 2004	Struck off(Note)	Information technology
Asixhost Pte Ltd	Singapore	3 August 2004	Struck off(Note)	Information technology
Casalux Pte Ltd	Singapore	4 June 2010	Struck off(Note)	Dormant
Cognixion Technologies Pte Ltd	Singapore	5 March 2008	Struck off(Note)	Information technology
E-Elements Pte. Ltd.	Singapore	20 November 2014	Struck off(Note)	Food & beverage
Epicure Pte Ltd	Singapore	4 October 2016	Struck off(Note)	Food & beverage
Gameone Online Entertainment (S) Pte. Ltd.	Singapore	12 February 2009	Struck off(Note)	Information technology
Quadtrix Pte Ltd	Singapore	10 January 2004	Struck off(Note)	Information technology

Note: Under section 344A of the Companies Act (Chapter 50 of Singapore), a company may apply to the Accounting and Corporate Regulatory Authority ("**ACRA**") to strike off its name from the companies register in Singapore. ACRA may approve the application if it has reasonable cause to believe that the company is not carrying on business and if it fulfils certain other conditions, including (a) the company having no assets and liabilities (current and future), (b) the company not being involved in any court proceedings (within or outside of Singapore), (c) the company having obtained the written consent of the majority of its shareholders for the application to strike off, and (d) the company having no outstanding debts owed to any government agency (including the Inland Revenue Authority of Singapore or the Central Provident Fund Board in relation to employer contributions to the Central Provident Fund).

Ms. PY Wong has confirmed that (i) all the above companies were solvent immediately prior to dissolution, (ii) the striking off of the above companies were made upon the application of the respective company to ACRA on the basis described above, (iii) she is not aware of any actual or potential claim which has been or could potentially be made against her as a result of the dissolution and striking off of these companies, (iv) there was no wrongful act on her part leading to the dissolution of the companies for which she acted as a director, and (v) no applications have been made by any person to restore any of the above companies to the companies register in Singapore.

Her spouse, Mr. Lo Yeung Kit, Alan is also engaged in the restaurant business in Hong Kong. For details, please refer to the section headed "Relationship with the Controlling Shareholders" in this prospectus.

Ms. WAN Suet Yee Cherry (溫雪儀), aged 43, is our executive Director, senior operations director and chairperson of our legal compliance committee. She is responsible for formulation of corporate development strategies, execution of daily management and administration of business and operations, and regulatory compliance.

She obtained a higher diploma in hotel and catering management from the Hong Kong Technical College in July 1996. She has approximately 18 years of experience in the food and beverage industry. From November 1996 to April 2011, she worked at Gaia Group. She served Va Bene Ristorante for the periods of November 1996 to February 2001 respectively. She worked as an assistant manager of Gaia Ristorante for the period of March 2001 to March 2008. Her last position was operations manager of Gaia Group. During her office in Gaia Group, she was primarily responsible for purchasing, staff hiring, manager and staff training, menu planning and daily operation of eight restaurants in Hong Kong and two restaurants in Shanghai, the PRC. She was also awarded "Most Influential Woman in Hospitality 2017 — Hong Kong" by APAC Insider in 2017.

Independent non-executive Directors

Mr. Devin Nijanthan CHANMUGAM, aged 40, is our independent non-executive Director, chairperson of our remuneration committee and a member of our audit committee and our nomination committee. He is responsible for supervising and providing independent judgment to our Board, our audit committee, our remuneration committee and our nomination committee.

Mr. Chanmugam joined Deutsche Bank AG in Hong Kong in July 2000 and worked for Deutsche Bank AG in Singapore as vice president from May 2002 to September 2005. Mr. Chanmugam served as a vice president (fixed income, currency & commodities division) based in Tokyo in Goldman Sachs (Asia) L.L.C. from October 2005 to September 2007. From October 2007 to May 2013, he was relocated to Hong Kong and his last position was managing director (fixed income, currency & commodities division). In August 2014, Mr. Chanmugam established Elezeno Capital Limited and acted as its director.

In July 2000, Mr. Chanmugam obtained his bachelor's degree in mathematics and economics from the London School of Economics and Political Science in the United Kingdom. He has been licensed to engage in type 9 (asset management) regulated activities under the SFO since March 2015.

Mr. LEUNG Yuk Lun Ulric (梁玉麟), aged 54, is our independent non-executive Director, chairperson of our audit committee and a member of our nomination committee and our legal compliance committee. He is responsible for supervising and providing independent judgment to our Board, our audit committee, our remuneration committee, our legal compliance committee and our nomination committee.

He has more than 20 years of senior management experience in the financial markets. He is the vice-chairman of Venture Smart Asia Limited. He had been the managing director of Crosby Securities Limited, the chief financial officer of Shikumen Capital Management (HK) Limited and SAIL Advisors Limited respectively, a director of Deutsche Bank, the head of finance of NatWest Securities Asia Limited and the regional financial controller of Lehman Brothers Asia Holdings Limited. From October 2010 to September 2013, he was an executive director of Crosby Capital Limited (listed on GEM, stock code: 8088, now known as AID Partners Capital Holdings Limited).

He graduated from The Chinese University of Hong Kong in 1986 with a first class honors bachelor degree in business administration. He has been a member of the Hong Kong Institute of Certified Public Accountants since October 1989 and a CFA charterholder since November 2008.

Mr. Wee Keng Hiong Tony, aged 47, is our independent non-executive Director and a member of our audit committee and our remuneration committee. He is responsible for supervising and providing independent judgment to our Board, our audit committee, our remuneration committee and our nomination committee.

He has more than 10 years of experience in the finance industry. He has been with UOB Kay Hian (Hong Kong) Limited since December 2003 and is currently an associate director of UOB Kay Hian (Hong Kong) Limited. He has been licensed to engage in type 1 (dealing in securities) regulated activities under the SFO since December 2003. He was awarded a bachelor of arts degree in economics from Pepperdine University in the United States in April 1995.

He was a director of the following company which has been deregistered.

Name of company	Place of incorporation	Date of dissolution	Nature of proceeding	Nature of business before dissolution
Water Intelligent Treatment System Company Limited	Hong Kong	11 January 2008	Deregistration	Investment holding

He confirmed that (i) this company above was solvent immediately prior to dissolution and was not engaged in any competing business with the Group and that there were no claims against him in relation to the above company; and (ii) there was no wrongful act on his part leading to the dissolution of this company above for which he acted as a director.

Other disclosure pursuant to Rule 17.50(2) of the GEM Listing Rules

Save as disclosed in this prospectus, each of our Directors confirmed with respect to him or her that he or she (i) is independent from and had no other relationship with any Directors, senior management of the Company, Substantial Shareholders or Controlling Shareholders as at the Latest Practicable Date; (ii) did not hold any other directorships in the three years prior to the Latest Practicable Date in any other public companies of which the securities are listed on any securities market in Hong Kong and/or overseas (apart from our Company); (iii) had not been involved in any of the events described under Rules 17.50(2)(h) to 17.50(2)(v) of the GEM Listing Rules; and (iv) there are no other matters concerning our Directors' appointment that need to be brought to the attention of our Shareholders and the Stock Exchange or shall be disclosed pursuant to Rule 17.50(2) of the GEM Listing Rules. As at the Latest Practicable Date, save as the interests of Ms. PY Wong in the Shares which are disclosed in the paragraph headed "C. Further information about our Directors and Substantial Shareholders and experts" in Appendix V to this prospectus and the section headed "Substantial Shareholders and Significant Shareholders" in this prospectus, each of our Directors did not have any interest in the Shares within the meaning of Part XV of the SFO.

SENIOR MANAGEMENT

The table below sets forth information regarding our senior management:

Name	Age	Position and roles	Roles and responsibilities in our Group	Date of joining our Group	Date of appointment to the current position
Mr. Choo Tze Huei (朱思輝)	38	Operations director	Responsible for formulation of corporate development strategies, execution of management and administration of business and operations and regulatory compliance	January 2016	March 2017

Name	Age	Position and roles	Roles and responsibilities in our Group	Date of joining our Group	Date of appointment to the current position
Ms. Tsang Yin Mei (曾燕媚)	56	Administrative manager and member of our legal compliance committee	Responsible for the office management and administration of our Group	October 2001 *(Note)*	January 2015 *(Note)*
Mr. Tong Chun Kit Tony (湯俊傑)	46	Group accounting manager	Monitoring and supervising our Group's accounting department	August 2014 *(Note)*	August 2014 *(Note)*
Mr. Chan Ka Ching (陳家正)	43	Senior project manager	Managing our projects of interior design and the renovation of our restaurants	November 2008 *(Note)*	February 2015 *(Note)*
Ms. Chan Lai Nor Tracy (陳麗娜)	51	Human resources manager	Responsible for managing the human resources of our Group	June 2011 *(Note)*	June 2011 *(Note)*
Ms. Yim Sau Ping (嚴秀屏)	35	Company secretary	Responsible for overseeing our company secretarial matters	26 October 2015	26 October 2015

Note:

Our senior management had been involved in managing our Group and our restaurants since the dates and in the capacities specified above. At the time, they were variously employed by Jia Boutique Hotels or PC Asia, all being companies in which Ms. PY Wong indirectly or directly holds 50% shareholding interest. Their contracts of employment were transferred to Maxmount with effect from 1 March 2017.

Mr. Choo Tze Huei (朱思輝), aged 38, is our operations director. He is responsible for formulation of corporate development strategies, execution of management and administration of business and operations and regulatory compliance.

Mr Choo obtained a bachelor's degree in business (hospitality management) from The University of Queensland in December 1999 and has over 15 years experience in banqueting and the food & beverage industry.

Prior to joining our Group, he had worked in Sheraton Brisbane Hotel in Australia since 1998 before he was recruited by The Park Lane Hotel (now known as Sheraton Grand London Park Lane Hotel) in London, the United Kingdom from August 2004 to December 2010 as food and beverage outlets manager. He joined Renaissance Harbour View Hotel Hong Kong in Hong Kong and served as assistant director of beverage and food from February 2011 to May 2012. From May 2012 to January 2015 he served as the director of food and beverage for Hong Kong SkyCity Marriott Hotel in Hong Kong. From January 2016 to February 2017, he served as general manager of Duddell's.

Ms. Tsang Yin Mei (曾燕媚), aged 56, is our administrative manager and member of our legal compliance committee. She is responsible for the office management and administration of our Group. She has over 30 years of experience in secretarial work, including secretarial support in trade/logistics firms. She had worked for Citizen Watches (H.K.) Ltd., Update Electronics, Reliance Agency Ltd., Capital Asia Trading Co Ltd and Orbotech Pacific Ltd. as a clerk, secretary or executive assistant between June 1982 and September 2001. Further, she had also worked for PC Asia Limited as an administrative manager.

She obtained a diploma in business secretarial studies from the Hong Kong Young Women's Christian Association Professional & Business Youth Department in May 1982, and passed the Office Practice and Secretarial Practice courses offered by the Hong Kong Baptist College Division of Continuing Education respectively with distinction in April 1986 and with credit in August 1986.

Mr. Tong Chun Kit Tony (湯俊傑), aged 46, is our group accounting manager. He is responsible for monitoring and supervising our Group's accounting department.

He has over 20 years of experience in accounting He had worked for Riviera Gardens Recreation Club Limited, Emporium Department Store & Supermarket (Kwai Fong) Ltd., Poly Mark Development Ltd., Versus Limited, Success Master Limited as an accounts clerk, senior accounts clerk, assistant accountant and assistant officer from October 1991 to March 2006. He had also worked as an accounting officer at Regal Collections Limited from May 2006 to November 2007 and as an accountant at Jimei Group from November 2007 to January 2010. He obtained a bachelor of arts degree in accountancy from the University of Bolton in the United Kingdom in September 2006 through distance learning.

Mr. Chan Ka Ching (陳家正), aged 43, is our senior project manager. He is responsible for managing our projects of interior design and the renovation of our restaurants.

He has over 10 years of experience in interior fitting-out works and project management. He has worked for Hing Lee Construction Co. Ltd. and Arnlee Engineering Ltd. as an assistant building services engineer for the period of June 1996 to April 1997 and April 1997 to April 1998 respectively. He had also worked in Mutiara Design Limited and JIA Boutique Hotels as a project manager from December 2001 to March 2004 and from December 2001 to April 2005 respectively. During his employment at JIA Boutique Hotels, he handled project team management, site administration, maintenance management, interior fitting-out works and cost control. Further, he had joined AFSO as a project manager between June 2005 to October 2008. He graduated from The Hong Kong Polytechnic University with a bachelor's degree of engineering in building services management in November 2003 and a master's degree of science in project management in December 2006.

Ms. Chan Lai Nor Tracy (陳麗娜), aged 51, is our human resources manager. She is responsible for managing our human resources.

She has over 12 years of experience in office administration. She served as a reservations and administration manager in JIA Boutique Hotels between November 2003 and May 2011. She graduated from Seattle University in the United States with a bachelor of arts in economics degree in June 1990.

Save as disclosed above, none of our senior management has held any other directorships in the three years prior to the Latest Practicable Date in any other public companies of which the securities are listed on any securities market in Hong Kong and/or overseas.

COMPANY SECRETARY

Ms. Yim Sau Ping (嚴秀屏), aged 35, was appointed as our company secretary on 26 October 2015. She graduated from The Hong Kong Polytechnic University with a degree of bachelor of arts in accountancy in December 2007 and has been a certified public accountant of the Hong Kong Institute of Certified Public Accountants since 2010. She has accumulated more than 9 years of experience in accounting, auditing and financial management and has worked in an international audit firm, a financial institution and listed companies.

Prior to joining our Group, she worked for Ngai Shun Holdings Limited (listed on the Main Board, stock code: 1246) as a company secretary from October 2014 to May 2015, and as a financial controller from October 2014 to August 2015. She also worked as a company secretary for JC Group Holdings Limited (now known as Tonking New Energy Group Holdings Limited) (listed on GEM, stock code: 8326) from November 2013 to December 2013.

She is currently the director of Blooming (HK) Business Limited, a company primarily provides corporate advisory and company secretarial services.

As at the Latest Practicable Date, she (i) had no interests in Shares within the meaning of Part XV of the SFO; (ii) did not have any relationship with any Directors, senior management of the Company, Substantial Shareholders or Controlling Shareholders; and (iii) did not hold any directorship in any other public companies the securities of which were listed on any securities market in Hong Kong or overseas in the last three years.

COMPLIANCE OFFICER

Ms. Wan Suet Yee Cherry was appointed as the compliance officer of our Company. Details of her qualifications and experience are set out in the paragraph headed "Directors, senior management and staff — Executive Directors" in this prospectus.

AUTHORISED REPRESENTATIVES

Ms. Wan Suet Yee Cherry and Ms. Yim Sau Ping were appointed as the authorised representatives of our Company.

COMPLIANCE ADVISER

Pursuant to Rule 6A.19 of the GEM Listing Rules, our Company has appointed Innovax Capital to be our Compliance Adviser upon Listing. Pursuant to Rule 6A.23 of the GEM Listing Rules, our Compliance Adviser will advise us in the following circumstances:

(1) before the publication of any regulatory announcement, circular of financial report;

(2) where a transaction, which might be a notifiable or connected transaction, is contemplated including share issues and share repurchases;

(3) where we propose to use the proceeds of the Share Offer in a manner different from that detailed in this prospectus or where our business activities, developments or results of operations deviate from any information in this prospectus; and

(4) where the Stock Exchange makes an inquiry of our Company regarding unusual movements in the price or trading volume of the Shares of our Company or any other matters under Rule 17.11 of the GEM Listing Rules.

The term of the appointment will commence on the Listing Date and end on the date on which we distribute our annual report as required under Rule 18.03 of the GEM Listing Rules for the second full financial year commencing after the Listing Date, or when the appointment of Innovax Capital is terminated, whichever is earlier. Such appointment may be subject to extension by mutual agreement.

BOARD PRACTICES

In the absence of extraordinary events, it is the practice of our Board to meet at least four times a year. At such meetings, our Directors conduct, among other things, an operational review of our business.

BOARD COMMITTEES

Audit committee

Our Company established an audit committee on 23 January 2018 in compliance with Rule 5.28 of the GEM Listing Rules. Written terms of reference in compliance with Rule 5.29 and paragraph C.3.3 and C.3.7 of the Corporate Governance Code as set out in Appendix 15 to the GEM Listing Rules (the "**CG Code**") have been adopted. The audit committee of the Company consists of three independent non-executive Directors: Mr. Leung Yuk Lun Ulric, Mr. Devin Nijanthan Chanmugam and Mr. Wee Keng Hiong Tony and is chaired by Mr. Leung Yuk Lun Ulric. The primary duties of our audit committee are to make recommendations to our Board on the appointment and removal of the external auditor, review the financial statements and related materials and provide advice in respect of the financial reporting process and oversee the internal control procedures of our Group.

Remuneration committee

Our Company established a remuneration committee on 23 January 2018 in compliance with Rule 5.34 of the GEM Listing Rules. Written terms of reference in compliance with paragraph B.1.2 of the CG Code have been adopted. The remuneration committee of the Company consists of one executive Director and two independent non-executive Directors: Ms. PY Wong, Mr. Devin Nijanthan Chanmugam and Mr. Wee Keng Hiong Tony and is chaired by Mr. Devin Nijanthan Chanmugam. The primary duties of our remuneration committee are to make recommendations to our Board on the overall remuneration policy and structure relating to our Directors and senior management of our Group, review and evaluate performance in order to make recommendations on the remuneration package of each of our Directors and senior management as well as other employee benefit arrangements.

Nomination committee

Our Company established a nomination committee on 23 January 2018 in compliance with paragraph A.5.1 of the CG Code. Written terms of reference in compliance with paragraph A.5.2 of the Corporate Governance Code as set out in Appendix 15 of the GEM Listing Rules have been adopted. The nomination committee of the Company consists of one executive Director and two independent non-executive Directors Ms. PY Wong, Mr. Leung Yuk Lun Ulric and Mr. Devin Nijanthan Chanmugam and is chaired by Ms. PY Wong. Our nomination committee is mainly responsible for making recommendations to our Board on the appointment of Directors and the management of our Board succession.

Legal Compliance Committee

Our Company established a legal compliance committee on 23 January 2018 for the purpose of assisting in overseeing compliance with laws and regulations relevant to our operations as well as the adequacy and effectiveness of regulatory compliance procedures and system. Our legal compliance committee consists of Ms. Wan Suet Yee Cherry, Ms. PY Wong and Mr. Leung Yuk Lun Ulric. Ms. Wan Suet Yee Cherry currently serves as the chairperson of our legal compliance committee. Please refer to the section headed "Business — Internal control and risk management measures — Establishment of the legal compliance committee" in this prospectus for further details of the principal responsibilities of our legal compliance committee.

Corporate governance

Except for the deviation from provision A.2.1 of the CG Code, our Company has adopted the code provisions stated in the CG Code. Provision A.2.1 of the Corporate Governance Code stipulates that the roles of chairperson and chief executive should be separate and should not be performed by the same individual. Ms. PY Wong is the chairperson and the chief executive officer of our Company. As Ms. PY Wong manages our Group's business development and operations on a day-to-day basis and our Group's business is rapidly expanding, the Board believes that with Ms. PY Wong's extensive experience and knowledge in the business of our Group, vesting the roles of both chairperson and chief executive officer in Ms. PY Wong is beneficial to the business prospects, management and operations of our Group as it will (i) strengthen her leadership in our Group, and (ii) allow for efficient and effective planning and implementation of business decisions and strategies. Therefore, the Directors consider that the deviation from provision A.2.1 of the CG Code provision is appropriate in such circumstances.

Our Directors are aware that upon Listing, we are expected to comply with the code provisions in the CG Code. Any such deviation is to be carefully considered, and the reasons for such deviation will be given in our interim report and annual report in respect of the relevant period. We are committed to achieving high standards of corporate governance with a view to safeguarding the interests of our Shareholders as a whole. Save as disclosed in the above, we will comply with the code provisions set out in the CG Code after the Listing.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Service contract/Letter of appointment with Directors

Each of the executive Directors has entered into a service contract with our Company for a term of three years commencing from the Listing Date (subject to termination in certain circumstances as stipulated in the relevant service contract). Each of the executive Directors is entitled to their respective basic salaries set out below and may be entitled to a discretionary bonus.

Name	Approximate annual salary *(HK$)*
Ms. PY Wong	864,000
Ms. Wan Suet Yee Cherry	780,000

Each of the independent non-executive Directors has entered into a letter of appointment with the Company for a period of three years commencing from the Listing Date (subject to termination in certain circumstances as stipulated in the relevant letter of appointment). The appointments are subject to the provisions of the Articles of Association with regard to vacation of office of Directors and removal and retirement by rotation of Directors. Each of the independent non-executive Directors is entitled to a director's fee of HK$150,000 per annum. Save for the directors' fee, none of the independent non-executive Directors is expected to receive any other remuneration for holding their office as an independent non-executive Director and a member of any board committees of the Company.

Save as disclosed above, no Director has entered into any service agreement with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

Emoluments paid during Track Record Period

From 1 January 2014 until 28 February 2017, the executive Directors were employed and remunerated by a related company which is controlled by Ms. PY Wong during the Track Record Period, and no emoluments (including fees, salaries, and other benefit scheme contributions, discretionary or performance based bonus) were directly paid or are payable by our Group to our Directors (including emoluments for the services performed for the Group prior to becoming our Directors). It is estimated that an aggregate sum of approximately HK$0.86 million is payable by our Group to our Directors as remuneration and benefits in kind by our Group from Listing up to 31 December 2017.

For the three years ended 31 December 2016 and the seven months ended 31 July 2017, the total remuneration (including salaries and other benefits and allowance, retirement benefit scheme contributions, discretionary bonus and bonus based on performance) paid by our Group to the five highest paid individuals, all of whom are not Directors, were approximately HK$4.0 million, HK$4.4 million, HK$4.1 million and HK$2.3 million, respectively. For details of the emoluments of our Directors and the five highest paid individuals of our Group during the Track Record Period, please refer to note 7 to the Accountants' Report set out in Appendix I to this prospectus.

During the Track Record Period, no emoluments were paid by our Group to any of the aforementioned five highest paid individuals and any of the Directors as an inducement to join or upon joining our Group as a compensation for loss of office. There was no arrangement under which any of our Directors or any of the aforementioned five highest paid individuals waived or agreed to waive any remuneration during the Track Record Period. Save as disclosed in this prospectus, no other emoluments have been paid, or are payable, by us to our Directors in respect of the three years ended 31 December 2016 and the seven months ended 31 July 2017.

Subject to review by and the recommendations of our remuneration committee, the remuneration policy we intend to adopt after the Listing for our Directors and senior management members will be based on comparable markets levels and their performance and qualifications.

EMPLOYEES

As at 31 July 2017, we had 304 full-time employees (excluding our Directors) in Hong Kong. For details about our employees and staff policy, please refer to the section headed "Business — Employees and safety measures" in this prospectus.

SHARE OPTION SCHEME

Our Company has conditionally adopted the Share Option Scheme on 23 January 2018 under which certain selected classes of participants (including, among others, full-time employees and Directors) may be granted options to subscribe for the Shares. The principal terms of the Share Option Scheme are summarised in the paragraph headed "D. Share Option Scheme" in Appendix V to this prospectus.

SHARE CAPITAL OF OUR COMPANY

The authorised and issued share capital of our Company immediately after the Capitalisation Issue and the Share Offer are as follows:

Authorised share capital:		*HK$*
5,000,000,000	Shares of par value of HK$0.01 each	**50,000,000**

Shares issued and to be issued, fully paid or credited as fully paid, upon completion of the Capitalisation Issue and the Share Offer:

		HK$
50,000	Shares in issue as at the date of this prospectus	500
691,500,000	Shares to be issued pursuant to the Capitalisation Issue	6,915,000
168,450,000	Shares to be issued pursuant to the Share Offer	1,684,500
860,000,000	Shares in total	**8,600,000**

ASSUMPTIONS

The above tables assume that the Share Offer becomes unconditional and does not take into account any Shares to be allotted and issued pursuant to the exercise of any options to be granted under the Share Option Scheme, or any Shares which may be allotted and issued or repurchased by our Company pursuant to the Issue Mandate and Repurchase Mandate as described below or otherwise.

RANKING

The Offer Shares will rank *pari passu* in all respects with all other Shares in issue as mentioned in this prospectus, and in particular, will rank in full for all dividends and other distributions declared, paid or made on our Shares in respect of a record date which falls after the date of this prospectus save for any entitlement under the Capitalisation Issue.

SHARE OPTION SCHEME

Our Company has conditionally adopted the Share Option Scheme, the principal terms of which are set out in the paragraph headed "D. Share Option Scheme" in Appendix V to this prospectus.

GENERAL MANDATE TO ISSUE SHARES

Our Directors have been granted a general unconditional mandate to allot, issue and deal with Shares with an aggregate nominal value not exceeding the sum of:

(i) 20% of the aggregate nominal value of the share capital of our Company in issue immediately following the completion of the Capitalisation Issue and the Share Offer; and

(ii) the aggregate nominal value of the share capital of our Company repurchased by our Company (if any) pursuant to the Repurchase Mandate.

The Directors may, in addition to the Shares which they are authorised to issue under the Issuing Mandate, allot, issue and deal in the Shares pursuant to a rights issue, an issue of Shares pursuant to the exercise of subscription rights attaching to any warrants or convertible securities of our Company, scrip dividends or similar arrangements or the exercise of options which may be granted under the Share Option Scheme. The aggregate nominal value of the Shares which the Directors are authorised to allot and issue under the Issuing Mandate will not be reduced by the allotment and issue of such Shares.

The Issue Mandate will expire:

- at the conclusion of our Company's next annual general meeting;
- upon the expiration of the period within which our Company is required by applicable laws or the Articles or the Companies Law to hold its next annual general meeting; or
- when varied or revoked by an ordinary resolution of the Shareholders in general meeting,

whichever occurs first.

For details of the Issue Mandate, please see the paragraph headed "A. Further information about our Company — 3. Written resolutions" in Appendix V to this prospectus.

GENERAL MANDATE TO REPURCHASE SHARES

Our Directors have been granted a general unconditional mandate to exercise all the powers of our Company to repurchase Shares with an aggregate nominal value of not more than 10% of the total nominal value of the share capital of our Company in issue immediately following the completion of the Capitalisation Issue and the Share Offer, exclusive of any Shares which may be issued pursuant to the exercise any options that may be granted under the Share Option Scheme.

The Repurchase Mandate relates only to repurchases made on GEM or on any other stock exchange on which our Shares are listed (and which is recognised by the SFC and the Stock Exchange for this purpose), and which are made in accordance with all applicable laws and requirements of the GEM Listing Rules. A summary of the relevant GEM Listing Rules is set out in the paragraph headed "A. Further information about our Company — 6. Repurchase of the Shares by our Company" in Appendix V to this prospectus.

The Repurchase Mandate will expire:

- at the conclusion of our Company's next annual general meeting;
- upon the expiration of the period within which our Company is required by applicable laws or the Articles or the Companies Law to hold its next annual general meeting; or
- when varied or revoked by an ordinary resolution of the Shareholders in general meeting,

whichever occurs first.

For further information about the Repurchase Mandate, please refer to the paragraph headed "A. Further information about our Company — 3. Written resolutions" in Appendix V to this prospectus.

CIRCUMSTANCES WHERE MEETINGS ARE REQUIRED

Our Company has only a single class of Shares, namely ordinary Shares, with each Share ranking *pari passu* with the other shares.

Our Company may from time to time by ordinary shareholders' resolutions (i) increase our Share capital; (ii) consolidate and divide our Share capital into Shares of larger or smaller amount than the existing Shares; (iii) divide our unissued Shares into classes; (iv) subdivide our Shares into Shares of smaller amount than is fixed by the Memorandum; and (v) cancel any Shares which have not been taken. Our Company may by Shareholders' special resolution reduce our Share capital; and either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued Shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the Shares of that class vary or abrogate all or any of the special rights attached to that class of Shares.

For further details, please refer to the sub-paragraphs headed "2.1.2 Variation of rights of existing shares or classes of shares" and "2.1.3 Alteration of capital" in Appendix IV to this prospectus.

You should read the following discussion and analysis of our Group's financial condition and results of operations in conjunction with our Group's combined financial information included in the Accountants' Report, which has been prepared in accordance with HKFRSs, as set out in Appendix I to this prospectus, and the unaudited pro forma financial information included in Appendix II to this prospectus, in each case together with the accompanying notes. This discussion contains forward-looking statements that involve risks and uncertainties. Our Group's actual results and timing of selected events could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under the section headed "Risk factors" and elsewhere in this prospectus.

OVERVIEW

We are a well-established restaurant group in Hong Kong with award-winning restaurants serving a variety of cuisines including Chinese, Spanish, Thai, British, Italian and Southern Californian under different brands and themes. Since the opening of the first restaurant, 208 Duecento Otto, in May 2010, we have established our reputation and strengthening our presence in the Hong Kong restaurant market through our multi-brand business model. As at the Latest Practicable Date, we owned and operated 10 independent full-service restaurants. We plan to open a new restaurant, namely the CPS Restaurant, at the revitalised Central Police Station Compound by the end of first half of 2018. For details of our restaurants, please refer to the section headed "Business — Our business model — Our restaurants" in this prospectus.

For the three years ended 31 December 2016 and the seven months ended 31 July 2017, our revenue amounted to approximately HK$170.5 million, HK$206.5 million, HK$232.4 million and HK$134.9 million, respectively and our net profit or loss for the corresponding period amounted to profit of approximately HK$4.3 million and loss of approximately HK$4.6 million, HK$9.5 million and HK$7.3 million, respectively.

BASIS OF PREPARATION AND PRESENTATION OF HISTORICAL FINANCIAL INFORMATION

In the preparation for the Listing of the companies now comprising our Group underwent the Reorganisation as more fully explained in the section headed "History, reorganisation and group structure" in this prospectus, which included the following steps:

(i) On 18 June 2015, Big Team was incorporated in the BVI with limited liability with initial authorised share capital of US$50,000 divided into 50,000 shares of US$1 each. On the same date, one share, credited as fully paid, was issued and allotted to Giant Mind.

(ii) On 30 July 2015, Big Team acquired 100% equity interest in Victory Rich, together with the respective shareholders' loans owed by Victory Rich, from a company controlled by the Controlling Shareholder and the non-controlling shareholders of

Victory Rich. In consideration thereof, Big Team issued and allotted 6,160 shares and 9,745 shares in aggregate to Giant Mind and the non-controlling shareholders respectively. After the completion of the acquisition by Big Team, Victory Rich became directly wholly-owned subsidiary of Big Team.

(iii) On 31 July 2015, Big Team simultaneously acquired 100% equity interest in each of Rising Mark, Springlike, Capital Creative, Hidden Glory, Kingswide and Oman International and 75% equity interest in each of Gain Long, Profit Holder and Ideal Profit, together with the respective shareholders' loans owed by these acquirees, if any, from the companies controlled by the Controlling Shareholder and the respective non-controlling shareholders of these acquirees, if any. In consideration thereof, Big Team issued and allotted 23,446 shares and 10,648 shares in aggregate to Giant Mind and the non-controlling shareholders respectively. After the completion of the above mentioned acquisitions by Big Team, Rising Mark, Springlike, Capital Creative, Hidden Glory, Kingswide, Oman International, Gain Long, Profit Holder and Ideal Profit became directly owned subsidiaries of Big Team.

(iv) On 4 August 2015, Big Team subscribed 100% equity interest in Maxmount, through an issue and allotment of one ordinary share at par for cash by Maxmount to Big Team. After the aforesaid issue and allotment of share, Maxmount became a direct wholly-owned subsidiary of Big Team.

(v) On 18 September 2015, 22 September 2015, 25 September 2015, 15 October 2015 and 27 November 2015, Big Team acquired 100% equity interest in each of Brightsome, Concept Wise, Season Luck, Fair Dollar and Dazzle Long from the Controlling Shareholder at cash consideration of US$1, US$1, US$1, US$1 and US$1 (equivalent to approximately HK$7.8, HK$7.8, HK$7.8, HK$7.8 and HK$7.8), respectively. After the completion of such acquisition, Brightsome, Concept Wise, Season Luck, Fair Dollar and Dazzle Long became direct wholly-owned subsidiaries of Big Team.

(vi) On 7 October 2015, Concept Wise acquired one ordinary share in More Earn from the Controlling Shareholder at a cash consideration of HK$1. On the same date, More Earn issued and allotted 599, 250 and 150 shares to Concept Wise, Mr. Sun Tao Hung Stanley, a shareholder of Big Team and 168 Limited, an independent third party, respectively. After the aforesaid transfer, issue and allotment of shares of More Earn, More Earn became an indirectly held non-wholly owned subsidiary of Big Team.

(vii) Our Company was incorporated on 21 August 2015 in the Cayman Islands with an authorised share capital of HK$380,000 divided into 38,000,000 shares of HK$0.01 each. One share, credited as fully paid, was allotted and issued to the subscriber of the Company, which was later transferred to Giant Mind on the same date.

Pursuant to the Reorganisation, which was completed on 23 January 2018 by interspersing the Company between the shareholders of Big Team and Big Team, our Company became the holding company the companies now comprising our Group.

Family trust arrangements

Set out below are the direct or indirect interest of Ms. PY Wong in certain companies comprising our Group that had been held on trust by family members of Ms. PY Wong:

No.	Trustee	Beneficiary	Interest	Trust period
1.	Ms. Wong Pik Ching(Note 1)	Ms. PY Wong	1,125 shares of Victory Rich	From 22 April 2013 to 26 June 2015
2.	Ms. Wong Pik Ching(Note 1)	Ms. PY Wong	400 shares of Incredible Resources	From 13 May 2013 to 18 June 2015
3.	Jia Holdings Limited (in which Mr. Wong Kiam Seng(Note 2) and Ms. PY Wong each had 50% interest)	Ms. PY Wong	All the shares of Luck Wealthy held by Jia Holdings Limited	From 3 July 2009 to 23 April 2015
4.	Mr. Lo Yeung Kit, Alan(Notes 3,4)	Ms. PY Wong	1 share of Oman International	From 29 March 2012 to 29 June 2015
5.	Mr. Lo Yeung Kit, Alan(Notes 3,4)	Ms. PY Wong	300 shares of Incredible Resources	From 13 May 2013 to 18 June 2015
6.	Mr. Lo Yeung Kit, Alan(Notes 3,4)	Ms. PY Wong	100 shares of Kingswide	From 9 May 2013 to 29 June 2015

Notes:

1. Ms. Wong Pik Ching is the mother of Ms. PY Wong.

2. Mr. Wong Kiam Seng is the father of Ms. PY Wong.

3. Mr. Lo Yeung Kit, Alan is the spouse of Ms. PY Wong.

4. Mr. Lo Yeung Kit, Alan was the sole shareholder of Victory Rich (from 30 November 2012 to 21 April 2013) and a 50% shareholder of Many Good (which was interested in approximately 53.33% shareholding in Ideal Profit from 6 July 2012 to 30 July 2015) from 6 March 2012 to 19 July 2012, during which these companies did not have substantive assets and liabilities and did not carry out any business operation. Such interests were transferred to Oman International and Ms. PY Wong respectively for nominal consideration when the relevant companies were chosen as the holding vehicles of interests in the relevant restaurants.

Given the aforesaid six family trust arrangements, Ms. PY Wong held, at the beginning of the Track Record Period up to the Reorganisation, the entire effective interests of Luck Wealthy and Kingswide, 41.25% effective interest (i.e. the combined interests in which she held directly as beneficial owner and of a controlled corporation in which she controlled the exercise of 50% or more of its voting rights) of Victory Rich (which subsequently increased to 48.75% on 29 July 2015), and 50% effective interest of Rising Mark (which subsequently increased to approximately 76.6% on 18 June 2015). The relevant trustees transferred their legal interest in the relevant shares to Ms. PY Wong (or controlled entity) at nominal consideration during the Track Record Period.

While there were no contemporaneous trust documents executed for the aforesaid six family trust arrangements, the relevant trustees had subsequently executed confirmatory declarations of trust and made statutory declarations confirming the existence of the aforesaid six family trust arrangements. As advised by the Legal Counsel,

— as a matter of Hong Kong laws, an express trust arises where a settlor intentionally creates a relationship of trustee and beneficiary, which may be done either orally or by writing. Accordingly, the six family trust arrangements described above can be created orally without execution of any contemporaneous trust documents;

— subsequent confirmatory declarations of trust and the statutory declarations described above, in the absence of forgery, fraud or concrete contrary material, are admissible as evidence before the Hong Kong courts of the existence of the trusts and the statutory declarations have an equal evidential value or weight as evidence-in-chief in court on oath; and

— in light of the statutory declarations given and the transfer of the relevant interests by the trustees to Ms. PY Wong at nominal value, in the absence of forgery, fraud or concrete contrary material, there is little room for other parties to suggest that the aforesaid six family trust arrangements did not exist, and there is nothing to impeach, tarnish or doubt the evidential value and weight of the subsequent written confirmations and statutory declarations regarding the existence of trust.

Ms. PY Wong's unilateral control over the companies comprising our Group

During the Track Record Period up to the Reorganisation, Ms. PY Wong did not hold majority shareholding in Gain Long, Ideal Profit, Profit Holder, Rising Mark and Victory Rich. The effective interests in these companies held by Ms. PY Wong and other shareholders as at 29 July 2015 immediately before Big Team acquired all or a majority of the share capital of these companies as part of the Reorganisation is set out below:

Relevant subsidiary	Direct interest of Ms. PY Wong's controlled entities	Other shareholder's interest		Ms. PY Wong's effective interest
Victory Rich	48.75%	Ms. Lo Kit Yee Grace	21.25%	48.75%
(which wholly-owned	*(Note 1)*	Mr. Pong Kin Yee *(Note 1)*	10.0%	*(Note 1)*
Top Glorification		Resto Holdings	7.5%	
and Duddell's (HK))		Mr. Darrin Woo	5%	
		Mr. Chu Lawrence Sheng Yu	5%	
		Mr. Zhao Lingyong	5%	
		Mr. Sun Tao Hung, Stanley	7.5%	
Ideal Profit/Gain Long/	40%	Yellow Remnant	15%	40%
Profit Holder	*(Note 2)*	J C Tapas	20%	*(Note 2)*
		Mr. Jason Atherton	25%	
Rising Mark	76.6%	Ms. Yeow Yin Peh, Lynn	7.8%	76.6%
(which owned 90% of	*(Note 3)*	Mr. Hong Ching Seng	7.8%	*(Note 3)*
Fit Asia)		Ms. Loi Yan Yi	7.8%	

Notes:

1. 30% interest was held by Oman International, of which Mr. Pong Kin Yee had 33.33% beneficial interest, Ms. PY Wong had 66.67% beneficial interest and Ms. PY Wong was beneficially interested in 11.25% interest immediately before 7.5% interest was transferred by Ms. Peel Yana to Ms. PY Wong on 29 July 2015. Ms. PY Wong together with Oman International comprised the single largest shareholder of Victory Rich throughout the Track Record Period.

2. The 40% interest was held by Many Good, which was wholly owned by Ms. PY Wong throughout the Track Record Period. Many Good was the single largest shareholder of Ideal Profit, Gain Long and Profit Holder throughout the Track Record Period.

3. Such interests were held by Incredible Resources. As at 1 January 2015, Incredible Resources held 50% interest in Rising Mark. Its interest increased to 76.6% upon issue of new shares to it on 18 June 2015. Ms. PY Wong was beneficially interested in 100% interest in Incredible Resources throughout the Track Record Period, which was in turn the single largest shareholder in Rising Mark during the Track Record Period.

Common control of Ms. PY Wong in these companies were established on the basis that:

(i) during the Track Record Period, Ms. PY Wong was, directly or indirectly, the single largest shareholder of the relevant subsidiaries;

(ii) Ms. PY Wong is and was at all material times the shareholder of the relevant subsidiaries who was responsible for the daily operations and management of the relevant subsidiaries and restaurants. Ms. PY Wong's role is to provide strategic and executive leadership.

In the case of Fit Asia, Ideal Profit, Gain Long and Profit Holder, Ms. PY Wong is and was the sole director of these companies and had absolute control over these companies at the board level (i.e. the governing bodies of these companies) throughout the Track Record Period. Ms. PY Wong controlled Victory Rich via Oman International (which is a controlled entity of Ms. PY Wong and the key manager for the operations of Duddell's) and the Relevant Minority Shareholders having followed unanimously all Ms. PY Wong's decision and casting of votes (see (iii) below); and

(iii) each of the other shareholders mentioned above (other than J C Tapas and Mr. Jason Atherton), being passive investors not involved in the day-to-day operations or management of the relevant companies and their restaurants and being reliant on Ms. PY Wong's expertise in the restaurant business to help manage the relevant restaurants on their behalf throughout the Track Record Period. These shareholders have confirmed in writing that since the incorporation of Top Glorification, Duddell's (HK), Ideal Profit, Gain Long, Profit Holder and Fit Asia, they had followed unanimously all Ms. PY Wong's decisions in relation to all management affairs of those companies and her casting of votes in all resolutions in all board and shareholders' meetings. Such "voting arrangement" did not amount to a formal and irrevocable surrender of their respective shareholders' or directors' voting rights as minority shareholders to Ms. PY Wong but aimed to enable Ms. PY Wong to discharge her duties under her stewardship. It served as a reflection and written affirmation of the historical reality, namely, the passive investors having entrusted Ms. PY Wong as steward to operate and manage the relevant restaurants on their behalf, and provided among other indicators, evidential support to the assertion that Ms. PY Wong has the ability to control unilaterally each of the relevant restaurant comprising our Group. This "voting arrangement" effectively empowered Ms. PY Wong to dominate the nomination process for electing members of the board which accords with the circumstance set out in B18 of the Hong Kong Financial Reporting Standard 10 ("HKFRS 10").

Based on all of the above, it is evident that Ms. PY Wong had the practical ability to direct the relevant activities unilaterally of all restaurants that comprise our Group. Prior to the Reorganisation, all the companies that comprise our Group were under the common control of Ms. PY Wong, and are regarded as subsidiaries of our Group in accordance with HKFRS 10 by virtue of her being the single largest shareholder of the relevant companies within our Group, and her ability to exert absolute control over the companies at the board level (i.e. the governing bodies of these companies) and/or control through her controlled entities and/or voting arrangement in a manner as set out above.

The Reorganisation did not result in any change of the control over the relevant subsidiaries given that Ms. PY Wong, who had unilaterally controlled all the companies comprising our Group before the Reorganisation, continues to exercise control over those subsidiaries after the Reorganisation as she continues to be a Controlling Shareholder (controlling approximately 53.69% shareholdings of our Company through her controlled entity after the Listing), and the Chairperson, executive Director and chief executive officer of the Group and continues to operate and manage the relevant restaurants in the interest of our Company and all Shareholders as a whole.

The Sole Sponsor concurs with the Directors' view that if the voting arrangements between Ms. PY Wong and the Relevant Minority Shareholders were not in place, the relevant companies holding Duddell's, 22 Ships, Ham & Sherry, Aberdeen Street Social and Chachawan would have to be accounted for as associates using the equity method when Ms. PY Wong could not exercise control over these companies and the results of these companies would have been excluded when preparing our financial information in considering our Company's eligibility for listing, prior to the Reorganisation.

Voting arrangements of the Relevant Minority Shareholders

Each of the Relevant Minority Shareholders has also confirmed in writing that from the date on which they became a shareholder of Big Team and our Company and up until the time immediately before the Share Offer becoming unconditional, they have followed unanimously all Ms. PY Wong's decision in relation to all management affairs of those companies and her casting of votes in all resolutions in all board (if applicable) and shareholders' meetings of Big Team and our Company. In light of the above, for the sole purpose of the GEM Listing Rules, the Relevant Minority Shareholders together with Ms. PY Wong and Giant Mind were and continue to be a group of Controlling Shareholders up until the time immediately before the Share Offer becoming unconditional.

Basis of preparation of combined statements of the Group

Our Group comprising our Company and our subsidiaries resulting from the Reorganisation have been under the common control of Ms. PY Wong throughout the Track Record Period or since their respective dates of incorporation, where there is a shorter period and is regarded as a continuing entity. Accordingly, the financial information relating to our Group for the Track Record Period has been prepared under the principles of merger accounting in accordance with Accounting Guideline 5 "Merger Accounting for Common Control Combinations" issued by the HKICPA as if our Company had always been the holding company of our Group.

The combined statements of profit or loss and other comprehensive income, combined statements of changes in equity and combined statements of cash flows of our Group for the Track Record Period are prepared as if our current group structure had been in existence throughout the Track Record Period or since the date of incorporation where there is a shorter period.

The combined statements of financial position of our Group as at 31 December 2014, 2015, 2016 and 31 July 2017 present the assets and liabilities of the companies now comprising our Group as at the respective dates as if the current group structure had been in existence at those dates.

FACTORS AFFECTING THE RESULTS OF OUR GROUP'S OPERATIONS

Our financial condition and results of operations have been and will continue to be affected by a number of factors, including those factors set out in the section headed "Risk factors" in this prospectus and those discussed below.

As at 31 July 2017, our Group recorded net current liabilities of approximately HK$1.5 million. Taken into account the unutilised banking facilities available to our Group, our Directors are of the opinion that our Group will have sufficient financial resources to meet its financial obligations as they fall due in the next twelve months from the end of the reporting period. Accordingly, our Group's combined financial information included in the Accountants' Report set out in Appendix I to this prospectus has been prepared on a going concern basis.

Macro-economic condition in Hong Kong and spending power of our target customers

During the Track Record Period, we operated several restaurants under different brands and our target customers are mid-to-high income level customers. Our Directors anticipate that our principal source of income will continue to be derived from customers with mid-to-high spending power in the foreseeable future. Being a restaurant group, our business may be vulnerable to economic downturn and political and social instability which would affect the spending powers of our customers. According to the Ipsos Report, it is observed that due to the economic slowdown in 2016, the customers in Hong Kong have gradually shifted their dining habits to fast food shops and casual dining restaurants, where average spending per person is relatively lower. As a result, this casted an adverse impact on our performance. There is no assurance that the economic, political and social conditions, as well as government policies, would always be favourable to our business. Under unfavourable economic, political and social conditions, our restaurants may not perform in the manner that our Directors anticipate.

Market competition

We face intense competition from a large and diverse group of restaurant chains and individual restaurant operators, and food manufacturers who are engaged in the production of similar products. There are numerous restaurants in Hong Kong offering similar cuisines and we compete on the basis of taste, quality, price of food offered, customer service, ambience, and the overall dining experience. Some of our competitors may have longer operating histories, larger customer bases, better brand recognition and reputation, and better financial positions, marketing strategies and public relations resources. As we compete with other competitors as well as new market entrants, our business and results of operations may be adversely affected in the event that we are not competitive in terms of the quality of our dishes, our service level and/or our pricing.

Opening of new restaurants

Our Directors consider that a ramp-up period is normally required to allow a newly-opened restaurant to generate stable income, and achieve breakeven and investment payback. Our results of operations is therefore affected by the opening of new restaurants.

We set out below the financial information of 208 Duecento Otto, 22 Ships, Duddell's, Chachawan and Ham & Sherry (collectively, the "**Full-period-operations Restaurants**"), all of which were our restaurants operating throughout the full period of the Track Record Period and considered by our Directors to be more indicative for evaluation of the financial performance of our restaurants, as compared to the remaining restaurants (namely Aberdeen Street Social, Meen & Rice, Esquina Tapas Bar, Fishschool Restaurant, Mak Mak, RHODA and Commissary, collectively the "**Partial-period-operations Restaurants**"), during the Track Record Period:

	Year ended 31 December			**Seven months ended 31 July**	
	2014	**2015**	**2016**	**2016**	**2017**
				(unaudited)	
Full-period-operations Restaurants:					
Number of restaurants	5	5	5	5	5
Total revenue *(HK$'000)*	141,979	143,522	136,401	77,982	79,331
Contribution to our total revenue	83.3%	69.5%	58.7%	60.4%	58.8%
Partial-period-operations Restaurants:					
Number of restaurants	1	5	7	6	6
Total revenue *(HK$'000)*	28,508	62,954	95,974	51,148	55,524
Contribution to our total revenue	16.7%	30.5%	41.3%	39.6%	41.2%
Net profit margin of:					
Full-period-operations Restaurants	5.6%	4.9%	7.0%	5.6%	7.0%
Partial-period-operations Restaurants	(11.1%)	(1.4%)	(8.1%)	(8.6%)	(8.4%)

As shown in the table above, the revenue of the Full-period-operations Restaurants remained stable with a slight increase of 1.1% during the year ended 31 December 2015 as compared with that for the year ended 31 December 2014, which represented a decrease in revenue for 208 Duecento Otto driven by the drop of number of customer visits from 104,911 in 2014 to 85,402 in 2015 due to the opening of new restaurants in nearby area of the location of 208 Duecento Otto in late 2015, net off by the increase in revenue for Duddell's and Chachawan as a result of increase in average monthly spending per customer per meal for Duddell's from HK$611 in 2014 to HK$669 in 2015 and increase in number of customer visits for Chachawan from 61,696 in 2014 to 67,085 in 2015.

There is a significant increase in the revenue of the Partial-period-operations Restaurants, which was mainly due to (i) the full-year operations of Aberdeen Street Social (which commenced operations in May 2014); (ii) the commencement of operations of Meen & Rice and Fishschool Restaurant in March and October 2015 respectively; and (iii) the acquisition of Esquina Tapas Bar with effect from 1 July 2015. The net profit margin of the Full-period-operations Restaurants decreased from approximately 5.6% for the year ended 31 December 2014 to approximately 4.9% for the year ended 31 December 2015, which was mainly due to the decrease in net profit margin of 208 Duecento Otto from approximately 8.4% in 2014 to 1.7% in 2015, driven by the decrease in revenue as stated above, with expenses of 208 Duecento Otto being stable throughout the years.

The revenue of the Full-period-operations Restaurants decreased by approximately 4.9% during the year ended 31 December 2016 as compared with that for the year ended 31 December 2015. The decrease was primarily contributed by the decrease of revenue of all Full-period-operations Restaurants (except Duddell's) during the year ended 31 December 2016 due to competition with nearby restaurants. Despite the declining revenue, we have timely implemented effective cost control measures during the year ended 31 December 2016 to improve the overall net profit margin of three of our restaurants, namely 208 Duecento Otto, Chachawan and Ham & Sherry, which offset the effect of the decline in revenue on the overall net profit margin of the Full-period-operations Restaurants. The revenue of Partial-period-operations Restaurants increased by approximately 52.4% during the year ended 31 December 2016 as compared with that for the year ended 31 December 2015. The increase was primarily contributed by (i) the full-year operations of Meen & Rice, Fishschool Restaurant and Mak Mak (which commenced operations in March, October and December 2015 respectively); (ii) the full-year operations of Esquina Tapas Bar (which was acquired in July 2015 and subsequently disposed of in December 2016); and (iii) the commencement of operations of RHODA and Commissary in June and November 2016 respectively; but was partially offset by the decrease in revenue of Aberdeen Street Social, which suffered from a lack of customer traffic at the restaurant location and less than optimal market reception to the concept of the restaurant, resulting in a change of net profit position in 2015 to a net loss position in 2016.

During the seven months ended 31 July 2017, the revenue of the Full-period-operations Restaurants remained stable with a slight increase of 1.7% as compared with that for the seven months ended 31 July 2016. The net profit margin of the Full-period-operations Restaurants for the seven months ended 31 July 2017 also noted an increase as compared with that for the seven months ended 31 July 2016 due to the effective cost control measures implemented by our Group. Both the revenue and the net profit margin of the Partial-period-operations Restaurants for the seven months ended 31 July 2017 were stable as compared with that for the seven months ended 31 July 2016 with slight improvement of 8.6% in revenue and the lowered net loss of the Partial-period-operations Restaurants for the period.

While all of our Partial-period-operations Restaurants have achieved a breakeven after its commencement of operations, they have yet to achieve investment payback. These restaurants, in aggregate, also recorded net losses for each of the three years ended 31 December 2016 and the seven months ended 31 July 2017. According to the Ipsos Report, the length of investment payback period of a restaurant is generally affected by (i) the size of the restaurant; (ii) the cuisine offered and operation model; (iii) operating location; and (iv) marketing strategy and expenses.

We regularly update the budgets of our restaurants with reference to actual operating data to enable us to monitor performance and devise improvement strategies. If our Directors do not observe any positive impact to the performance of the restaurants after the implementation of the improvement strategies for a prolonged period, we would consider other measures, including but not limited to changing the concepts, negotiating more favorable terms with the landlord in relation to the tenancy agreements or closing down restaurants we consider to be continuously underperformed with prolonged investment payback period. Due to its prolonged investment payback period and its continuing underperformance, Fishschool Restaurant has been disposed of by our Group in March 2017. For details, please refer to the section headed "Business — Expansion plans, site selection and dish development — Breakeven and investment payback" in this prospectus.

Based on the above, our Directors consider that our overall results of operations will be significantly affected by the opening of new restaurants, and particularly, the significant costs incurred in the course of opening a new restaurant and the ramp-up period required to allow a newly-opened restaurant to generate stable income, and achieve breakeven and investment payback. Our management will continue to regularly update the budget of our restaurants with reference to actual operating data to enable us to monitor performance and devise improvement strategies when necessary.

Prices and supply of food and beverage

Our profitability depends significantly on our ability to anticipate and react to changes in the purchase cost of food and beverage ingredients. The cost of food and beverage ingredients, as represented by our raw materials and consumables used, accounted for approximately 26.2%, 25.4%, 25.0% and 24.5% of our total revenues for each of the three years ended 31 December 2016 and the seven months ended 31 July 2017, respectively.

The availability (in terms of type, variety and quality) and prices of food and beverage 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 food and beverage cost or cause a disruption in the supply. Our suppliers may also be affected by increase in the cost to produce the goods and services supplied to us, rising staff cost and other expenses that they pass through to their customers, which could result in an increase in the cost of the goods and services supplied to us.

During the Track Record Period, we sourced most of our food and beverage ingredients from local suppliers, importers and distributors in Hong Kong. In the future, any appreciation of foreign currencies and overseas through against the Hong Kong dollar may increase the price of our overseas originated food and beverage ingredients in Hong Kong dollar correspondingly. However, our Group is currently not exposed to any material foreign exchange risk as most of our monetary assets and liabilities are denominated in Hong Kong dollars.

We have not entered into long-term contracts with our suppliers or implemented other financial risk management strategies against potential price fluctuations in the cost of food and beverage ingredients. We may not be able to anticipate and react to changes in the cost of food and beverage ingredients through our purchasing practices, by changes to menu offerings and adjustments in menu price in the future, or we may be unwilling or unable to pass these increase in cost onto our customers, the failure of any of which could materially and adversely affect our business and results of operations.

Staff costs

Minimum wage requirements in Hong Kong have increased and could continue to increase our staff cost in the future. The salary level of employees in the independent full-service restaurant industry in Hong Kong has been increasing in the past few years. The statutory minimum wage (the "**SMW**") in Hong Kong increased from HK$30.0 per hour in 2013 to HK$32.5 per hour in 2015. Effective from 1 May 2017, the SMW has been raised to HK$34.5 per hour. Although our overall salary is significantly higher than the SMW, we cannot assure you that the SMW will not be further revised upward above our overall salary scale in the future. Due to intense competition in the independent full-service restaurant industry, we may not be able to increase our prices in order to pass these potential increase in staff cost on to our customers, in which case our profit margins would be negatively affected.

We had a total of 207, 245, 298 and 304 full-time employees in Hong Kong as at 31 December 2014, 2015 and 2016 and 31 July 2017, respectively. All of the workers working for Esquina Tapas Bar were under the employment of J C Tapas during the Track Record Period. As of 31 December 2016, we disposed of the entire interest of Esquina Tapas Bar. Further details of our employees are set out in the section headed "Business — Employees and safety measures" in this prospectus. For each of the three years ended 31 December 2016 and the seven months ended 31 July 2017, we incurred approximately HK$59.8 million, HK$73.0 million, HK$79.5 million and HK$50.5 million as staff cost, respectively, representing approximately 35.1%, 35.4%, 34.2% and 37.4% of our total revenue, respectively. It is expected that our staff cost will increase as a result of the expected expansion of our business. The failure to attract experienced personnel at a desirable level of staff cost could adversely affect our business, financial condition and results of operations.

Availability of attractive locations, cost of rental expenses and ability to renew existing leases of our leased properties

Our restaurants in Hong Kong are located in or close to the commercial business district, tourist areas or neighbourhoods with a high concentration of high income households, including the Repulse Bay, Aberdeen Street and Hollywood Road in Sheung Wan, Ship Street and Johnston Road in Wan Chai, Pacific Place in Admiralty, Landmark and Duddell Street in Central and Connaught Road West in Sai Ying Pun. Establishing our restaurants in attractive locations is important to the promotion of our brands and crucial to our ability to reach our target customers. As we choose our restaurants' sites prudently and selectively, eligible premises are often limited. We cannot assure you that we would be able to identify and secure suitable premises for our restaurants with reasonable commercial terms if there is a need for relocation or if we intend to open new restaurants. In such event, our plan for relocation or expansion may be delayed or hindered, which in turn may have adverse effect on our business and operating results.

As we operate all our restaurants on leased properties, we are exposed to change in market conditions of the retail and commercial rental market. For each of the three years ended 31 December 2016 and the seven months ended 31 July 2017, our lease payments under operating leases in respect of land and buildings amounted to approximately HK$18.0 million, HK$21.0 million, HK$26.1 million and HK$16.4 million respectively, representing approximately 10.6%, 10.2%, 11.2% and 12.2% of our total revenue respectively. The rental payable under our current lease agreements for our restaurants is either (i) a basic rent; (ii) a basic rent or turnover rent whichever is the greater; or (iii) an aggregate of basic rent and turnover rent. Such adjustment mechanism based on turnover rent may result in significant increase in our rental payable and increase the difficulties for us to budget accurately our rental expenses in advance. If we are not able to pass the increased in our rental payable onto our customers, our results of operations and financial positions may be adversely affected.

The lease agreements for all of our restaurants have different term lengths. Some of the lease agreements for our restaurants provide for an option to renew in favour of our Group and/or give only the landlord the right to early termination with prior notice of six or nine months, regardless of the term. There is no assurance that we would be able to renew such lease agreements on their existing terms or lease premises at similar locations on comparable or commercially viable terms. Unpredictable rental increases in Hong Kong may prevent us from renewing the existing lease agreements on terms and conditions acceptable to us or we may have to renew such lease on less favourable terms and hence increase our operation cost. In the event that we are unable to renew the existing leases or is given early termination notice and need to relocate a restaurant upon expiry of a lease, we will need to identify a replacement location to carry on the business of the relevant restaurant. As a result, our operation may be disrupted and may adversely affect our financial conditions due to additional cost for such relocation and write-off of fixed assets. Failure to secure leases at attractive locations could also adversely affect our sales, profitability and business performance. Even if we are able to renew or extend our leases, our rental expenses may increase significantly, which could adversely affect our profitability.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Critical accounting policies and estimates refer to those accounting policies and estimates that entail significant uncertainty and judgement, and could yield materially different results under different conditions and/or assumptions. The preparation of the financial information in conformity with HKFRSs requires our management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The methods and approach that we use in determining these items are based on our experience, the nature of our business operations, the relevant rules and regulations and the relevant circumstances. These underlying assumptions and estimates are reviewed regularly as they may have a significant impact on our operational results as reported in our combined financial statements included elsewhere in this prospectus.

The significant accounting policies, judgements and estimates are set forth in notes 4 and 5 to the Accountants' Report set out in Appendix I to this prospectus. Of all the significant accounting policies, judgements and estimates, those that are the most critical in preparing our Group's combined financial statements include (a) investment in an associate; (b) revenue recognition; (c) impairment loss on tangible assets; (d) taxation; and (e) estimated useful lives and impairment of property, plant and equipment.

The Directors confirm that the relevant estimates or underlying assumptions made in the past have been generally in line with actual results during the Track Record Period and that we have consistently applied these estimates or underlying assumptions during the Track Record Period. We will continuously assess our assumptions and estimates going forward.

SUMMARY RESULTS OF OPERATIONS

The following table sets out the summary of our results during the Track Record Period, which are derived from, and should be read in conjunction with the combined financial information contained in the Accountants' Report set out in Appendix I to this prospectus.

	Year ended 31 December			Seven months ended 31 July	
	2014	**2015**	**2016**	**2016**	**2017**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(unaudited)	
Revenue	170,487	206,476	232,375	129,130	134,855
Other income	416	548	1,745	770	1,308
Other gains and losses	4	2	720	(16)	(172)

	Year ended 31 December			Seven months ended 31 July	
	2014	2015	2016	2016	2017
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(unaudited)	
Raw materials and consumables used	(44,582)	(52,501)	(58,184)	(32,446)	(33,095)
Staff costs	(59,847)	(73,000)	(79,514)	(44,992)	(50,529)
Depreciation	(9,842)	(11,188)	(13,670)	(7,537)	(8,611)
Property rentals and related expenses	(20,586)	(24,326)	(31,698)	(17,493)	(19,186)
Utility expenses	(5,258)	(6,651)	(7,718)	(4,354)	(4,437)
Advertising and promotion expenses	(5,933)	(7,502)	(6,788)	(3,682)	(3,899)
Other operating expenses	(19,367)	(24,868)	(33,431)	(18,877)	(14,419)
Finance costs - interest expenses on bank borrowings	—	—	(313)	(155)	(274)
Share of loss of an associate	—	—	(6,467)	(3,930)	(433)
Listing expenses	—	(9,750)	(4,588)	(2,919)	(7,239)
Profit (loss) before taxation	5,492	(2,760)	(7,531)	(6,501)	(6,131)
Income tax expense	(1,194)	(1,832)	(2,012)	(967)	(1,167)
Profit (loss) for the year/period	4,298	(4,592)	(9,543)	(7,468)	(7,298)
Other comprehensive (expense) income:					
Items that may be subsequently reclassified to profit or loss:					
Exchange differences arising on translation of foreign operations	—	(253)	(129)	285	—
Reclassification of translation reserve to profit or loss upon disposal of foreign operation	—	—	382	—	—
Other comprehensive (expense) income for the year/period	—	(253)	253	285	—
Total comprehensive income(expense) for the year/period	4,298	(4,845)	(9,290)	(7,183)	(7,298)

Non-HKFRS measures

We recognised non-recurring items in the Track Record Period. To supplement our combined financial statements which are presented in accordance with HKFRS, we also presented the adjusted net profits, and adjusted net profit margin as non-HKFRS measures.

We present these additional financial measures as these were used by our management to evaluate our financial performance by eliminating the impact of non-recurring listing expenses which is considered not indicative for evaluation of the actual performance of our business. We believe that these non-HKFRS measures provide additional information to investors and others in understanding and evaluating our combined results of operations in the same manner as our management and in comparing financial results across accounting periods and to those of our peer companies.

The table below sets forth the adjusted net profit (loss) and adjusted net profit (loss) margin in each respective year/period during the Track Record Period:

	Year ended 31 December			**Seven months ended 31 July**	
	2014	**2015**	**2016**	**2016**	**2017**
	(HK$'000)	*(HK$'000)*	*(HK$'000)*	*(HK$'000)* *(unaudited)*	*(HK$'000)*
Profit (loss) for the year/period	4,298	(4,592)	(9,543)	(7,468)	(7,298)
Add: Non-recurring item — Listing expenses	—	9,750	4,588	2,919	7,239
Adjusted net profit (loss) for the year/period	4,298	5,158	(4,955)	(4,549)	(59)
Adjusted net profit (loss) margin for the year/period	2.5%	2.5%	(2.1%)	(3.5%)	(0.04%)

Our adjusted net profit for the year ended 31 December 2015 was higher than that for the year ended 31 December 2014, which is mainly due to additional profits contributed by (i) the full-year operations of Aberdeen Street Social (which commenced operations in May 2014); (ii) the acquisition of Esquina Tapas Bar with effect from 1 July 2015; and (iii) the improved net profit margins for 22 Ships and Duddell's.

Our adjusted net profit decreased by approximately 1.96 times from approximately HK$5.2 million for the year ended 31 December 2015 to adjusted net loss of approximately HK$5.0 million for the year ended 31 December 2016. Our adjusted net profit margin also decreased from approximately 2.5% in 2015 to adjusted net loss margin of approximately 2.1% in 2016. The decrease was mainly due to (i) the decrease in revenue from Full-period-operations Restaurants which led to a higher fixed costs over revenue for the year;

(ii) the commencement of operations of two new restaurants in 2016 which led to higher expenses incurred for their initial set-up compared to a relatively lower turnover, and (iii) the non-recurring expense of the share of loss of an associate of approximately HK$6.5 million due to the underperformance of Potato Head (HK).

Our adjusted net loss for the seven months ended 31 July 2016 and 2017 was approximately HK$4.5 million and HK$59,000, respectively. The reduction in adjusted net loss was mainly due to (i) the improved net profit margin of 22 Ships, Duddell's, Meen & Rice and Mak Mak for the seven months ended 31 July 2017; (ii) the disposal of Fishschool Restaurant in March 2017, thereby lowering our Group's overall net loss, and (iii) the decrease in the share of loss of an associate of approximately HK$3.5 million as our Group's share of loss of an associate exceeded our Group's interest in that associate. As a result, our Group discontinued recognising share of losses in March 2017.

DESCRIPTION AND COMPARABLE ANALYSIS OF PRINCIPAL COMPONENTS IN THE COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Revenue and net profit margin of our Group

During Track Record Period, we were principally engaged in operating restaurants and providing membership services for our restaurants in Hong Kong and Singapore. The following table sets forth a breakdown of our revenue (including membership fees and sponsorship income) as derived from each of our restaurants and as a percentage of our total revenue and net profit (loss) margin for each restaurant during the Track Record Period.

	Year ended 31 December									Seven months ended 31 July					
	2014			2015			2016			2016			2017		
	Revenue	% of total revenue	Net profit (loss) margin	Revenue	% of total revenue	Net profit (loss) margin	Revenue	% of total revenue	Net profit (loss) margin	Revenue	% of total revenue	Net profit (loss) margin	Revenue	% of total revenue	Net profit (loss) margin
	(HK$'000)	*(%)*	*(%)*	*(HK$'000)*	*(%)*	*(%)*	*(HK$'000)*	*(%)*	*(%)*	*(HK$'000)*	*(%)*	*(%)*	*(HK$'000)*	*(%)*	*(%)*
										(unaudited)	*(unaudited)*				
208 Duecento Otto	31,207	18.3	8.4	26,745	13.0	1.7	24,009	10.3	6.5	13,854	10.8	6.3	14,209	10.5	6.7
22 Ships	21,398	12.6	7.0	21,950	10.6	10.3	18,196	7.8	2.9	10,775	8.3	2.6	10,177	7.5	4.1
Duddell's	57,255 *(Note 4)*	33.6	3.2	60,576 *(Note 4)*	29.3	4.3	61,378 *(Note 4)*	26.5	7.3	33,892 *(Note 4)*	26.3	4.1	36,460 *(Note 4)*	27.1	7.2
Chachawan	18,912	11.1	10.1	20,393	9.9	8.4	19,620	8.5	13.4	11,685	9.0	13.9	10,973	8.1	11.8
Ham & Sherry	13,207	7.7	0.4	13,858	6.7	(0.3)	13,198	5.7	2.1	7,775	6.0	2.5	7,512	5.6	3.6
Aberdeen Street Social (Note 1)	28,508	16.7	(11.1)	44,714	21.7	5.6	33,727	14.5	(2.5)	20,305	15.8	(2.0)	17,110	12.7	(5.1)
Meen & Rice (Note 1)	—	—	N/A	9,179	4.4	(16.0)	10,982	4.7	(5.4)	6,345	4.9	(6.2)	7,210	5.3	0.3
Esquina Tapas Bar (Note 2)	—	—	N/A	6,095	3.0	2.4	11,726	5.0	0.5	6,760	5.2	0.1	—	—	N/A
Fishschool Restaurant (Note 3)	—	—	N/A	2,710	1.3	(24.0)	9,244	4.0	(30.0)	5,466	4.2	(31.7)	2,372	1.8	(4.8)
Mak Mak (Note 1)	—	—	N/A	256	0.1	(568.3)	17,976	7.7	(1.2)	10,436	8.1	(2.8)	9,964	7.4	0.1
RHODA (Note 1)	—	—	N/A	—	—	N/A	9,475	4.1	(18.9)	1,837	1.4	(85.1)	8,390	6.2	(17.2)
Commissary (Note 1)	—	—	N/A	—	—	N/A	2,844	1.2	(57.2)	—	—	N/A	10,478	7.8	(21.6)
Total	170,487	100.0		206,476	100.0		232,375	100.0		129,130	100.0		134,855	100.0	

Notes:

1. Aberdeen Street Social commenced operations in May 2014. Meen & Rice and Mak Mak commenced operations in March and December 2015, respectively. RHODA and Commissary commenced operations in June and November 2016, respectively.

2. Esquina Tapas Bar was acquired with effect from July 2015 and was disposed of in December 2016.

3. Fishschool Restaurant commenced operations in October 2015 and was disposed of in March 2017.

4. The revenue included revenue attributable to membership fees and sponsorship income from Duddell's wine and spirits supplier, amounted to approximately HK$2.3 million, HK$1.8 million, HK$1.3 million and HK$0.8 million for each of the three years ended 31 December 2016 and the seven months ended 31 July 2017, respectively.

For each of the three years ended 31 December 2016 and the seven months ended 31 July 2017, our total revenue amounted to approximately HK$170.5 million, HK$206.5 million, HK$232.4 million and HK$134.9 million, respectively. We recognised an increase of total revenue by approximately HK$36.0 million or approximately 21.1% from 2014 to 2015, which was mainly due to the additional revenue contribution from (i) the full-year operations of Aberdeen Street Social (which commenced operation in May 2014); (ii) the commencement of operations of Meen & Rice and Fishschool Restaurant in March and October 2015 respectively; and (iii) the acquisition of Esquina Tapas Bar with effect from 1 July 2015.

We recognised a further increase of total revenue by approximately HK$25.9 million or approximately 12.5% from 2015 to 2016, which was mainly due to the additional revenue contribution from (i) the full-year operations of Meen & Rice, Fishschool Restaurant and Mak Mak (which commenced operations in March, October and December 2015 respectively); (ii) the full-year operations of Esquina Tapas Bar (which was acquired in July 2015 and subsequently disposed of in December 2016); and (iii) the commencement of operations of RHODA and Commissary in June and November 2016 respectively, but was partially offset by the decrease in revenue for the Full-period-operations Restaurants.

For the seven months ended 31 July 2017, our total revenue amounted to approximately HK$134.9 million, which is higher than total revenue of approximately HK$129.1 million for the seven months ended 31 July 2016. The increase was mainly contributed by (i) the full-period operations of RHODA (which commenced operations in June 2016); and (ii) the commencement of operations of Commissary in November 2016; but was offset by (iii) the decrease in revenue generated from Esquina Tapas Bar and Fishschool Restaurant which were disposed of in December 2016 and March 2017 respectively.

According to the Ipsos Report, it is observed that due to the economic slowdown in Hong Kong in 2016, the customers in Hong Kong have gradually shifted their dining habits to fast food shops and casual dining restaurants, where average spending per person is relatively lower. Except for Duddell's, the financial performance of our Full-period-operations Restaurants was generally declining during the Track Record Period.

Revenue and net profit margin of individual restaurants

208 Duecento Otto

There is a decrease in our revenue generated from 208 Duecento Otto of approximately 14.4% from approximately HK$31.2 million in 2014 to approximately HK$26.7 million in 2015, which was driven by the drop of number of customer visits from 104,911 in 2014 to 85,402 in 2015 due to the opening of new restaurants in nearby area of the location of 208 Duecento Otto in late 2015, net off by increase in average spending per meal per customer from HK$297 to HK$313 as part of the management's improvement strategies. In spite of the decreasing revenue, the expenses for 208 Duecento Otto remained stable, thereby decreasing the net profit margin of 208 Duecento Otto from approximately 8.4% in 2014 to 1.7% in 2015.

Our revenue generated from 208 Duecento Otto decreased further for approximately 10.1%, from approximately HK$26.7 million for the year ended 31 December 2015 to HK$24.0 million for the year ended 31 December 2016. Such decrease was mainly resulted from the opening of new restaurants in nearby area of the location of 208 Duecento Otto in late 2015 and early 2016 which led to the decrease in number of customer visits from 85,402 in 2015 to 71,273 in 2016 and daily table turnover rate from 2.30 times in 2015 to 1.91 times in 2016. As part of the management's improvement strategies, we managed to increase the average spending per meal per customer from HK$313 in 2015 to HK$337 in 2016. On the other hand, with a better cost control of the management, 208 Duecento Otto increased net profit margin for the year ended 31 December 2016 to approximately 6.5% compared with 1.7% for the year ended 31 December 2015.

Our revenue generated from 208 Duecento Otto increased for approximately 2.2%, from approximately HK$13.9 million for the seven months ended 31 July 2016 to approximately HK$14.2 million for the seven months ended 31 July 2017. Such increase was mainly resulted from the increase in number of customer visits from 43,050 to 45,099. Also, with the better cost control of the management, there is an increase in net profit margin from approximately 6.3% for the seven months ended 31 July 2016 to 6.7% for the seven months ended 31 July 2017.

With an aim to further increase revenue and profitability, we entered into an agreement with a delivery service provider in August 2017, pursuant to which the delivery service provider would provide a catering outlet for a number of restaurants, including 208 Duecento Otto, with a kitchen unit divided for each of the participating restaurants for the supply of food and drinks at the catering outlet for collection or delivery to customers. The delivery service provider would promote the food and drinks prepared by 208 Duecento Otto in the catering outlet. In return, the delivery service provider would charge 208 Duecento Otto a certain percentage of the revenue generated. Our management expects that this cooperation enables us to increase our exposure and generate additional revenue while incurring relatively low expenses by leveraging on existing resources.

22 Ships

Our revenue generated from 22 Ships remained stable throughout the two years ended 31 December 2015. However, there is an increase in net profit margin from approximately 7.0% to in 2014 to approximately 10.3% in 2015. The reason for the increase was mainly due to effective cost control on staff costs, with a decreased average head count from 25 in 2014 to 23 in 2015, which led to a decrease in staff costs of approximately 7.0%, from approximately HK$7.1 million for the year ended 31 December 2014 to approximately HK$6.6 million for the year ended 31 December 2015.

Our revenue generated from 22 Ships decreased for approximately 17.3%, from approximately HK$22.0 million for the year ended 31 December 2015 to HK$18.2 million for the year ended 31 December 2016. Such decrease was mainly resulted from the opening of new restaurants in nearby area of the location of 22 Ships in early 2016 which led to the decrease in number of customer visits from 53,250 in 2015 to 44,599 in 2016 and daily table turnover rate from 3.66 times in 2015 to 3.05 times in 2016. The net profit margin of 22 Ships also decreased from 10.3% for the year ended 31 December 2015 to 2.9% for the year ended 31 December 2016, which was driven by the decrease in revenue.

Our revenue generated from 22 Ships slightly decreased for approximately 5.6%, from approximately HK$10.8 million for the seven months ended 31 July 2016 to approximately HK$ 10.2 million for the seven months ended 31 July 2017. Such decrease was mainly resulted from the opening of new restaurants in nearby area of the location of 22 Ships in early 2016 which led to the decrease in number of customer visits from 26,307 for the seven months ended 31 July 2016 to 24,998 for the seven months ended 31 July 2017 and daily table turnover rate from 3.09 times for the seven months ended 31 July 2016 to 2.95 times for the seven months ended 31 July 2017. However, the net profit margin of 22 Ships increased from 2.6% for the seven months ended 31 July 2016 to 4.1% for the seven months ended 31 July 2017, which was mainly due to the better cost control of the management on staff costs, with a decrease in average head count from 23 for the seven months ended 31 July 2016 to 20 for the seven months ended 31 July 2017, which led to a decrease in staff costs of approximately 9.1%, from approximately HK$3.3 million for the seven months ended 31 July 2016 to approximately HK3.0 million for the seven months ended 31 July 2017.

Duddell's

Our revenue generated from Duddell's increased for approximately 5.8%, from approximately HK$57.3 million for the year ended 31 December 2014 to approximately HK$60.6 million for the year ended 31 December 2015, which was driven by the increase in average spending per customer per meal from HK$611 in 2014 to HK$669 in 2015, net off by slight decrease in number of customer visits from 87,963 in 2014 to 87,047 in 2015. The net profit margin of Duddell's also increased from 3.2% for the year ended 31 December 2014 to 4.3% for the year ended 31 December 2015, which was driven by (i) the increase in revenue; and (ii) decrease in depreciation for the year.

Our revenue generated from Duddell's increased slightly for approximately 1.3%, from approximately HK$60.6 million for the year ended 31 December 2015 to HK$61.4 million for the year ended 31 December 2016, which was driven by the increase in number of customers visits from 87,047 in 2015 to 88,021 in 2016 and increase in average spending per customer from HK$669 to HK$682 together with a stable daily table turnover rate. The net profit margin of Duddell's also increased from 4.3% for the year ended 31 December 2015 to 7.3% for the year ended 31 December 2016, which was driven by (i) the increase in revenue; (ii) better cost control in raw materials and consumables used; and (iii) the decrease in staff cost incurred due to no bonus was provided for the year ended 31 December 2016, which led to a decrease in staff costs of approximately 5.3%, from approximately HK$20.8 million for the year ended 31 December 2015 to approximately HK$19.7 million for the year ended 31 December 2016.

Our revenue generated from Duddell's increased further for approximately 7.7%, from approximately HK$33.9 million for the seven months ended 31 July 2016 to HK$36.5 million for the seven months ended 31 July 2017, which was driven by the increase in average spending per customer from HK$660 to HK$719 together with a stable daily table turnover rate, offset by the decrease in number of customers visits from 50,216 during the seven months ended 31 July 2016 to 49,714 during the seven months ended 31 July 2017. The net profit margin of Duddell's also increased from 4.1% for the seven months ended 31 July 2016 to 7.2% for the seven months ended 31 July 2017, which was driven by the decrease in advertising and promotion expenses.

Chachawan

Our revenue generated from Chachawan increased for approximately 7.9%, from approximately HK$18.9 million for the year ended 31 December 2014 to approximately HK$20.4 million for the year ended 31 December 2015, which was driven by (i) the increase in number of customer visits from 61,696 in 2014 to 67,085 in 2015 with a stable average spending per meal per customer; and (ii) the increase in daily table turnover rate from 5.37 times in 2014 to 5.62 times in 2015. However, the net profit margin of Chachawan decreased from 10.1% for the year ended 31 December 2014 to 8.4% for the year ended 31 December 2015, which was driven by the increase in staff costs for the year.

Our revenue generated from Chachawan decreased slightly for approximately 3.9%, from approximately HK$20.4 million for the year ended 31 December 2015 to HK$19.6 million for the year ended 31 December 2016, which was mainly resulted from (i) the decrease in number of visits from 67,085 in 2015 to 66,468 in 2016; (ii) the decrease in average spending per meal per customer from HK$304 in 2015 to HK$295 in 2016; and (iii) the decrease in daily table turnover rate from 5.62 times in 2015 to 5.50 times in 2016. However, the net profit margin of Chachawan increased from 8.4% for the year ended 31 December 2015 to 13.4% for the year ended 31 December 2016, which was mainly due to more stringent staff cost control implemented by our Group with decrease in average head count from 27 in 2015 to 26 in 2016 and no staff bonus was provided for 2016, which led to a decrease in staff costs of approximately 20.3%, from approximately HK$7.4 million for the year ended 31 December 2015 to approximately HK$5.9 million for the year ended 31 December 2016.

Our revenue generated from Chachawan decreased slightly for approximately 6.0%, from approximately HK$11.7 million for the seven months ended 31 July 2016 to HK$11.0 million for the seven months ended 31 July 2017, which was mainly resulted from (i) the decrease in number of visits from 39,833 for the seven months ended 31 July 2016 to 36,450 for the seven months ended 31 July 2017; and (ii) the decrease in daily table turnover rate from 5.67 times for the seven months ended 31 July 2016 to 5.21 times for the seven months ended 31 July 2017. Due to the decreasing trend of Chachawan's revenue noted for the year ended 31 December 2016 and the seven months ended 31 July 2017, our management have imposed certain measures in order to boost revenue generated, which included self-takeaway services which started in mid-August 2017 and tapping into the outdoor catering market. The net profit margin of Chachawan also decreased from 13.9% for the seven months ended 31 July 2016 to 11.8% for the seven months ended 31 July 2017, which was mainly due to the increase in property rentals and related expenses upon the commencement of our renewed rental contract in April 2017.

Ham & Sherry

Our revenue generated from Ham & Sherry increased slightly for approximately 5.3%, from approximately HK$13.2 million for the year ended 31 December 2014 to approximately HK$13.9 million for the year ended 31 December 2015. Such increase was mainly due to (i) the increase in number of customer visits from 49,931 in 2014 to 50,208 in 2015; and (ii) the increase in average spending per meal per customer of HK$265 in 2014 to HK$276 in 2015. Despite the increase in revenue, Ham & Sherry turned from a net profit position for the year ended 31 December 2014 to a net loss position for the year ended 31 December 2015, which was mainly because of the increase in staff costs for the year.

Our revenue generated from Ham & Sherry decreased slightly for approximately 5.0%, from approximately HK$13.9 million for the year ended 31 December 2015 to HK$13.2 million for the year ended 31 December 2016. Such decrease was mainly resulted from the opening of new restaurants in nearby area of the location of Ham & Sherry in early 2016 which led to the decrease in (i) number of customer visits from 50,208 in 2015 to 45,679 in 2016 and (ii) daily table turnover rate from 2.10 times in 2015 to 1.71 times in 2016. Our Directors consider there was an improvement of the performance of Ham & Sherry starting mid-2016 after a few months have lapsed since the opening of these new restaurants. In spite of the declining revenue, the successful staff cost control measures, which led to a decrease in staff costs of approximately 8.0%, from approximately HK$5.0 million for the year ended 31 December 2015 to approximately HK$4.6 million for the year ended 31 December 2016 and the improvement strategies to increase average spending per customer per meal form HK$276 in 2015 to HK$289 in 2016 allowed us to improve the profitability of Ham & Sherry, which recorded a net profit for the year ended 31 December 2016 as compared to a net loss for the year ended 2015.

Our revenue generated from Ham & Sherry decreased slightly for approximately 3.8%, from approximately HK$7.8 million for the seven months ended 31 July 2016 to HK$7.5 million for the seven months ended 31 July 2017. Such decrease was mainly resulted from the decrease in (i) number of customer visits from 27,169 for the seven months ended 31 July 2016 to 25,440 for the seven months ended 31 July 2017; and (ii) daily table turnover rate from

1.88 times for the seven months ended 31 July 2016 to 1.64 times for the seven months ended 31 July 2017. In spite of the declining revenue, the successful staff cost control measures, which led to a decrease in staff costs of approximately 10.7%, from approximately HK$2.8 million for the seven months ended 31 July 2016 to approximately HK$2.5 million for the seven months ended 31 July 2017, and the improvement strategies including strengthening our staff with upselling techniques to increase average spending per customer per meal form HK$286 for the seven months ended 31 July 2016 to HK$295 for the seven months ended 31 July 2017, which allowed us to further increase net profit margin of Ham & Sherry from approximately 2.5% for the seven months ended 31 July 2016 to 3.6% for the seven months ended 31 July 2017.

Aberdeen Street Social

Our revenue generated from Aberdeen Street Social increased by approximately 56.8%, from approximately HK$28.5 million for the year ended 31 December 2014 to approximately HK$44.7 million for the year ended 31 December 2015. Such increase was mainly due to the full-year operations of Aberdeen Street Social which commenced operation in May 2014 in which the number of customer visits increased from 73,529 in 2014 to 125,804 in 2015. Aberdeen Street Social also turned from a net loss position for the year ended 31 December 2014 to a net profit position for the year ended 31 December 2015 after the full-year operations.

Our revenue generated from Aberdeen Street Social decreased for approximately 24.6%, from approximately HK$44.7 million for the year ended 31 December 2015 to HK$33.7 million for the year ended 31 December 2016. Such decrease was mainly resulted from the lack of customer traffic at the restaurant location and less than optimal market reception to the concept of the restaurant, in which the number of customer visits decreased from 125,804 in 2015 to 111,615 in 2016 and the table turnover rate decreased from 3.14 times in 2015 to 2.77 times in 2016. We changed the menu of Aberdeen Street Social in August 2016 to offer a more relaxed dining experience to attract more customers, and the performance is recovering starting from late 2016. We recorded a net loss for Aberdeen Street Social in 2016 as compared to the net profit in 2015, which was mainly due to the decrease in both the number of customer visits and average spending per customer per meal for the year ended 31 December 2016.

Due to the lack of customer traffic at the restaurant location as stated above, our revenue generated from Aberdeen Street Social decreased for approximately 15.8%, from approximately HK$20.3 million for the seven months ended 31 July 2016 to HK$17.1 million for the seven months ended 31 July 2017. The number of customer visits to Aberdeen Street Social decreased from 67,504 for the seven months ended 31 July 2016 to 60,268 for the seven months ended 31 July 2017 and the table turnover rate decreased from 2.88 times for the seven months ended 31 July 2016 to 2.58 times for the seven months ended 31 July 2017. In view of the decreasing trend of Aberdeen Street Social's revenue noted for the year ended 31 December 2016 and the seven months ended 31 July 2017, our management have imposed certain measures in order to boost revenue going forward, which included but not limited to (i) changes to menu offerings to include more British comfort food that are more accessible and affordable to a larger crowd; (ii) corporate discount arrangements with several companies and institutions; (iii) exclusive tasting menu for an online food and restaurant guide platform users; and (iv) organising regular drinking events to increase bar business and customer base. There was also a decrease in net loss margin of Aberdeen Street Social to 5.1% for the seven months ended 31 July 2017 as compared with 2.0% for the seven months ended 31 July 2016, which was primarily due to the decrease in gross profit for the period net off by the decrease in staff costs of approximately 14.5%, from approximately HK$7.6 million for the seven months ended 31 July 2016 to approximately HK$6.5 million for the seven months ended 31 July 2017, driven by our stringent staff cost control.

Having considered the significant investment our Group has made, our Directors considered that the closing down of Aberdeen Street Social would result in a significant loss. Instead, our Directors have recently successfully renewed the license agreement with a fixed term of 36 months and a variable term of a further 36 months. We have also secured an arrangement with the licensor, under which Aberdeen Street Social can use the event venue, the Qube, to provide catering services activities at an agreed price (comprising a fixed fee and a fee as a percentage of its expected gross sales from catering services activities for the event concerned), which we consider to be favourable in improving Aberdeen Street Social's performance and facilitating the investment payback. The licensor will also procure and ensure customers referred by the lessors shall order all the food and beverages consume at the Qube exclusively from Aberdeen Street Social except that if the expected licence fee payable to PMQ is equal to or exceed HK$800,000 per event, the licensor is only obliged to recommend Aberdeen Street Social to the customers. To the best of our Directors' knowledge and belief, the basis of using the amount of HK$800,000 is a commercial decision after considering events previously held at the Qube which may last for more than one day depending on the type of events such as cocktail party, product launch event, exhibition and etc. For clarification purposes, the HK$800,000 is the rental value payable (which do not include the fee payable to us in respect of the catering services provided) by a venue user to PMQ (not earned by our Group), which is used to determine whether on event should be referred to Aberdeen Street Social. Considered that we can leverage the existing resources of Aberdeen Street Social, the renewal arrangement is expected to increase the overall net profit margin of Aberdeen Street Social.

Meen & Rice

Our revenue generated from Meen & Rice increased by approximately 19.6%, from approximately HK$9.2 million for the year ended 31 December 2015 to HK$11.0 million for the year ended 31 December 2016 due to full-year operations in 2016, in which the number of customer visits increased from 68,877 in 2015 to 77,727 in 2016 and the average spending per meal per customer increased from HK$133 in 2015 to HK$141 in 2016. Our Directors seek to improve Meen & Rice's performance by adjusting the number of kitchen and waitering staff to tighten up cost control, and cooperating with an Independent Third Party to commence delivery services towards the end of 2016. Meen & Rice recorded a net loss in both 2015 and 2016, but with a significant decrease in net loss by 60%.

Our revenue generated from Meen & Rice increased by approximately 14.3%, from approximately HK$6.3 million for the seven months ended 31 July 2016 to HK$7.2 million for the seven months ended 31 July 2017. Such increase was driven by the increase in the number of customer visits from 45,359 for the seven months ended 31 July 2016 to 48,118 for the seven months ended 31 July 2017 and the increase in average spending per meal per customer from HK$140 for the seven months ended 31 July 2016 to HK$150 for the seven months ended 31 July 2017. The increase in revenue was mainly due to the contribution of partnership with a delivery service provider which increased the exposure of Meen & Rice to our target customers. Meen & Rice continued to improve and change from a net loss position for the seven months ended 31 July 2016 to a net profit position for the seven months ended 31 July 2017.

Esquina Tapas Bar

We acquired Esquina Tapas Bar in July 2015. Our revenue generated from Esquina Tapas Bar increased by approximately 91.8%, from approximately HK$6.1 million for the year ended 31 December 2015 to HK$11.7 million for the year ended 31 December 2016 due to the full-year-operations in 2016, in which the number of customer visits increased from 10,660 in 2015 to 19,522 in 2016 and the average spending per meal per customer also increased from HK$572 in 2015 to HK$601 in 2016. In order to streamline our business and concentrate on our restaurant operations in Hong Kong, we disposed of the entire interests of Esquina Tapas Bar in December 2016.

Fishschool Restaurant

Fishschool Restaurant commenced its operations in October 2015 and recorded a net loss for both 2015 and 2016. Our revenue generated from Fishschool Restaurant increased, from approximately HK$2.7 million for the year ended 31 December 2015 to HK$9.2 million for the year ended 31 December 2016 due to full-year operations in 2016, in which the number of customer visits increased from 6,321 in 2015 to 24,593 in 2016. Its performance suffered due to the lack of customer traffic at the restaurant location which led to decrease in both average spending per customer per meal from HK$429 in 2015 to HK$376 in 2016 and average daily table turnover rate from 1.77 times in 2015 to 1.46 times in 2016. Fishschool Restaurant continued to record net loss throughout the Track Record Period. Due to its prolonged investment payback period with the investment payback falling outside the lease period of the tenancy agreement and its continuing underperformance, Fishschool Restaurant has been disposed of by our Group in March 2017. For the operating period in 2017 before its disposal, Fishschool Restaurant generated revenue of approximately HK$2.4 million. The number of customer visits for the period was 3,011 with average daily table turnover rate of 0.67 times.

Mak Mak

Our revenue generated from Mak Mak increased substantially from approximately HK$0.3 million for the year ended 31 December 2015 to HK$18.0 million for the year ended 31 December 2016 due to full-year operation in 2016, as Mak Mak was only newly opened in December 2015 with 13 operating days.

During the seven months ended 31 July 2017, there is a slight decrease in revenue of Mak Mak of approximately 3.8%, from approximately HK$10.4 million for the seven months ended 31 July 2016 to HK$10.0 million for the seven months ended 31 July 2017. Such decrease was mainly due to the decrease in average spending per meal per customer from HK$285 for the seven months ended 31 July 2016 to HK$254 for the seven months ended 31 July 2017, despite the increase in number of customer visits from 36,562 for the seven months ended 31 July 2016 to 39,265 for the seven months ended 31 July 2017. Mak Mak changed from a net loss position for the seven months ended 31 July 2016 to a net profit position for the seven months ended 31 July 2017, which was mainly due to the cost control measures implemented by our Group including the decrease in cleaning and laundry expenses as Mak Mak ceased outsourcing cleaning and laundry services to third parties.

With an aim to further increase our revenue and improve our profitability going forward, we have initiated various improvement strategies including (i) launching take-away promotions; (ii) organising wine pairing events; (iii) increasing signage displays within the shopping mall in which Mak Mak is located; and (iv) offering discounts with various companies, hotels and organisations to reach the high spending customers in their network.

RHODA

RHODA commenced its operations in June 2016. Its number of customer visits was 16,246, with an average spending per meal per customer of HK$583 and a daily table turnover rate of 1.25 times for the year.

Our revenue generated from RHODA increased by approximately 3.7 times, from approximately HK$1.8 million for the seven months ended 31 July 2016 to HK$8.4 million for the seven months ended 31 July 2017. Such increase was mainly due to the full-period operations of RHODA which commenced operations in June 2016 in which the number of customer visits increased from 3,548 for the seven months ended 31 July 2016 to 14,221 for the seven months ended 31 July 2017 and the average spending per meal per customer increased from HK$518 for the seven months ended 31 July 2016 to HK$590 for the seven months ended 31 July 2017. The seven months ended 31 July 2017 was still a ramp-up period for RHODA and was still accumulating customer base. Due to the net loss position for RHODA noted for the year ended 31 December 2016 and the seven months ended 31 July 2017, our management have imposed certain measures in order to increase the profitability going forward, which included but not limited to (i) discount arrangements with various companies and organisations; and (ii) organising different types of events held, including events collaboration with guest celebrity chefs or events with linkage to fashion and music.

Commissary

Commissary commenced its operations in November 2016. Its number of customer visits was 9,388, with an average spending per meal per customer of HK$303 and a daily table turnover rate of 2.61 times for the year.

Our revenue generated from Commissary for the seven months ended 31 July 2017 was approximately HK$10.5 million. Its number of customer visits was 38,101, with an average spending per meal per customer of HK$275 and a daily table turnover rate of 2.40 times for the period. Due to the net loss position for Commissary noted for the year ended 31 December 2016 and the seven months ended 31 July 2017, our management have imposed certain measures in order to increase the profitability going forward, which included but not limited to (i) changes to menu offerings and adjustments in menu price in August 2017; (ii) increasing signage displays in the shopping mall in which Commissary is located; (iii) discount arrangement with various companies and organisations; and (iv) discount arrangements with customers of a nearby cinema.

Revenue and net profit margin by type of cuisines

Our restaurants served two categories of cuisines during the Track Record Period. The table below sets forth a breakdown of our revenue by type of cuisines and as a percentage of our total revenue and net profit margin for each type of cuisine during the Track Record Period:

	Year ended 31 December									Seven months ended 31 July					
	2014			2015			2016			2016			2017		
	Revenue	% of total revenue	Net profit margin	Revenue	% of total revenue	Net profit margin	Revenue	% of total revenue	Net profit (loss) margin	Revenue	% of total revenue	Net profit (loss) margin	Revenue	% of total revenue	Net profit (loss) margin
	(HK$'000)	*(%)*	*(%)*	*(HK$'000)*	*(%)*	*(%)*	*(HK$'000)*	*(%)*	*(%)*	*(HK$'000) (unaudited)*	*(%)*	*(%)*	*(HK$'000)*	*(%)*	*(%)*
European[(Note 1)]	94,320	55.3	1.0	116,072	56.2	4.0	122,419	52.7	(3.8)	66,772	51.7	(3.5)	70,248	52.1	(4.4)
Asian[(Note 2)]	76,167	44.7	4.9	90,404	43.8	1.5	109,956	47.3	5.7	62,358	48.3	3.8	64,607	47.9	6.1
Total	170,487	100.0		206,476	100.0		232,375	100.0		129,130	100.0		134,855	100.0	

Notes:

1. 208 Duecento Otto, 22 Ships, Ham & Sherry, Aberdeen Street Social, Esquina Tapas Bar, Fishschool Restaurant, RHODA and Commissary are classified as European restaurants.

2. Duddell's, Chachawan, Meen & Rice and Mak Mak are classified as Asian restaurants.

There was an increase in net profit margin for our European restaurants, from 1.0% in 2014 to 4.0% in 2015, which was mainly contributed by the improvement in net profit margin of Aberdeen Street Social from net loss margin of 11.1% in 2014 to net profit margin of 5.6% in 2015 due to the full-year operations. There is a decrease in net profit margin for our Asian restaurants from 4.9% in 2014 to 1.5% in 2015, which was mainly due to the commencement of operations of Meen & Rice and Mak Mak in March and December 2015 respectively which led to higher expenses incurred for their initial set-up compared to a relatively lower turnover.

Our European restaurants turned from recording a net profit margin of 4.0% in 2015 to a net loss in 2016. Such decrease in net profit margin was mainly due to (i) the decrease in revenue for the Full-period-operations European Restaurants (including 208 Duecento Otto, 22 Ships, Ham & Sherry and Aberdeen Street Social, which accounted for more than 70% of the revenue for European Restaurants during Track Record Period) driven by the economic slowdown in Hong Kong in 2016 and the average spending per person per meal was relatively lower; (ii) the commencement of operations of two new restaurants in 2016 which led to a higher expenses incurred for their initial set-up compared to a relatively lower turnover; and (iii) the net loss incurred by Fishschool due to the lack of customer traffic at the restaurant location which led to a decrease in both average spending per meal per customer and average daily table turnover rate, net off by the better cost control measures implemented by the management for 208 Duecento Otto and Ham & Sherry.

During both the seven months ended 31 July 2016 and 2017, we recorded a net loss for the European Restaurants. And the net loss margin increased from approximately 3.5% for the seven months ended 31 July 2016 to 4.4% for the seven months ended 31 July 2017. Such increase in loss was mainly due to the commencement of operations of Commissary in November 2017, which recorded a net loss for the seven months ended 31 July 2017 and the worsening of the net loss for Aberdeen Street Social, net off by the increase in net profit for 208 Duecento Otto, 22 Ships and Ham & Sherry for the period.

Our Asian restaurants recorded net profit margins of approximately 4.9%, 1.5%, 5.7% and 6.1% respectively for each of the three years ended 31 December 2016 and the seven months ended 31 July 2017. Such an increasing trend of net profit margins was mainly due to (i) the increase in revenue and net profit margin of Duddell's, which contributed to higher than 50% of the revenue for Asian Restaurants during the Track Record Period, driven by the increase in number of customers visits and increase in average spending per customer together with a stable daily table turnover; and (ii) the better cost control measures implemented by the management for Duddell's and Chachawan.

Seasonality

Our business is subject to seasonal fluctuations. During the Track Record Period, we generally recorded relatively higher monthly revenue in March, May, November and December, and relatively lower monthly revenue in January, February, July and August. Our Directors are of the view that the relatively higher monthly revenue in March, May, November and December was mainly due to (i) the major events and exhibitions held in Hong Kong in the said periods, including but not limited to Hong Kong Sevens, Art Basel Hong Kong, Hong Kong International Wine & Spirits Fair and Hong Kong International Jewelry Manufacturers' Show; and (ii) relatively fine weather in those months. On the other hand, the relatively lower monthly revenue in January, February, July and August was mainly due to (i) customer preferences to traditional Chinese cuisine during Chinese New Year; and (ii) our customers travelling abroad during the Chinese New Year and summer holidays.

Other income

Our other income mainly comprises restaurant consultancy service income, arts sponsorship income, event service income, management service income, licence fee income, forfeited credits from members and consignment income of wines and cigars. Other income amounted to approximately HK$0.4 million, HK$0.5 million, HK$1.7 million and HK$1.3 million respectively for each of the three years ended 31 December 2016 and the seven months ended 31 July 2017, represented approximately 0.2%, 0.2%, 0.7% and 1.0% of our total revenue. The higher other income for the year ended 31 December 2016 compared with that for the year ended 31 December 2015 was primarily due to the new restaurant consultancy service income of approximately HK$0.7 million received from Maggie & Rose Group (which we disposed of in September 2017) and Potato Head (HK), and the forfeited credits from members incurred during 2016. The higher other income for the seven months ended 31 July 2017 compared with that for the seven months ended 31 July 2016 was primarily due to (i) licence fee income of approximately HK$0.1 million, which was related to the sub-licensing arrangements in relation to the operations of Duddell's London; and (ii) increase in restaurant consultancy service income of approximately HK$0.4 million, which commenced in the first half of 2016. Please refer to the section headed "Business - Trademark licensing arrangements" in this prospectus for details.

Other gains and losses

Our other gains and losses comprise net exchange gain or loss, loss on disposal of property, plant and equipment and gain on disposal of business. Our other gains and losses amounted to approximately gains of HK$4,000, HK$2,000, HK$0.7 million and loss of HK$0.2 million respectively for each of the three years ended 31 December 2016 and the seven months ended 31 July 2017. The other gains for the year ended 31 December 2016 primarily represent the gain on disposal of business of HK$0.7 million resulted from the disposal of business of the restaurant in Singapore to J C Tapas. The other loss for the seven months ended 31 July 2017 primarily represent the loss on disposal of subsidiaries of HK$0.1 million resulted from the disposal of the entire equity interest in Concept Wise.

Raw materials and consumables used

Our raw materials and consumables used mainly represent the cost of food and beverages ingredients for the operations of our independent full-service restaurants. The major food ingredients purchased by us include fresh seafood, fresh vegetables, fruits, fresh meats and frozen food. Raw materials and consumables used amounted to approximately HK$44.6 million, HK$52.5 million, HK$58.2 million and HK$33.1 million respectively for each of the three years ended 31 December 2016 and the seven months ended 31 July 2017, representing approximately 26.2%, 25.4%, 25.0% and 24.5% of our total revenue. Therefore, food ingredient prices have a significant effect on our profit. The decrease of the percentage of raw materials costs to total revenue for the seven months ended 31 July 2017 compared with that for the seven months ended 31 July 2016 was due to various discount granted to us for the purchase of beverages for our restaurants.

The table below sets forth our raw materials and consumables used by type of cuisines and the percentage to our revenues during the Track Record Period:

	Year ended 31 December									Seven months ended 31 July					
	2014			2015			2016			2016			2017		
	Raw materials and consumables used	Revenue	% of revenue	Raw materials and consumables used	Revenue	% of revenue	Raw materials and consumables used	Revenue	% of revenue	Raw materials and consumables used	Revenue	% of revenue	Raw materials and consumables used	Revenue	% of revenue
	(HK$'000)	*(HK$'000)*	*(%)*	*(HK$'000)*	*(HK$'000)*	*(%)*	*(HK$'000)*	*(HK$'000)*	*(%)*	*(HK$'000) (unaudited)*	*(HK$'000) (unaudited)*	*(%)*	*(HK$'000)*	*(HK$'000)*	*(%)*
European(Note 1)	25,849	94,320	27.4	30,047	116,072	25.8	32,511	122,419	26.6	17,696	66,772	26.5	18,150	70,248	25.8
Asian(Note 2)	18,733	76,167	24.5	22,454	90,404	24.9	25,673	109,956	23.4	14,750	62,358	23.7	14,945	64,607	23.1
Total	44,582	170,487	26.2	52,501	206,476	25.4	58,184	232,375	25.0	32,446	129,130	25.1	33,095	134,855	24.5

Notes:

1. 208 Duecento Otto, 22 Ships, Ham & Sherry, Aberdeen Street Social, Esquina Tapas Bar, Fishschool Restaurant RHODA, Commissary are classified as European restaurants.

2. Duddell's, Chachawan, Meen & Rice and Mak Mak are classified as Asian restaurants.

During the Track Record Period, we sourced most of our food and beverage ingredients from local suppliers, importers and distributors in Hong Kong. We have not entered into long-term contracts with our suppliers or implemented other financial risk management strategies against potential price fluctuations in food and beverage cost. We will constantly monitor and respond to changes of food ingredient prices by, including but not limited to, (i) changing suppliers with more reasonable prices and/or (ii) modifying our food menu. Please refer to the section headed "Risk factors — Our operations are susceptible to increases in purchase cost for raw materials such as food and beverage ingredients, which could adversely affect our profitability and results of operations" in this prospectus.

Please also refer to the sub-section headed "Sensitivity and breakeven analysis" in this section for the impact of hypothetical fluctuations in raw materials and consumables used on our profit/loss before taxation and profit/loss for the year during the Track Record Period.

Nevertheless, the increase in our raw materials and consumables used was generally in line with the increase our revenue during the Track Record Period.

Staff costs

Restaurant operations are highly service-oriented and labour-intensive. During the Track Record Period, staff costs represented one of the major components of our operating expenses, which primarily consisted of salaries, retirement benefit scheme contributions and other benefits.

For each of the three years ended 31 December 2016 and the seven months ended 31 July 2017, we incurred approximately HK$59.8 million, HK$73.0 million, HK$79.5 million and HK$50.5 million as staff costs, respectively, representing approximately 35.1%, 35.4%, 34.2% and 37.4% of our total revenue, respectively.

The following table sets forth the breakdown of our staff costs during the Track Record Period:

	Year ended 31 December			Seven months ended 31 July	
	2014	**2015**	**2016**	**2016**	**2017**
	(HK$'000)	*(HK$'000)*	*(HK$'000)*	*(HK$'000)* *(unaudited)*	*(HK$'000)*
Directors' emoluments *(Note)*	—	—	—	—	581
Other staff costs					
Salaries and other benefits	57,286	69,778	75,792	43,319	47,935
Retirement benefit scheme contributions	2,561	3,222	3,722	1,673	2,013
Total	59,847	73,000	79,514	44,992	50,529

Note: Ms. PY Wong and Ms. Wan Suet Yee Cherry were appointed as Directors on 21 August 2015 and redesignated as executive Directors on 18 May 2017, and Mr. Devin Nijanthan Chanmugam, Mr. Leung Yuk Lun Ulric and Mr. Wee Keng Hiong Tony were appointed as independent non-executive Directors on 23 January 2018. No emoluments were paid/payable to the Directors during the Track Record Period (including emoluments for the services as director/employees of group entities prior to them becoming the Directors).

During the Track Record Period, the executive Directors were also employed and remunerated by a related company, which is controlled by Ms. PY Wong and it is not practicable to allocate payments to them for their services to our Group and those to other related companies. Their contracts of employment were all transferred to our Group by 1 March 2017.

Our staff costs increased by approximately HK$13.2 million from approximately HK$59.8 million for the year ended 31 December 2014 to approximately HK$73.0 million for the year ended 31 December 2015. The higher staff cost was primarily due to (i) the full-year operations of Aberdeen Street Social (which commenced operations in May 2014); (ii) the commencement of operations of Meen & Rice and Fishschool Restaurant in March and October 2015 respectively; and (iii) the acquisition of Esquina Tapas Bar with effect from 1 July 2015.

Our staff costs further increased by approximately HK$6.5 million from approximately HK$73.0 million for the year ended 31 December 2015 to approximately HK$79.5 million for the year ended 31 December 2016. The higher staff cost was primarily due to (i) the full-year operations of Meen & Rice, Fishschool Restaurant and Mak Mak (which commenced operations in March, October and December 2015 respectively); (ii) the full-year operations of Esquina Tapas Bar (which was acquired in July 2015); and (iii) the commencement of operations of RHODA and Commissary in June and November 2016 respectively.

As at 31 December 2016, six of our management employees (including our executive Directors), nine of our marketing employees and two of our operations employees are under the employment of PC Asia or Jia Boutique Hotels, being companies in which Ms. PY Wong indirectly or directly holds 50% shareholding interest. Their remunerations have been recognised in our financial statement by way of management fee paid to such related companies. The aggregate salaries of these staff were approximately HK$5.2 million and approximately HK$7.6 million in 2015 and 2016 respectively, of which approximately HK$0.8 million and approximately HK$0.6 million were recognised as our Group's staff cost and the balance of approximately HK$4.4 million and approximately HK$7.0 million respectively formed part of the management fee charged to our Group (see the sub-section headed "Other operating expenses — Management service fee" in this section below). Their contracts of employment were all transferred to our Group by 1 March 2017, hence there was a significant increase in staff costs with decrease in management service fee for the seven months ended 31 July 2017 as compared with that for the seven months ended 31 July 2016. Such transfer of employees only resulted in the different classification of expenses but did not have a material impact on our Group's overall costs structure.

The following table sets forth for the reconciliation of the staff costs taking into account relevant management employees:

	Year ended 31 December			**Seven months ended 31 July**	
	2014	**2015**	**2016**	**2016**	**2017**
	(HK$'000)	*(HK$'000)*	*(HK$'000)*	*(HK$'000)* *(unaudited)*	*(HK$'000)*
Staff costs	59,847	73,000	79,514	44,992	50,529
Management service fee	3,880	4,864	7,923	4,718	1,182
	63,727	77,864	87,437	49,710	51,711

According to the Ipsos Report, the average wages for workers in Chinese and non-Chinese restaurants in Hong Kong from 2010 to 2016 have grown by a compound annual growth rate of 5.6% and 5.9%, respectively. It is therefore expected that our staff cost will continue to increase and also as a result of the expected expansion of our business.

Please also refer to the sub-section headed "Sensitivity and breakeven analysis" in this section for the impact of hypothetical fluctuations in staff costs on our financial results during the Track Record Period.

Property rentals and related expenses

During the Track Record Period and up to the Latest Practicable Date, all of the premises for our office and restaurants were leased properties. The rental type of our current lease agreements of our restaurants is either (i) basic rent; (ii) a basic rent or turnover rent whichever is the greater; or (iii) an aggregate of basic rent and turnover rent.

For each of the three years ended 31 December 2016 and the seven months ended 31 July 2017, we recorded property rentals and related expenses of approximately HK$20.6 million, HK$24.3 million, HK$31.7 million and HK$19.2 million respectively, representing approximately 12.1%, 11.8%, 13.6% and 14.2% of our total revenue respectively. Property rentals and related expenses were one of the major components of our operating expenses during the Track Record Period.

Our property rentals and related expenses increased by approximately HK$3.7 million from approximately HK$20.6 million for the year ended 31 December 2014 to approximately HK$24.3 million for the year ended 31 December 2015. The higher property rentals and related expenses were primarily due to (i) the full-year operations of Aberdeen Street Social (which commenced operations in May 2014); (ii) the commencement of operations of Meen & Rice, Fishschool Restaurant and Mak Mak in March, October and December 2015, respectively; and (iii) the acquisition of Esquina Tapas Bar with effect from 1 July 2015.

Our property rentals and related expenses further increased by approximately HK$7.4 million from approximately HK$24.3 million for the year ended 31 December 2015 to approximately HK$31.7 million for the year ended 31 December 2016. The higher property rentals and related expenses were primarily due to (i) the full-year operations of Meen & Rice, Fishschool Restaurant and Mak Mak (which commenced operations in March, October and December 2015, respectively); (ii) the full-year operations of Esquina Tapas Bar (which was acquired in July 2015); and (iii) the commencement of operations of RHODA and Commissary in June and November 2016, respectively.

Our property rental and related expenses also increased by approximately HK$1.7 million from approximately HK$17.5 million for the seven months ended 31 July 2016 to HK$19.2 million for the seven months ended 31 July 2017. The increase in property rentals and related expenses were primarily due to (i) the full-period operations of RHODA (which commenced operations in June 2016); and (ii) the commencement of operations of Commissary in November 2016.

Please also refer to the sub-section headed "Sensitivity and breakeven analysis" in this section for the impact of hypothetical fluctuations in property rentals and related expenses on our financial results for the year during the Track Record Period.

Depreciation

Depreciation represents depreciation charges for property, plant and equipment including, among others, leasehold improvements, furniture and fixtures, equipment and tools and computers of our Group.

For each of the three years ended 31 December 2016 and the seven months ended 31 July 2017, the total depreciation amounted to approximately HK$9.8 million, HK$11.2 million, HK$13.7 million and HK$8.6 million respectively, representing approximately 5.7%, 5.4%, 5.9% and 6.4% of our total revenue respectively. The increasing trend of our depreciation charges was primarily as a result of the expansion of our restaurant network, with four newly established and/or acquired restaurants in 2015 and two newly established restaurants in 2016.

Utility expenses

Our utility expenses primarily consist of expenses incurred for electricity, gas, charcoal and water supplies required for our business operations. For each of the three years ended 31 December 2016 and the seven months ended 31 July 2017, our utility expenses amounted to approximately HK$5.3 million, HK$6.7 million, HK$7.7 million and HK$4.4 million, respectively, representing approximately 3.1%, 3.2%, 3.3% and 3.3% of our total revenue, respectively.

Our utility expenses increased by approximately HK$1.4 million from approximately HK$5.3 million for the year ended 31 December 2014 to approximately HK$6.7 million for the year ended 31 December 2015. The increase in utility expenses was primarily as a result of (i) the full-year operations of Aberdeen Street Social (which commenced operations in May 2014); (ii) the commencement of operations of Meen & Rice and Fishschool Restaurant in March and October 2015, respectively; and (iii) the acquisition of Esquina Tapas Bar with effect from 1 July 2015.

Our utility expenses further increased by approximately HK$1.0 million from approximately HK$6.7 million for the year ended 31 December 2015 to approximately HK$7.7 million for the year ended 31 December 2016. The increase in utility expenses was primarily as a result of (i) the full-year operations of Meen & Rice, Fishschool Restaurant and Mak Mak (which commenced operations in March, October and December 2015, respectively); (ii) the full-year operations of Esquina Tapas Bar (which was acquired in July 2015); and (iii) the commencement of operations of RHODA and Commissary in June and November 2016, respectively.

Advertising and promotion expenses

Our advertising and promotion expenses primarily consist of consultancy fee paid to an independent marketing consulting firm to provide marketing strategy solutions, advertising expenses, entertainment expenses and printing of collateral materials. For each of the three years ended 31 December 2016 and the seven months ended 31 July 2017, our advertising and promotion expenses amounted to approximately HK$5.9 million, HK$7.5 million, HK$6.8 million and HK$3.9 million respectively, representing approximately 3.5%, 3.6%, 2.9% and 2.9% of our total revenue respectively. The increase in our advertising and promotion expenses for the year ended 31 December 2015 was primarily as a result of (i) the additional advertising and promotion for Duddell's; and (ii) the advertising for the new opening of Meen & Rice and Fishschool Restaurant in March and October 2015, respectively. The decrease in our advertising and promotion expenses since 2016 was primarily a result of the implementation of cost control measures by insourcing the advertising and promotion function.

Other operating expenses

The table below set forth the breakdown of our other operating expenses during the Track Record Period:

	Year ended 31 December						Seven months ended 31 July			
	2014		2015		2016		2016		2017	
	(HK$'000)	*(%)*	*(HK$'000)*	*(%)*	*(HK$'000)*	*(%)*	*(HK$'000)* *(unaudited)*	*(%)*	*(HK$'000)*	*(%)*
Audit fee	233	1.2	800	3.2	800	2.4	462	2.4	502	3.5
Cleaning and laundry expenses	2,967	15.3	4,400	17.8	5,882	17.7	3,527	18.7	3,185	22.0
Consultancy fee	696	3.6	779	3.1	1,383	4.1	705	3.7	403	2.8
Credit card commission	3,024	15.6	3,648	14.7	3,992	11.9	2,218	11.8	2,266	15.7
Decoration	749	3.9	889	3.6	992	3.0	519	2.8	474	3.3
Insurance	1,262	6.5	1,202	4.8	1,396	4.2	791	4.2	840	5.8
Legal & professional fee	335	1.7	919	3.7	1,084	3.2	731	3.9	501	3.5
Management service fee	3,880	20.0	4,864	19.6	7,923	23.7	4,718	25.0	1,182	8.2
Recruitment costs	472	2.4	327	1.3	465	1.4	284	1.5	190	1.3
Repair & maintenance	1,245	6.4	1,943	7.8	2,875	8.6	1,441	7.6	1,839	12.8
Travelling expenses	71	0.4	434	1.7	645	1.9	391	2.1	272	1.9
Operating supplies	3,147	16.3	2,946	11.8	3,589	10.7	1,855	9.8	1,829	12.7
Others	1,286	6.7	1,717	6.9	2,405	7.2	1,235	6.5	936	6.5
Total	19,367	100	24,868	100	33,431	100	18,877	100	14,419	100

For each of the three years ended 31 December 2016 and the seven months ended 31 July 2017, our other operating expenses amounted to approximately HK$19.4 million, HK$24.9 million, HK$33.4 million and HK$14.4 million, respectively, representing approximately 11.4%, 12.1%, 14.4% and 10.7% of our total revenue respectively. Major components of our other operating expenses are further discussed as below:

Cleaning and laundry expenses

In the ordinary course of operation of our restaurants, we incur cleaning and laundry expenses. These expenses were among the second largest components of our other operating expenses during the Track Record Period, which represented approximately 15.3%, 17.8%, 17.7% and 22.0% of our other operating expenses for each of the three years ended 31 December 2016 and the seven months ended 31 July 2017, respectively. The increasing trend in our cleaning and laundry expenses was mainly as a result of the expansion of our restaurant network during the Track Record Period.

Credit card commission

During the Track Record Period, since majority of our customers settled their bills by cash or credit cards, we had to pay the service charges of 1.6% to 3.5% of their bills to various credit card issuers. This represented approximately 15.6%, 14.7%, 11.9% and 15.7% of our other operating expenses for each of the three years ended 31 December 2016 and the seven months ended 31 July 2017 respectively. The increasing trend of such service charge was in line with the increasing revenue with the expansion of our restaurant network with four newly established and/or acquired restaurants in 2015 and two newly established restaurants in 2016.

Management service fee

Management service fee to our related companies (namely PC Asia and Jia Boutique Hotels, being companies in which Ms. PY Wong directly or indirectly holds 50% interest) was among the largest components of our other expenses during the Track Record Period, which accounted approximately 20.0%, 19.6%, 23.7% and 8.2% of our other operating expenses for each of the three years ended 31 December 2016 and the seven months ended 31 July 2017 respectively. This primarily represents the reimbursement of the staff cost and ancillary costs paid by these related companies based on the number of restaurants in operations and the number of manager employees needed. As at 31 December 2016, six of our management employees (including our executive Directors and four of our senior management including our administrative manager, group accounting manager, senior project manager and human resources manager), nine of our marketing employees and two of our operations employees are under the employment of these related companies. It is not practicable to allocate payments to them for their services to our Group and those they provide to their direct employers because (i) they dedicated most of their time to serve our Group; and (ii) as confirmed by the Directors the executive Directors did not record the work hour separately for our Group, PC Asia and Jia Boutique Hotels. Their contracts of employment were all transferred to our Group by 1 March 2017 whereupon they would dedicate full time towards servicing our Group, hence the management service fee dropped significantly with increase in staff costs in 2017. Such transfer of employees only resulted in the different classification of expenses but did not have a material impact on our Group's overall costs structure. For each of the three years ended 31 December 2016 and the seven months ended 31 July 2017, our Company paid the management service fee of approximately HK$3.9 million, HK$4.9 million, HK$7.9 million and HK$1.2 million to the related companies. Please refer to note 28 of the Accountants' Report as set out in Appendix I to this prospectus for details.

As confirmed by the Directors, the management service fees fully covered the staff cost of the management employees including the Directors' emoluments of the two executive Directors (i.e. other than the portion covered by the management service fees, the management employees including the two executive Directors did not receive additional remuneration from the related companies).

Operating supplies

Operating supplies mainly represent the restaurant and kitchen supplies, glass and tableware and staff uniforms, which remained stable and represented approximately 16.3%, 11.8%, 10.7% and 12.7% of our other operating expenses for each of the three years ended 31 December 2016 and the seven months ended 31 July 2017, respectively.

Others

Other expenses mainly represent the stationery and office supplies, transportation fee, security fee during the Track Record Period, which remained stable and represented approximately 6.7%, 6.9%, 7.2% and 6.5% of our other operating expenses for each of the three years ended 31 December 2016 and the seven months ended 31 July 2017, respectively.

Duddell's membership and art programme

As disclosed in the section headed "Business — Sales and marketing — Customer loyalty programmes - Duddell's membership and art programme", during the Track Record Period our Art Committee members from time to time provided input on a *pro bono* basis. The Art Committee members spent very limited time on this advisory role and we believe that it is commonplace in the Hong Kong art community for prominent figures to take up art advisory roles of similar nature that do not involve substantive time commitment to be provided on a *pro bono* basis out of their aspiration in the promotion of art appreciation.

The Directors do not consider that the provision of such *pro bono* advisory services by the Art Committee members constitutes expense to our Group to be recorded in its financial statements in accordance with the Conceptual Framework for Financial Reporting 2010 issued by the Hong Kong Institute of Certified Public Accountants, nor is there any understatement of expenses which would materially affect the truth and fairness of our financial statements as a whole. The Art Committee was dismissed on 31 December 2016 and our Directors confirm that the display of art work at Duddell's will continue to be curated by our staff.

Equity interests in certain restaurant subsidiaries taken up by the chefs

As disclosed in the section headed "Business — Expansion plans, site selection and dish development — Arrangement with chefs", generally speaking, chefs of our restaurants are our employees or consultants to whom we pay a salary or consultancy fee. In the past, prior to the commencement of the restaurant operations, we have invited key chefs of some restaurants to take up equity interest as investors for nominal cash consideration. Those key chef shareholders enjoy the same shareholders' rights as other non-chef shareholders in these restaurants except that they are not required to contribute material further funding in the form of shareholders' loans in these restaurants. The commercial terms were agreed before commencement of operations of the relevant restaurants. The Directors believe that such issuance / transfer of equity interests have not resulted in any expense to our Group to be recorded in its financial statements under HKFRSs on the grounds that:-

(1) the chefs were invited to take up the equity interests in those restaurant subsidiaries in the capacity as investors alongside our Group and under Hong Kong Accounting Standard 32, no gain or loss is recognised upon issue of equity instruments; and

(2) the commercial terms in respect of the equity interests in those restaurant subsidiaries were agreed by the parties before the commencement of operations of the relevant restaurants, and the equity instruments were issued or transferred at a time where the relevant restaurant subsidiaries were at their initial operations or pre-operation stage and were either loss making or making minimal profit and did not have much assets and liabilities. In substance, both our Group and the chefs agreed to invest in start up entities. Therefore, where HKFRS 2 is applicable, the fair value impact of such share based payments will be negligible.

Instead, we recorded the capital contribution in relation to such shares subscription under the Hong Kong Accounting Standard 1 in the combined statements of changes in equity.

Share of loss of an associate

An associate is an entity over which our Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. As at 31 December 2016 and 31 July 2017, our Group held an associate, Potato Head (HK), with gross amount due from Potato Head (HK) of approximately HK$6.5 million and HK$6.9 million respectively.

Under the equity method, an investment in an associate is initially recognised in the combined statements of financial position at cost and adjusted thereafter to recognise our Group's share of the profit or loss and other comprehensive income of the associate. Due to the underperformance of Potato Head (HK) which led to net loss for the year ended 31 December 2016 and the seven months ended 31 July 2017, our Group recognised share of loss of an associate of approximately HK$6.5 million and HK$6.9 million respectively, and hence the amount due from an associate become nil as at 31 December 2016 and 31 July 2017.

When our Group's share of loss of an associate exceeds our Group's interest in that associate which includes amount due from an associate, our Group discontinues recognising share of further losses. Additional loss are recognised only to the extent that our Group has incurred legal or constructive obligations or made payments on behalf of the associate. Hence our Group considered the share of loss of an associate to be a non-recurring item.

Taxation

The income tax of our Group is provided for at the applicable tax rates in accordance with the relevant law and regulations in Hong Kong and Singapore. There is no tax obligation arising from jurisdictions other than Hong Kong and Singapore during the Track Record Period. Hong Kong profits tax and Singapore income tax were provided on the estimated assessable profits arising in Hong Kong and Singapore, respectively at a rate of 16.5% and 17% during the Track Record Period.

After adjusted for the non-recurring and non-deductible listing expenses, our Group's effective tax rate for the three years ended 31 December 2016 and the seven months ended 31 July 2017 were approximately 21.7%, 26.2%, 68.4% and 105.3% respectively. The higher effective tax rate was mainly due to the net loss position for some of our restaurants during the Track Record Period. As our restaurants are held by individual companies, the tax losses of loss-making restaurants cannot be utilised by profit-making restaurants.

Our Directors confirm that we had made all required tax filings in Hong Kong and paid all tax liabilities that became due, and we were not subject to any dispute or issue with tax authorities, which would have a material impact on our business, financial condition or results of operation, during the Track Record Period and up to the Latest Practicable Date.

Non-controlling interests

"Non-controlling interests" represent the interests of non-controlling shareholders in the net results of the non-wholly owned subsidiaries of our Group.

Listing expenses

Our estimated expenses in relation to the Listing primarily consist of legal and professional fees, the underwriting commissions together with SFC transaction levy and Stock Exchange trading fee. Based on the Offer Price of HK$0.30 per Offer Share, our total listing expenses are estimated to be approximately HK$40.1 million, of which HK$3.2 million will be borne by the Selling Shareholder. The listing expenses to be borne by our Company are estimated to be approximately HK$36.9 million, of which approximately HK$9.1 million is directly attributable to the issue of New Shares and will be accounted for as a deduction from equity upon the Listing. The remaining amount of HK$27.8 million is chargeable to the combined statement of profit or loss and other comprehensive income, of which approximately HK$9.8 million, HK$4.6 million and HK$7.2 million were recognised in our Group's combined statements of profit or loss and other comprehensive income for the two years ended 31 December 2016 and the seven months ended 31 July 2017, respectively, and approximately HK$3.2 million and HK$3.0 million is expected to be charged for the five months ended 31 December 2017 and the year ending 31 December 2018. We emphasise that the amount of the listing expenses is a current estimate for reference only and the final amount to be recognised in the combined financial statements of our Group for the year ended 31 December 2017 and the year ending 31 December 2018 is subject to adjustment based on audit and possible changes in variables and assumptions.

Prospective investors should note that the financial performance of our Group for the year ended 31 December 2017 and the year ending 31 December 2018 is expected to be adversely affected by the estimated non-recurring listing expenses mentioned above, and may or may not comparable to the financial performance of our Group in the past.

Foreign currency risk

During the Track Record Period and upon the Listing we operated mainly in Hong Kong with most of our transactions settled in HK$. As such, we did not have significant exposure to foreign exchange risk during the Track Record Period.

LIQUIDITY AND CAPITAL RESOURCES

Our primary uses of cash are to satisfy our working capital requirements and to fund our capital expenditures. During the Track Record Period, we generally financed our working capital and capital expenditure requirements through a combination of advances from related parties, bank borrowings and internally generated funds. As at 31 December 2014, 2015 and 2016 and 31 July 2017, we had bank balances and cash of approximately HK$21.9 million, HK$16.7 million, HK$7.6 million and HK$5.2 million, respectively, which were substantially held in Hong Kong dollars.

Our working capital is mainly for the payments of food ingredients and beverages, staff costs, property rentals and related expenses, and other operating expenses incurred for our business operations. Going forward, we expect to fund our working capital requirements with a combination of various sources, including but not limited to our proceeds from the Share Offer, bank borrowings, and internal resources. As at 31 July 2017, we had obtained banking facilities for an aggregate principal amount of HK$29.0 million, with outstanding amount of bank borrowings of HK$17.7 million. For details, please refer to the sub-section headed "Banking facilities" in this section. We intend to utilise part of our net proceeds of the Share Offer to repay part of our term loan of HK$1.0 million. Our Directors have further confirmed that as at the Latest Practicable Date, our Group did not have any plan to raise any material external debt financing shortly after the Share Offer.

Our capital expenditures in the past mainly related to setting up of new restaurants. For details regarding the historical and planned capital expenditures of our Group, please refer to the paragraph headed "Capital expenditures" in this section.

Cash flows and working capital

The following table sets forth the condensed summary of the combined statements of cash flows for the Track Record Period:

	Year ended 31 December			**Seven months ended 31 July**	
	2014	**2015**	**2016**	**2016**	**2017**
	(HK$'000)	*(HK$'000)*	*(HK$'000)*	*(HK$'000)* *(unaudited)*	*(HK$'000)*
Net cash generated from (used in) operating activities	16,725	7,232	2,777	(4,635)	283
Net cash used in investing activities	(16,913)	(14,124)	(26,281)	(17,300)	(6,236)
Net cash from financing activities	6,653	1,659	14,443	9,081	3,499
Net increase (decrease) in cash and cash equivalents	6,465	(5,233)	(9,061)	(12,854)	(2,454)
Cash and cash equivalents at beginning of the year/period	15,455	21,920	16,687	16,687	7,626
Cash and cash equivalents at end of the year/period	21,920	16,687	7,626	3,833	5,172

Cash flows from operating activities

For each of the three years ended 31 December 2016, we recorded net cash generated from operating activities of approximately HK$16.7 million, HK$7.2 million and HK$2.8 million respectively, which were the combined results of (i) the listing expense of approximately nil, HK$9.8 million and HK$4.6 million incurred in 2014, 2015 and 2016, respectively; (ii) the profit before taxation and after adjustments of non-cash items of approximately HK$15.3 million, HK$7.6 million and HK$11.7 million, respectively, which were mainly attributable to the depreciation charge of approximately HK$9.8 million, HK$11.2 million and HK$13.7 million, respectively; (iii) the net increase in working capital mainly as a result of the increase in trade and other payables and accrued charges of approximately HK$4.5 million, HK$8.7 million in 2014 and 2015 and net decrease in working capital mainly as a result of the increase in trade and other receivables, deposits and prepayments of approximately HK$0.9 million, HK$8.2 million and HK$2.2 million, respectively in 2014, 2015 and 2016, which was mainly attributable to the deferred expenses for the Listing in 2015 and 2016; and (iv) the income tax paid of approximately HK$0.8 million, HK$0.4 million and HK$2.7 million respectively during the corresponding years, respectively.

For the seven months ended 31 July 2016, our Group recorded net cash used in operating activities of approximately HK$4.6 million, which were the combined results of (i) the profit before taxation and after adjustments of non-cash items of approximately HK$4.9 million, which were mainly attributable to the listing expenses of approximately HK$2.9 million for the seven months ended 31 July 2016; (ii) the net decrease in working capital mainly as a result of the decrease in trade and other payables and accrued charges of approximately HK$5.8 million, which was mainly due to the payment of staff bonus for the year ended 31 December 2015 during the seven months ended 31 July 2016 while no staff bonus was provided for 2016; and (iii) the income tax paid of approximately HK$2.0 million during the seven months ended 31 July 2016.

For the seven months ended 31 July 2017, we recorded net cash generated from operating activities of approximately HK$0.3 million, which were the combined results of (i) the listing expense of approximately HK$7.2 million incurred for the seven months ended 31 July 2017; (ii) the profit before taxation and after adjustments of non-cash items of approximately HK$3.3 million, which were mainly attributable to the depreciation charge of approximately HK$8.6 million; (iii) the net increase in working capital mainly as a result of the increase in trade and other payables and accrued charges of approximately HK$1.0 million and net decrease in working capital mainly as a result of the increase in trade and other receivables, deposits and prepayments of approximately HK$1.9 million, which was mainly attributable to the deferred expenses for the Listing; and (iv) the income tax paid of approximately HK$2.2 million during the seven months ended 31 July 2017.

Although there was a decrease in net cash generated from operating activities for the seven months ended 31 July 2017 compared with that for the year ended 31 December 2016, there was an increase in net cash generated from operating activities compared with that for the seven months ended 31 July 2016. As our business is subject to seasonal fluctuations, we expect that further net cash would be generated from operating activities in the five months ended 31 December 2017.

For illustration, the table below shows the summary of the adjusted operating cash flows from operating activities before the changes in working capital after excluding the listing expenses during the Track Record Period:

	For the year ended 31 December			For the seven months ended 31 July	
	2014	**2015**	**2016**	**2016**	**2017**
	(HK$'000)	*(HK$'000)*	*(HK$'000)*	*(HK$'000)* *(unaudited)*	*(HK$'000)*
Profit (loss) before taxation	5,492	(2,760)	(7,531)	(6,501)	(6,131)
Adjustments for:					
Depreciation of property, plant and equipment	9,842	11,188	13,670	7,537	8,611
Finance costs	—	—	313	155	274
Loss on disposal of property, plant and equipment	—	—	16	16	—
(Gain)loss on disposal of business/subsidiaries	—	—	(736)	—	100
Share of loss of an associate	—	—	6,467	3,930	433
Net working capital held by a non-controlling shareholder for Singapore operation	—	(788)	(459)	(247)	—
Operating cash flows before movements in working capital	15,334	7,640	11,740	4,890	3,287
Add: Listing expenses	—	9,750	4,588	2,919	7,239
Adjusted operating cash flow before movements in working capital	15,334	17,390	16,328	7,809	10,526

As shown in the table above, our Group is able to meet the minimum cash flow requirements under Rule 11.12A of the GEM Listing Rules.

Although a decrease trend of our working capital for the two years ended 31 December 2016 and for the seven months ended 31 July 2017 was noted, our Directors are of the opinion, and the Sole Sponsor concurs, that our Group has sufficient working capital for the present requirements for at least the next 12 months from the date of this prospectus, after taking into account the following financial resources available to our Group:

- the amounts of net cash generated from the operating activities of our Group during the Track Record Period;
- the unaudited bank balances and cash of our Group of approximately HK$5.8 million as at 30 November 2017;
- the estimated net proceeds to be received by us from the Share Offer (after deducting underwriting commission, brokerage, the Stock Exchange trading fee, SFC transaction levy for the Offer Shares and estimated listing expenses in connection with the Share Offer) of approximately HK$13.6 million (based on the Offer Price of HK$0.30 per Share); and
- the unutilised banking facility amount of HK$8.0 million as at 30 November 2017.

The banking facilities set out above are guaranteed by Ms. PY Wong (which guarantee is expected to be released upon Listing), our Company and some of our subsidiaries.

Cash flows in investing activities

For each of the three years ended 31 December 2016 and the seven months ended 31 July 2017, we recorded net cash used in investing activities of approximately HK$16.9 million, HK$14.1 million, HK$26.3 million and HK$6.2 million, respectively. During the Track Record Period, our cash flows in investing activities primarily consisted of (i) purchase of property, plant and equipment of approximately HK$16.9 million, HK$14.8 million, HK$15.8 million and HK$5.2 million, respectively for the corresponding year/period; and (ii) advance to an associate of approximately HK$6.5 million for the year ended 31 December 2016.

Cash flows from financing activities

For each of the three years ended 31 December 2016 and the seven months ended 31 July 2017, we recorded net cash generated from financing activities of approximately HK$6.7 million, HK$1.7 million, HK$14.4 million and HK$3.5 million, respectively, which was primarily due to (i) the advances from non-controlling shareholders of subsidiaries of approximately HK$7.5 million, HK$3.7 million, HK$0.6 million and nil, respectively; (ii) the advances from related companies of approximately HK$10.8 million, HK$8.9 million, HK$10.0 million and HK$1.7 million, respectively; and (iii) the new bank loan raised of HK$16.0 million in 2016 and

HK$5.0 million for the seven months ended 31 July 2017; net off by (iv) the repayments to non-controlling shareholders of subsidiaries of approximately HK$6.0 million and HK$0.7 million in 2014 and 2015; (v) the repayments to related companies of approximately HK$4.0 million, HK$8.3 million, HK$9.9 million and HK$1.3 million respectively; and (vi) the repayment of bank borrowing of approximately HK$1.9 million in 2016 and HK$1.5 million for the seven months ended 31 July 2017.

CURRENT ASSETS AND CURRENT LIABILITIES

The following table sets out our Group's current assets and current liabilities as at the end of each reporting period during the Track Record Period and 30 November 2017, being the latest practicable date for the preparation of the indebtedness statement in the prospectus:

	As at 31 December			As at 31 July	As of 30 November
	2014	**2015**	**2016**	**2017**	**2017**
	(HK$'000)	*(HK$'000)*	*(HK$'000)*	*(HK$'000)*	*(HK$'000)* (unaudited)
Current assets					
Inventories	3,257	3,745	4,120	3,890	4,368
Trade and other receivables, deposits and prepayments	2,914	7,623	8,273	9,868	15,477
Amounts due from related companies	2,630	—	35	308	308
Amount due from a controlling shareholder	101	—	104	4,036	4,036
Amounts due from non-controlling shareholders of subsidiaries	13	5,483	6,500	77	77
Amount due from an investee of available-for-sale ("AFS") investment	—	1,990	2,984	2,984	—
Amount due from an associate	—	—	—	389	389
Tax recoverable	197	—	654	1,161	298
Bank balances and cash	21,920	16,687	7,642	5,172	5,807
	31,032	35,528	30,312	27,885	30,760
Current liabilities					
Trade and other payables and accrued charges	19,931	29,658	24,993	21,374	23,047
Amounts due to related companies	12,494	164	206	596	697
Amount due to a controlling shareholder	1,003	—	3	—	—
Amounts due to non-controlling shareholders of subsidiaries	32,668	2,015	2,590	—	—
Tax payable	898	2,289	2,725	2,615	1,449
Bank borrowings	—	—	8,500	4,782	4,782
Bank overdrafts	—	—	16	—	—
	66,994	34,126	39,033	29,367	29,975
Net current (liabilities) assets	(35,962)	1,402	(8,721)	(1,482)	785

Net current (liabilities) assets

Our Group recognised net current assets of approximately HK$1.4 million as at 31 December 2015 and net current liabilities of approximately HK$36.0 million, HK$8.7 million and HK$1.5 million as at 31 December 2014, 31 December 2016 and 31 July 2017 respectively. Our current assets as at 31 December 2014, 2015 and 2016 and 31 July 2017 amounted to approximately HK$31.0 million, HK$35.5 million, HK$30.3 million and HK$27.9 million, respectively, with inventories, trade and other receivables, deposits and prepayments, amount due from a controlling shareholder (being Ms. PY Wong), amounts due from non-controlling shareholders of subsidiaries, amount due from an AFS investee, and bank balances and cash being the major components of our current assets. Our current liabilities as at 31 December 2014, 2015 and 2016 and 31 July 2017 amounted to approximately HK$67.0 million, HK$34.1 million, HK$39.0 million and HK$29.4 million, respectively, which primarily consisted of trade and other payables and accrued charges, bank borrowings and bank overdraft, amounts due to non-controlling shareholders of subsidiaries, amounts due to related companies, amount due to Ms. PY Wong and tax payable.

As at 31 December 2014, we recorded net current liabilities of approximately HK$36.0 million, which was mainly attributable to the amounts due to our non-controlling shareholders of subsidiaries at approximately HK$32.7 million, which were used to finance the setting-up of the new restaurants, including the capital expenditure on property, plant and equipment, which will be regarded as non-current assets. Ms. PY Wong and non-controlling shareholders of subsidiaries had provided interest-free shareholders' loans to our Group in meeting the capital expenditure of our Group in 2014. We also recorded amounts due to related companies of HK$12.5 million as at 31 December 2014. During the year ended 31 December 2015, as part of the Reorganisation, shareholders' loans of respective subsidiaries due to Ms. PY Wong, non-controlling shareholders and related companies (these related companies being the then immediate holding companies of the respective subsidiaries which were controlled by Ms. PY Wong before the completion of the Reorganisation) of approximately HK$1,945,000, HK$33,606,000 and HK$12,779,000, respectively were assigned to Big Team in exchange of the shares issued by Big Team to Ms. PY Wong, non-controlling shareholders and related companies. As a result, our Group recorded net current assets of approximately HK$1.4 million as at 31 December 2015.

As at 31 December 2016, notwithstanding we generated net cash generated from operating activities of approximately HK$2.8 million for the year ended 31 December 2016, we recorded net current liabilities of approximately HK$8.7 million compared with the net current asset position of approximately HK$1.4 million as at 31 December 2015, which was primarily resulted from the decrease in bank balances and cash for an advance made to an associate, Potato Head (HK), of HK$6.5 million. As at 31 December 2016, we obtained banking facilities for an aggregate principal amount of HK$17.0 million, with current portion of outstanding bank borrowings amount of HK$8.5 million which were used to finance the setting-up of the new restaurants, including the capital expenditure on property, plant and equipment, which will be regarded as non-current assets. For details, please refer to the sub-section headed "Banking facilities" in this section. The decrease in bank balances and cash and the increase in bank borrowing stated above were partially offset by approximately HK$4.7 million decrease in trade and other payables and accrued charges.

Our net current liabilities position decreased significantly by approximately HK$7.2 million, from approximately HK$8.7 million as at 31 December 2016 to approximately HK$1.5 million as at 31 July 2017, which was primarily due to (i) the decrease in current portion of bank borrowings of approximately HK$3.7 million after the restructuring of banking facilities pursuant to which a revolving loan was changed to a term loan; (ii) decrease in amounts due to non-controlling shareholders of subsidiaries of approximately HK$2.6 million; (iii) the decrease in trade and other payables and accrued charges of approximately HK$3.6 million; (iv) increase in trade and other receivables, deposits and prepayments of approximately HK$1.6 million; net off by (v) the decrease in amounts due from non-controlling shareholders of subsidiaries of approximately HK$6.4 million; and (vi) decrease in bank balances and cash of approximately HK$2.4 million.

As at 30 November 2017, being the latest practicable date for the preparation of the indebtedness statement in this prospectus, we recorded net current assets of approximately HK$0.8 million compared with the net current liabilities position of approximately HK$1.5 million as at 31 July 2017, which was primarily due to the increase in trade and other receivables, deposits and prepayments of approximately HK$5.6 million, net off by the decrease in amount due from an AFS investee of approximately HK$3.0 million.

As at Latest Practicable Date, in order to maintain the adequate level of working capital of our Group, our Group had been granted total banking facilities of HK$29.0 million and the unutilised banking facilities as at 30 November 2017 was HK$8.0 million. These banking facilities are guaranteed by Ms. PY Wong (which guarantee is expected to be released upon Listing), our Company and some of our subsidiaries.

We intend to utilise part of our net proceeds of the Share Offer to repay part of the term loan of HK$10 million. Our Directors have further confirmed that as at the Latest Practicable Date, our Group did not have any plan to raise any material external debt financing shortly after the Share Offer. Based on our existing cash positions and the operating cash flow generated, our Directors consider that our Group is able to finance our future plan.

The following table set forth the current ratio and quick ratio of our Group as at the end of each reporting period during the Track Record Period:

	As at 31 December			As at 31 July
	2014	**2015**	**2016**	**2017**
Current ratio(Note 1)	0.5	1.0	0.8	0.9
Quick ratio(Note 2)	0.4	0.9	0.7	0.8

Notes:

1. Current ratio is calculated by dividing the total current assets by the total current liabilities at the dates indicated.
2. Quick ratio is calculated by dividing the total current assets excluding inventories by the total current liabilities at the dates indicated.

As at 31 December 2014, 2015 and 2016 and 31 July 2017, the current ratio of our Group was approximately 0.5, 1.0, 0.8 and 0.9 times respectively and quick ratio of our Group was approximately 0.4, 0.9, 0.7 and 0.8 times respectively. Our quick ratio was generally close to our current ratio because our inventories only accounted for less than 15.0% of our total current assets as at 31 December 2014, 2015 and 2016 and 31 July 2017. Our current ratio increased from 0.5 times as at 31 December 2014 to 1.0 times as at 31 December 2015, which was mainly attributable to the decrease of total current liabilities as a result of the assignment of the shareholders' loans of respective subsidiaries due to Ms. PY Wong, non-controlling shareholders and related companies of approximately HK$1.9 million, HK$33.6 million and HK$12.8 million respectively to Big Team as part of the Reorganisation.

Our current ratio decreased to 0.8 times as at 31 December 2016 from 1.0 times as at 31 December 2015, which was mainly attributable to the increase of total current liabilities as a result of (i) the drawdown of secured bank borrowings which amounted to HK$14.1 million as at 31 December 2016 with current portion of HK$8.5 million which were mainly used for capital expenditure of property, plant and equipment in new restaurants; and (ii) the decrease in bank balance and cash by approximately HK$9.1 million.

Our current ratio increased slightly to 0.9 times as at 31 July 2017. Such increase was mainly attributable to the decrease of total current liabilities, resulted from (i) the decrease in trade and other payables and accrued charges of approximately HK$3.6 million, (ii) decrease in amounts due to non-controlling shareholders of subsidiaries of approximately HK$2.6 million; and (iii) the decrease in current portion of bank borrowings of approximately HK$3.7 million mainly due to the restructuring of the revolving loan portion of our banking facilities of HK$6 million to a term loan. Our quick ratio demonstrated a similar trend as our current ratio.

For further details and analysis on the major items affecting our current assets and current liabilities positions during the Track Record Period, please refer to the following sub-section headed "Description and analysis of principal components of combined statements of financial position" in this section.

DESCRIPTION AND ANALYSIS OF PRINCIPAL COMPONENTS OF COMBINED STATEMENTS OF FINANCIAL POSITION

Property, plant and equipment

Our property, plant and equipment mainly represented the leasehold improvements, furniture and fixtures, and equipment and tools for our restaurants. As at 31 December 2014, 2015 and 2016 and 31 July 2017, the carrying values of our property, plant and equipment amounted to approximately HK$39.0 million, HK$44.6 million, HK$46.6 million and HK$35.9 million, respectively.

The increasing trend of the carrying values of our property, plant and equipment for the three years ended 31 December 2016 was principally attributable to our additions on property, plant and equipment of approximately HK$17.4 million, HK$15.5 million and HK$16.3 million respectively, mainly for our one, three and two newly established restaurants during the corresponding period.

The carrying values of our property, plant and equipment decreased from approximately HK$46.6 million as at 31 December 2016 to approximately HK$35.9 million as at 31 July 2017, which was mainly attributable to the combined effect of (i) the additions on property, plant and equipment of approximately HK$1.3 million; (ii) the disposal of Fishschool Restaurant with property, plant and equipment amounted approximately HK$3.4 million; and (iii) the depreciation expense of approximately HK$8.6 million recognised for the seven months ended 31 July 2017.

Inventories

During the Track Record Period, our inventories mainly consist of food ingredients and beverages and wines for our restaurant operations. The following table sets forth the breakdown of our Group's inventories as at 31 December 2014, 2015 and 2016 and 31 July 2017:

	As at 31 December			As at 31 July
	2014	**2015**	**2016**	**2017**
	(HK$'000)	*(HK$'000)*	*(HK$'000)*	*(HK$'000)*
Food ingredients	431	699	890	627
Beverages and wines	2,826	3,046	3,230	3,263
Total	3,257	3,745	4,120	3,890

The following table sets forth the inventory turnover days of our Group for the Track Record Period:

	Year ended 31 December			Seven months ended 31 July
	2014	**2015**	**2016**	**2017**
Inventory turnover days (Note)	20.3	24.3	24.7	25.7

Note: Inventory turnover days for each of the three years ended 31 December 2016 and the seven months ended 31 July 2017 are calculated by the average of the beginning and closing inventories divided by the raw materials and consumables used for the year/period and multiplied by 365, 365, 366 days and 212 days respectively for each of the respective year/period.

As at 31 December 2014, 2015 and 2016 and 31 July 2017, our inventories amounted to approximately HK$3.3 million, HK$3.7 million, HK$4.1 million and HK$3.9 million, respectively. For each of the three years ended 31 December 2016 and for the seven months ended 31 July 2017, we operated 6, 10, 11 and 10 restaurants respectively. The increasing trend of our inventory turnover days for the three years ended 31 December 2016 and for the seven months ended 31 July 2017 was mainly due to the increase in the level of buffer stocks of beverages and wines resulted from the expansion of our restaurant network.

As at the Latest Practicable Date, approximately HK$2.9 million or 74.5% of our inventories as at 31 July 2017 have been subsequently utilised. Given that the unutilised portion of inventories represents beverages and wine products with longer shelf life which are generally consumed at a slower pace than food ingredients, the Directors considered that the risk of inventories obsolescence and costs of holding inventories will be immaterial.

Trade and other receivables, deposits and prepayments

The following table sets forth the breakdown of our trade and other receivables, deposits and prepayments as at 31 December 2014, 2015 and 2016 and 31 July 2017:

	As at 31 December			**As at 31 July**
	2014	**2015**	**2016**	**2017**
	(HK'000)	*(HK'000)*	*(HK'000)*	*(HK'000)*
Trade receivables	1,255	1,405	2,456	1,821
Other receivables, deposits and prepayments	7,092	15,681	16,486	18,427
	8,347	17,086	18,942	20,248

Trade receivables

During the Track Record Period, as majority of our customers settled their bills by cash or credit cards, our trade receivables mainly represented receivables from credit card issuers. The settlement terms with credit card issuers are usually within seven days after the billing date which is also the service rendered date.

As at 31 December 2014, 2015 and 2016 and 31 July 2017, our trade receivables amounted to approximately HK$1.3 million, HK$1.4 million, HK$2.5 million and HK$1.8 million respectively. For each of the three years ended 31 December 2016 and the seven months ended 31 July 2017, we operated 6, 10, 11 and 10 restaurants, respectively. The increasing trend of trade receivables as at 31 December 2014, 2015 and 2016 was mainly attributable to the expansion of our restaurant network and was in line with the increasing trend of our revenue for the three years ended 31 December 2016. Our trade receivables decreased from approximately HK$2.5 million as at 31 December 2016 to approximately HK$1.8 million as at 31 July 2017, which was primarily due to the disposal of Fishschool Restaurant in March 2017.

The following table sets forth the ageing analysis of our trade receivables based on the invoiced date as at the end of each reporting period during the Track Record Period:

	As at 31 December			As at 31 July
	2014	2015	2016	2017
	(HK$'000)	*(HK$'000)*	*(HK$'000)*	*(HK$'000)*
0 to 30 days	1,188	1,212	1,936	1,681
31 to 60 days *(Note 1)*	61	51	229	83
61 to 90 days *(Note 1)*	—	142	71	—
Over 90 Days *(Note 1)*	6	—	220	57
Total	1,255	1,405	2,456	1,821

The following table sets forth the trade receivable turnover days for the Track Record Period:

	Year ended 31 December			Seven months ended 31 July
	2014	2015	2016	2017
Trade receivable turnover days *(Note 2)*	1.9	2.4	3.0	3.4

Notes:

1. Our trade receivable aged over 31 days mainly arose from our event services.

2. Trade receivable turnover days are calculated by the average of the beginning and closing trade receivables divided by the total revenues for the period and multiplied by 365 days (for the year ended 31 December 2014 and 2015), 366 days (for the year ended 31 December 2016) and 212 days (for the seven months ended 31 July 2017).

Our trade receivable turnover days for each of the three years ended 31 December 2016 and the seven months ended 31 July 2017 were considered to be relatively stable as our revenue was mainly settled by our customers by cash and credit cards during the Track Record Period. We consider that the amounts were recoverable because of the prompt payment by credit card issuers. During the Track Record Period, there were no allowance for bad and doubtful debts. As at the Latest Practicable Date, approximately HK$1.8 million or 100% of the trade receivables as at 31 July 2017 were subsequently settled.

Other receivables, deposits and prepayments

During the Track Record Period, our other receivables, deposits and prepayments represented mainly (i) the deposits paid by us for our leased properties pursuant to the respective lease agreements entered into by us; (ii) the deposits for utilities, such as electricity, water and gas supplies and management fees and air-conditioning charge; (iii) deferred expenses mainly in relation to the listing expenses; (iv) prepayments for insurance; and (v) in respect of our other receivables, cash advance to our restaurants' managers and chefs for restaurant operation purposes.

The following table sets forth the details of the other receivables, deposits and prepayments as at the end of each reporting period during the Track Record Period:

	As at 31 December			As at 31 July
	2014	**2015**	**2016**	**2017**
	(HK$'000)	*(HK$'000)*	*(HK$'000)*	*(HK$'000)*
Rental deposits	4,311	7,922	9,095	8,740
Other deposits	1,652	2,224	2,722	3,225
Other receivables	182	529	904	907
Prepayments and others	947	5,006	3,765	5,555
Total other receivables, deposits and prepayments	7,092	15,681	16,486	18,427

As at the three years ended 31 December 2016 and the seven months ended 31 July 2017, the amount of deposits (including rental deposits and other deposits) amounted to approximately HK$6.0 million, HK$10.1 million, HK$11.8 million and HK$12.0 million, respectively. The amount of deposit increased by approximately HK$4.1 million from approximately HK$6.0 million as at 31 December 2014 to approximately HK$10.1 million as at 31 December 2015 and further to approximately HK$11.8 million as at 31 December 2016, which was mainly attributable to the expansion of our restaurant network and the increase of monthly rentals for certain of our restaurants upon renewal of our lease agreements. The amount of deposit slightly increased to approximately HK$12.0 million as at 31 July 2017, which was attributable to the combined effect of (i) the decrease in rental deposit of approximately HK$0.4 million, from approximately HK$9.1 million as at 31 December 2016 to approximately HK$8.7 million as at 31 July 2017, which was primarily due to the disposal of Fishschool Restaurant in March 2017; and (ii) the increase in other deposits by approximately HK$0.5 million, from approximately HK$2.7 million as at 31 December 2016 to approximately HK$3.2 million as at 31 July 2017.

Our prepayments and others mainly represented the deferred expenses in respect of Listing, prepaid insurance premium and other expenses. Our prepayments and others increased by approximately HK$4.1 million from approximately HK$0.9 million as at 31 December 2014 to approximately HK$5.0 million as at 31 December 2015, which was mainly attributable to the deferred expenses for the Listing of approximately HK$3.5 million. Our prepayments and others decreased by approximately HK$1.2 million to approximately HK$3.8 million as at 31 December 2016, which was mainly attributable to the decrease in deferred expenses for the Listing from approximately HK$3.5 million as at 31 December 2015 to approximately HK$1.9 million as at 31 December 2016. Up to 31 December 2016, based on the Offer Price of HK$0.30 per Offer Share, approximately HK$14.6 million out of the estimated total listing expenses of approximately HK$40.1 million has been paid by our Group, out of which approximately HK$1.9 million was recorded as deferred expenses as at 31 December 2016. As at 31 July 2017, our prepayments and others were at approximately HK$5.6 million, increased by approximately HK$1.8 million, compared to that as at 31 December 2016. Such increase was mainly attributable to the increase in deferred expenses for the Listing of HK$2.3 million from approximately HK$1.9 million as at 31 December 2016 to approximately HK$4.2 million as at 31 July 2017.

Trade and other payables and accrued charges

The following table sets forth the breakdown of our Group's trade and other payables and accrued charges as at 31 December 2014, 2015 and 2016 and 31 July 2017:

	As at 31 December			**As at 31 July**
	2014	**2015**	**2016**	**2017**
	(HK$'000)	*(HK$'000)*	*(HK$'000)*	*(HK$'000)*
Trade payables	6,590	7,974	11,325	9,007
Other payables and accrued charges	13,341	21,684	13,668	12,367
	19,931	29,658	24,993	21,374

Trade payables

Our trade payables mainly represent food ingredients and beverages purchased for the restaurants. Our suppliers generally grant us credit periods of 30 days after the issuance of invoice or 30 days after the relevant month end. Our Directors confirm that there had been no default in payment of trade payables during the Track Record Period.

As at 31 December 2014, 2015 and 2016 and 31 July 2017, our trade payables amounted to approximately HK$6.6 million, HK$8.0 million, HK$11.3 million and HK$9.0 million, respectively. Such increasing trend as at 31 December 2014, 2015 and 2016 was mainly a result of the expansion of our restaurant network from operating six restaurants in 2014 to 11 restaurants in 2016. The trade payables decreased to approximately HK$9.0 million as at 31 July 2017, which was mainly attributable to the disposal of the entire interest in Fishschool Restaurant in March 2017.

The following table sets forth the ageing analysis of our trade payables as at the end of each reporting period during the Track Record Period:

	As at 31 December			As at 31 July
	2014	2015	2016	2017
	(HK$'000)	*(HK$'000)*	*(HK$'000)*	*(HK$'000)*
0 - 30 days	6,439	7,451	7,060	5,687
31 to 60 days	1	444	4,258	3,132
61 to 90 days	16	17	2	184
Over 90 days	134	62	5	4
Total	6,590	7,974	11,325	9,007

The following sets forth our trade payable turnover days for the Track Record Period:

	Year ended 31 December			Seven months ended 31 July
	2014	2015	2016	2017
Trade payable turnover days*(note)*	44.9	50.6	60.7	65.1

Note: Trade payable turnover days are calculated by the average of the beginning and closing trade payables divided by raw materials and consumables used for the period and multiplied by 365 days (for the year ended 31 December 2014 and 2015), 366 days (for the year ended 31 December 2016) and 212 days (for the seven months ended 31 July 2017).

For each of the three years ended 31 December 2016 and the seven months ended 31 July 2017 , the trade payable turnover days amounted to approximately 44.9 days, 50.6 days, 60.7 days and 65.1 days respectively. As at 31 December 2014, 2015 and 2016 and 31 July 2017, over 97% of our Group's trade payables were aged within 60 days and were in line with the general payment terms normally granted by our suppliers of (i) 30 days after issuance of invoice; or (ii) 30 days after relevant month end. Our suppliers normally issue their monthly statements to our Group on a monthly basis for the purchases made by our Group in the last month.

As at the Latest Practicable Date, approximately HK$9.0 million or 100.0% of our Group's trade payables as at 31 July 2017 were subsequently settled.

Other payables and accrued charges

Other payables and accrued charges mainly represent salary payables, rental payables, provision for listing expenses and payables for other operating items. Our other payables and accrued charges as at 31 December 2014, 2015 and 2016 and 31 July 2017 were approximately HK$13.3 million, HK$21.7 million, HK$13.7 million and HK$12.4 million, respectively.

The following table sets forth the details of the other payables and accrued charges and accrued staff related costs as at the end of each reporting period during the Track Record Period:

	As at 31 December			As at 31 July
	2014	**2015**	**2016**	**2017**
	(HK$'000)	*(HK$'000)*	*(HK$'000)*	*(HK$'000)*
Accrued staff related costs	4,913	5,158	992	2,204
Payables for renovation of restaurants	428	2,173	3,880	—
Other payables and other accrued charges	8,000	14,353	8,796	10,163
Total	13,341	21,684	13,668	12,367

The increase in our other payables and accrued charges as at 31 December 2015 was primarily attributable to (i) the increase of accrued listing expenses of approximately HK$6.2 million from 2014 to 2015; and (ii) the increase in our staff costs and related expenses which was mainly due to the result of the expansion of our restaurant network with four newly established and/or acquired restaurants in 2015.

The decrease in our other payables and accrued charges as at 31 December 2016 was primarily attributable to (i) the decrease in other payables and other accrued charges by approximately HK$5.6 million, which was mainly due to the decrease of accrued listing expenses of approximately HK$4.6 million from approximately HK$6.2 million as at 31 December 2015 to approximately HK$1.6 million as at 31 December 2016 due to settlement of listing expenses; and (ii) the decrease in accrued staff related costs of HK$4.2 million as no bonus was accrued in 2016.

As at 31 July 2017, our other payables and accrued charges decreased by approximately HK$1.3 million, from approximate HK$13.7 million as at 31 December 2016 to approximately HK$12.4 million as at 31 July 2017. Such decrease was mainly attributable to the combined effect of (i) the increase in accrued staff related costs by approximately HK$1.2 million, which was primarily due to the provision of bonus of approximately HK$1.1 million; (ii) the decrease in payables for renovation of restaurants by approximately HK$3.9 million from approximately HK$3.9 million as at 31 December 2016 to nil as at 31 July 2017 because no new restaurant was set up and no such expense was incurred during the seven months ended 31 July 2017; and (iii) the increase in other payables and other accrued charges by approximately HK$1.4 million, from approximately HK$8.8 million as at 31 December 2016 to approximately HK$10.2 million as at 31 July 2017, which was mainly due to the increase in accrued listing expenses by approximately HK$3.7 million from approximately HK$1.6 million as at 31 December 2016 to approximately HK$5.3 million as at 31 July 2017; and net off by the settlement of renovation expenses incurred by newly establishment of Commissary in 2017 of approximately HK$2.5 million.

Our Directors confirm that our Group had not had any material default in payment of other payables during the Track Record Period.

Provision

We made provision for reinstatement works related to the estimated cost of reinstating the rented premises to be carried out at the end of respective lease periods. As at 31 December 2014, 2015 and 2016 and 31 July 2017, such provision amounted to approximately HK$2.3 million, HK$3.3 million, HK$3.5 million and HK$3.3 million, respectively, in which none was accounted for as the current portion of such provision. Such provision was determined by our Directors based on their best estimate. The general increasing trend of our provision as at 31 December 2014, 2015 and 2016 was principally attributable to newly established and/or acquired restaurants. For each of the three years ended 31 December 2016, we operated 6, 10 and 11 restaurants respectively. As at 31 July 2017, our provision slightly decreased by approximately HK$0.2 million, which was resulted from the disposal of Fishschool Restaurant in March 2017.

Amounts due from and to related parties

The following table sets forth a summary of the amounts due from and to related parties, including related companies, Ms. PY Wong and non-controlling shareholders of subsidiaries, as at the end of each reporting period during the Track Record Period:

	As at 31 December			As at 31 July
	2014	**2015**	**2016**	**2017**
	(HK$'000)	*(HK$'000)*	*(HK$'000)*	*(HK$'000)*
Amounts due from related companies	2,630	—	35	308
Amount due from Ms. PY Wong	101	—	104	4,036
Amounts due from non-controlling shareholders of subsidiaries	13	5,483	6,500	77
Amount due from an AFS investee	—	1,990	2,984	2,984
Amount due from an associate	—	—	—	389
	2,744	7,473	9,623	7,794
Amounts due to related companies				
- Trade nature	325	164	153	109
- Non-trade nature	12,169	—	53	487
Amount due to Ms. PY Wong	1,003	—	3	—
Amounts due to non-controlling shareholders of subsidiaries	32,668	2,015	2,590	—
	46,165	2,179	2,799	596

The amounts due from related company as at 31 December 2014 primarily resulted from the advances made to our related party for the acquisition of 40% shares in Luck Wealthy, the subsidiary operating 208 Duecento Otto, at a consideration of HK$2.6 million. The amounts due from non-controlling shareholders of subsidiaries as at 31 December 2015 mainly represented net working capital held by the non-controlling shareholder on behalf of one of our restaurants for operating purpose, which arose from the arrangement between Hidden Glory and J C Tapas for the operations of Esquina Tapas Bar. Please refer to sub-section headed "Acquisition of the acquired business during the Track Record Period" in this section for further details. The amounts due from non-controlling shareholders of subsidiaries as at 31 December 2016 mainly represented an amount of HK$6.5 million of consideration receivable for the disposal of business of Esquina Tapas Bar. The amount was subsequently settled in January 2017, thus the amount significantly decreased by approximately HK$6.4 million as at 31 July 2017. The amount due from an AFS investee as at 31 December 2016 represented a loan to Selecta Holdings Limited, a private entity incorporated in the BVI, through its subsidiaries, operated a membership based family house with a restaurant facility in Hong Kong. Amounts due from (i) a related company, (ii) Ms. PY Wong, (iii) non-controlling shareholders of subsidiaries, (iv) an AFS investee, and (v) an associate are unsecured, interest-free and have no fixed repayment term. The amounts due from these related parties outstanding and of non-trade nature as at 31 July 2017 will be subsequently settled prior to the Listing.

As at 31 December 2014, 2015 and 2016 and 31 July 2017, the amounts due to related companies (non-trade nature) was approximately HK$12.2 million, nil, HK$53,000 and HK$0.5 million, respectively and amounts due to non-controlling shareholders of subsidiaries were approximately HK$32.7 million, HK$2.0 million, HK$2.6 million and nil, respectively. Both amounts due to related companies (non-trade nature) and amount due to non-controlling shareholders of subsidiaries were unsecured, interest-free and repayable on demand, which were mainly used to finance the setting-up of the new restaurants, including the capital expenditure on property, plant and equipment. The amounts due to related companies (non-trade nature) had been fully settled before the Latest Practicable Date. The amounts due to non-controlling shareholders of subsidiaries as at 31 December 2015 and 2016 mainly refer to amounts due to non-controlling shareholders of Fishschool Restaurant which represented mainly shareholder loans contributed by non-controlling shareholders in proportion to their equity interest. Since the amount was loan in nature, such amount was not capitalised. Such loan from non-controlling shareholders of Fishschool was derecognised as liabilities of our Group upon the disposal of Fishschool Restaurant during the seven months ended 31 July 2017. The amounts due to related companies (trade nature), which had a credit term of 30 days, were approximately HK$0.3 million, HK$0.2 million, HK$0.2 million and HK$0.1 million as at 31 December 2014, 2015 and 2016 and 31 July 2017, respectively, which mainly represented the outstanding balances for Altaya Wines Limited in relation to the purchase of wines. The non-trade nature due to non-controlling shareholders of subsidiaries constituted part of their investment in our relevant restaurants which were approximately HK$32.7 million as at 31 December 2014, HK$2.0 million as at 31 December 2015, HK$2.6 million as at 31 December 2016 and nil as at 31 July 2017.

For illustration purposes only, should a notional interest be charged to our Group in connection with these loans for the Track Record Period at the rate of HIBOR plus 2.5% (currently being 4%) per annum, being the rate applicable to our term loan offered to us by a bank in Hong Kong (as disclosed in the section headed "Financial information — Indebtedness — Banking facilities" in this prospectus), the notional interest charges for each of the three years ended 31 December 2016 and the seven months ended 31 July 2017 would be approximately HK$1.8 million, HK$81,000, HK$106,000 and HK$19,000, respectively.

INDEBTEDNESS

Borrowings

The following table sets forth our borrowings as at the end of each reporting period during the Track Record Period and 30 November 2017, being the latest practicable date for the preparation of the indebtedness statement in this prospectus:

	As at 31 December			As at 31 July	As at 30 November
	2014	2015	2016	2017	2017
	(HK$'000)	(HK$'000)	(HK$'000)	(HK$'000)	(HK$'000) (unaudited)
Unsecured and unguaranteed:					
Amounts due to related companies — non-trade nature	12,169	—	53	487	487
Amount due to a controlling shareholder	1,003	—	3	—	—
Amounts due to non-controlling shareholders of subsidiaries	32,668	2,015	2,590	—	—
	45,840	2,015	2,646	487	487
Secured and guaranteed:					
Bank borrowings	—	—	14,125	17,667	15,948
Bank overdraft	—	—	16	—	—
	—	—	14,141	17,667	15,948
	45,840	2,015	16,787	18,154	16,435

As at 31 December 2014, 2015 and 2016, 31 July 2017 and 30 November 2017, our borrowings amounted to approximately HK$45.8 million, HK$2.0 million, HK$16.8 million, HK$18.2 million and HK$16.4 million, respectively. Such borrowings (excluding secured and guaranteed bank borrowings and bank overdraft) are unsecured, unguaranteed, interest-free and repayable on demand. The amounts due to non-controlling shareholders of subsidiaries were mainly consisted of the then shareholders' loans owed by the relevant subsidiaries, as borrowers, to the relevant related parties, as lenders. Please refer to paragraph headed "Indebtedness — Banking facilities" in this section for further details on our bank borrowings.

Banking facilities agreements we entered into contained customary undertakings, warranties and covenants. Other than otherwise disclosed, the agreements under our bank borrowings do not contain any material undertakings, warranties and covenants that may have a material adverse effect on our ability to make additional borrowings or issue debt or equity securities in the future. Our Directors have confirmed that our Group had not had any material delay or default in payment with regards to any borrowings during the Track Record Period and up to the Latest Practicable Date.

Banking facilities

As at 31 December 2014 and 2015, we did not obtain any banking facilities. As at 30 November 2017, being the latest practicable date for the preparation of the indebtedness statement in this prospectus, we had the following banking facilities obtained from two banks:

	Contractual interest rate (%)	**Maturity**	**Total facility HK$'000**	**Unutilised facility HK$'000**
Term loan	Higher of 2.5% per annum over one month HIBOR or the bank's cost of funds	18 March 2020	10,000	—
Term loan	Higher of 2.5% per annum over one month HIBOR or the bank's cost of funds	47 months from the date of first drawdown	6,000	—
Term loan	Higher of 2.5% per annum over one month HIBOR or the bank's cost of funds	47 months from the date of first drawdown	6,000	6,000
Term loan	2.75% per annum below the Hong Kong Dollar Prime Rate or such other rate(s) as the Bank may determine from time to time	4 years from the respective drawdown date	5,000	—
Overdraft	Hong Kong Dollar Prime Rate or such other rate(s) as the Bank may determine from time to time	—	1,000	1,000
Overdraft	Best lending rate on daily balances	—	1,000	1,000
			29,000	8,000

The banking facilities set out above are secured by bank deposits and guaranteed by personal guarantee by Ms. PY Wong (which guarantee is expected to be released upon Listing), and/or corporate guarantees by our Company and/or some of our subsidiaries. Ms. PY Wong has undertaken to one of the banks to maintain not less than 50% controlling interest in King Access, which is expected to be released upon Listing. Ms. PY Wong has also undertaken to another bank to maintain directly or indirectly not less than 40% beneficial shareholding in our Group and as the single largest Shareholder and remain the chairperson and maintain control over management of our Group, and the total facility amount related to such undertaking amounted to HK$23.0 million including a term loan facility which will mature on 18 March 2020, two other term loan facilities with maturity in 47 months from the date of first drawdown and an overdraft facility. The outstanding balance for this facility was approximately HK$11.3 million as at 30 November 2017.

Our Directors confirm that our Group had not experienced any difficulty in obtaining credit facilities or withdrawal of facilities during the Track Record Period. To the best knowledge and belief of our Directors, our Group will not have difficulties in obtaining new banking facilities or renewing banking facilities after Listing. Our Directors have further confirmed that as at the Latest Practicable Date, our Group did not have any plan to raise any material external debt financing shortly after the Share Offer.

Contingent liabilities

During the Track Record Period and as at the Latest Practicable Date, save for disclosed in the section headed "Business — Legal proceedings and legal compliance" in this prospectus, our Group did not involve in any legal proceedings pending or threatened against our Group which could have a material adverse effect on our Group's business or operations. Our Directors have confirmed that save for the banking facilities set out in the paragraph headed "Banking facilities" in this section, our Group did not have any material contingent liabilities or guarantees as at the Latest Practicable Date.

Operating lease commitments

Our Group leases its restaurants, office premises and warehouses under operating lease arrangements. As at 31 December 2014, 2015 and 2016 and 31 July 2017, we had the total future minimum lease payments under non-cancellable operating lease falling due as follows:

	As at 31 December			As at 31 July
	2014	**2015**	**2016**	**2017**
	(HK$'000)	*(HK$'000)*	*(HK$'000)*	*(HK$'000)*
Within one year	14,776	26,107	27,666	20,884
In the second to fifth years, inclusive	23,489	29,673	22,191	20,883
Total	38,265	55,780	49,857	41,767

The above operating lease payments represent rental payables by our Group for restaurants, warehouses and office premises as at the end of each reporting period during the Track Record Period. Leases and rentals are negotiated and fixed for term of approximately one to five years. Certain lease agreements entered into between the respective landlords and us included renewal option at our discretion for further two or three years. The operating lease rentals for certain restaurants are determined at the higher of a fixed rental or a predetermined percentage on revenue of respective restaurants pursuant to the terms and conditions that are set out in the respective rental agreements. As the future revenue of these restaurants could not be reliably determined, the relevant contingent rent has not been included above and only the minimum lease commitments have been included in the table above. During the Track Record Period, the amounts of contingent rents recognised as expenses were approximately HK$3.9 million, HK$3.5 million, HK$1.0 million and HK$0.5 million, respectively for each of the three years ended 31 December 2016 and for the seven months ended 31 July 2017.

Material indebtedness change

Our Directors have confirmed that there has not been any material adverse change in our Group's indebtedness and contingent liabilities since 30 November 2017, being the date for determining our indebtedness and up to the Latest Practicable Date.

As at 30 November 2017, we have obtained banking facilities for an aggregate principal amount of HK$29.0 million and the unutilised banking facilities was HK$8.0 million. For details, please refer to the sub-section headed "Banking facilities" in this section. The outstanding amount of bank borrowings as at 30 November 2017 was HK$15.9 million with current portion of HK$4.8 million. The banking facilities set out above are guaranteed by Ms. PY Wong (which guarantee is expected to be released upon Listing), our Company and some of our subsidiaries.

Disclaimer

Save for the aforesaid or as otherwise disclosed herein, our Group did not have any outstanding loan capital issued or authorised to be issued but unissued, any debt securities issued and outstanding or authorised to be issued but unissued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance leases, hire purchases commitments, guarantees or material contingent liabilities as at the close of business on 30 November 2017, being the latest practicable date for the preparation of the indebtedness statement in this prospectus. The Directors have confirmed that our Group did not have material covenants relating to the outstanding debts, guarantees or other contingent obligations.

CAPITAL EXPENDITURES

Historical capital expenditures

Our capital expenditures in the past mainly related to the setting-up of new restaurants in Hong Kong and acquisition of business in Singapore. For each of the three years ended 31 December 2016 and for the seven months ended 31 July 2017, our capital expenditures were related to (i) additions of property, plant and equipment for the restaurants in Hong Kong and Singapore amounted to approximately HK$17.4 million, HK$15.5 million, HK$16.3 million and HK$1.3 million, respectively and (ii) the addition of property, plant and equipment through the acquisition of Esquina Tapas Bar of approximately HK$1.3 million in 2015. We principally funded our capital expenditures through the shareholders' loans and bank borrowings during the Track Record Period.

Planned capital expenditures

Our planned expenditures in the coming years will include the opening and upgrading of restaurants in Hong Kong as disclosed in the section headed "Future plans and use of proceeds" in this prospectus. Our Directors expect that the planned capital expenditure will be initially funded by the proceeds from the Share Offer, internal resources and bank borrowings.

Saved as disclosed above and the additions of property, plant and equipment, such as leasehold improvement, furniture and fixtures, equipment and tools, and computers necessary for our business operations which will be made by us from time to time, we had no material planned capital expenditures as at the Latest Practicable Date.

PROPERTY INTERESTS

As at the Latest Practicable Date, we did not own any property and all of our places of operations are leased properties. For details of our leased properties, please refer to the section headed "Business — Leased properties" in this prospectus.

RELATED PARTY TRANSACTIONS

With respect to the related party transactions set out in this prospectus, our Directors are of the opinion that these transactions were conducted on normal commercial terms.

For analysis of related party transactions, please refer to the Accountants' Report as set out in Appendix I to this prospectus in addition to the transactions detailed elsewhere in this prospectus.

OFF-BALANCE SHEET TRANSACTIONS

We had not entered into any material off-balance sheet transactions or arrangements during the Track Record Period.

ACQUISITION OF THE ACQUIRED BUSINESS DURING THE TRACK RECORD PERIOD

Overview

With effect from 1 July 2015, Hidden Glory acquired from J C Tapas the business of Esquina Tapas Bar together all assets and liabilities associated with it, including the benefit of all contracts and records, receivables and goodwill, but excluding any rights to tax refunds in relation to the business of Esquina Tapas Bar prior to 1 July 2015 and employees of J C Tapas deployed in that business at a consideration of S$957,645 (equivalent to approximately HK$5.3 million), which was settled on 23 September 2015 by the contribution from J C Tapas as to approximately HK$2.7 million and Ms. PY Wong as to HK$2.8 million, as a loan to Hidden Glory in proportion to their respective shareholdings in Hidden Glory as at the effective date of the acquisition of Esquina Tapas Bar. As part of the Reorganisation, these loans were subsequently novated to Big Team and waived by J C Tapas and Ms. PY Wong in December 2015.

Pre-acquisition financial information of the acquisition of Esquina Tapas Bar

Esquina Tapas Bar, a European style restaurant, recorded revenue of approximately HK$6.8 million for the catering services for the six months ended 30 June 2015. For the six months ended 30 June 2015, raw materials and consumables used, staff cost and other operating expenses were the major expenses of Esquina Tapas Bar. Its raw materials and consumables used, mainly represented the cost of food and beverage ingredients for its operations, amounted to approximately HK$1.8 million for the six months ended 30 June 2015, representing approximately 26.7% of its total revenue. Its staff costs, mainly consisted of salaries and other benefits, amounted to approximately HK$2.6 million for the six months ended 30 June 2015, representing approximately 38.6% of its total revenue. Its other operating expenses, mainly comprised of cleaning expenses and credit card commission, amounted to approximately HK$0.9 million for the six months ended 30 June 2015, representing approximately 13.1% of its total revenue. For the six months ended 30 June 2015, Esquina Tapas Bar recorded profit before taxation of approximately HK$0.4 million, which was primarily due to Esquina Tapas Bar not having a headchef from mid April 2015 to early August 2015.

As at 30 June 2015, Esquina Tapas Bar recorded net assets of HK$0.6 million. The main components of its net assets were property, plant and equipment and trade and other payables and accrued charges.

ANALYSIS OF KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios during the Track Record Period:

		As at 31 December		As at 31 July
	2014	2015	2016	2017
Gearing ratio[1] (%)	842.4	44.8	69.6	84.9
Debt-to-equity ratio[2] (%)	532.1	13.5	52.2	70.5

Notes:

(1) Gearing ratio is calculated by dividing the total debt by the total equity at the end of the respective year or period. Total debt represents all liabilities excluding trade payables, tax payables, deferred tax liabilities and provision.

(2) Debt-to-equity ratio is calculated by dividing net debt by the total equity at the end of the respective year or period. Net debt is defined to include debt net of bank balances and cash.

Gearing ratio

As at 31 December 2014, 2015 and 2016 and 31 July 2017, we recorded gearing ratio of approximately 842.4%, 44.8%, 69.6% and 84.9%, respectively. Our gearing ratio decreased from approximately 842.4% as at 31 December 2014 to approximately 44.8% as at 31 December 2015, primarily due to (i) the reserve arising from the Reorganisation of approximately HK$48.3 million in 2015; and (ii) the decrease of the amounts due to non-controlling shareholders of subsidiaries by approximately HK$30.7 million from HK$32.7 million as at 31 December 2014 to HK$2.0 million as at 31 December 2015. Our gearing ratio increased from approximately 44.8% as at 31 December 2015 to approximately 69.6% as at 31 December 2016 and further increased to approximately 84.9%, which was primarily as a result of the increase in bank borrowings amounted to approximately HK$14.1 million as at 31 December 2016 for purchasing of property, plant and equipment in new restaurants and approximately HK$17.7 million as at 31 July 2017 mainly for capital expenditure of existing restaurants.

Debt-to-equity ratio

As at 31 December 2014, 2015 and 2016 and 31 July 2017, we recorded debt-to-equity ratio of approximately 532.1%, 13.5%, 52.2% and 70.5%, respectively. Our debt-to-equity ratio significantly decreased from approximately 532.1% as at 31 December 2014 to approximately 13.5% as at 31 December 2015 and primarily as a result of the reserve arising from the Reorganisation of approximately HK$48.3 million. The increase in our debt-to-equity ratio from approximately 13.5% as at 31 December 2015 to approximately 52.2% as at 31 December 2016, which was mainly attributable to the increase of our total bank borrowings to approximately HK$14.1 million as at 31 December 2016 for purchasing of property, plant and equipment in new restaurants. Our debt-to-equity further increased to approximately 70.5% as at 31 July 2017, which was mainly resulted from the increase of our total bank borrowings from approximately HK$14.1 million as at 31 December 2016 to approximately HK$17.7 million as at 31 July 2017 primarily for capital expenditure of existing restaurants.

DIVIDEND

During the year ended 31 December 2015, Ideal Profit, a non-wholly owned subsidiary of our Group, declared and paid dividends of HK$625,000 to its non-controlling shareholder and HK$1,875,000 to its immediate holding company, namely Big Team. During the seven months ended 31 July 2017, Ideal Profit declared and paid dividend of HK$200,000 to its non-controlling shareholders and HK$600,000 to Big Team. Other than disclosed above, no dividend had been paid or declared by any group entities during the Track Record Period.

After the completion of the Share Offer, our Shareholders will be entitled to receive dividends only when declared by our Directors. Our Company does not have any pre-determined dividend policy or dividend distribution ratio. Cash dividends on the Shares, if any, will be paid in Hong Kong dollars. The payment and the amount of any future dividends will be at the discretion of our Directors, and will depend on the future operations and earnings, capital requirements and surplus, general financial condition and other factors that our Directors deem relevant. As these factors and the payment of dividends are at the discretion of our Board, which reserves the right to change its plan on the payment of dividends, there is no assurance that any particular dividend amount, or any dividend at all, will be declared and paid in the future. Investors should note the historical dividend distributions are not indicative of our Group's future dividend distribution policy.

SENSITIVITY AND BREAKEVEN ANALYSIS

Sensitivity analysis

The following table sets forth the sensitivity analysis of hypothetical fluctuations in the major operating costs of our operations, namely raw materials and consumables used, staff costs and property rentals and related expenses, and its effect on our Group's financial results during the Track Record Period.

The sensitivity analysis is performed with reference to the historical changes in assumptions regarding raw materials and consumables used, staff costs and property rentals and related expenses with all other assumptions held constant.

Hypothetical fluctuation

For the year ended 31 December 2014

	Increase / (decrease) in percentage	**(Decrease) / increase in profit / loss before taxation** *(HK$'000)*	**Adjusted profit / loss before taxation(Note)** *(HK$'000)*	**(Decrease) / increase in profit / loss for the year** *(HK$'000)*	**Adjusted profit for the year(Note)** *(HK$'000)*
Raw materials and consumables used	10%	(4,458)	1,034	(3,722)	576
	5%	(2,229)	3,263	(1,861)	2,437
	-5%	2,229	7,221	1,861	6,159
	-10%	4,458	9,950	3,722	8,020
Staff costs	6%	(3,591)	1,901	(2,998)	1,300
	-6%	3,591	9,083	2,998	7,296
Property rentals and related expenses	4%	(823)	4,669	(687)	3,611
	-4%	823	6,315	687	4,985

For the year ended 31 December 2015

	Increase / (decrease) in percentage	**(Decrease) / increase in profit / loss before taxation** *(HK$'000)*	**Adjusted profit before taxation(Note)** *(HK$'000)*	**(Decrease) / increase in profit / loss for the year** *(HK$'000)*	**Adjusted profit for the year(Note)** *(HK$'000)*
Raw materials and consumables used	10%	(5,250)	1,740	(4,384)	774
	5%	(2,625)	4,365	(2,192)	2,966
	-5%	2,625	9,615	2,192	7,350
	-10%	5,250	12,240	4,384	9,542
Staff costs	6%	(4,380)	2,610	(3,657)	1,501
	-6%	4,380	11,370	3,657	8,815
Property rentals and related expenses	4%	(973)	6,017	(812)	4,346
	-4%	973	7,963	812	5,970

Hypothetical fluctuation

For the year ended 31 December 2016

	Increase / (decrease) in percentage	(Decrease) / increase in profit / loss before taxation (HK$'000)	Adjusted (loss) profit before taxation(Note) (HK$'000)	(Decrease) / increase in profit / loss for the year (HK$'000)	Adjusted (loss) profit for the year(Note) (HK$'000)
Raw materials and consumables used	10%	(5,818)	(8,761)	(4,858)	(9,813)
	5%	(2,909)	(5,852)	(2,429)	(7,384)
	-5%	2,909	(34)	2,429	(2,526)
	-10%	5,818	2,875	4,858	(97)
Staff costs	6%	(4,771)	(7,714)	(3,984)	(8,939)
	-6%	4,771	1,828	3,984	(971)
Property rentals and related expenses	4%	(1,268)	(4,211)	(1,059)	(6,014)
	-4%	1,268	(1,675)	1,059	(3,896)

For the seven months ended 31 July 2017

	Increase / (decrease) in percentage	(Decrease) / increase in profit / loss before taxation (HK$'000)	Adjusted (loss) profit before taxation(Note) (HK$'000)	(Decrease) / increase in profit / loss for the period (HK$'000)	Adjusted (loss) profit for the period(Note) (HK$'000)
Raw materials and consumables used	10%	(3,310)	(2,202)	(2,764)	(2,823)
	5%	(1,655)	(547)	(1,382)	(1,441)
	-5%	1,655	2,763	1,382	1,323
	-10%	3,310	4,418	2,764	2,705
Staff costs	6%	(3,032)	(1,924)	(2,532)	(2,591)
	-6%	3,032	4,140	2,532	2,473
Property rentals and related expenses	4%	(767)	341	(640)	(699)
	-4%	767	1,875	640	581

Note: As the non-recurring listing expenses have a significant financial impact on the profit or loss before taxation and profit or loss for the year/period during the Track Record Period, the hypothetical financial impacts on the adjusted profit before tax for the year/period after excluding listing expenses are presented for illustrative purpose.

Breakeven analysis

For illustration purpose only, the following table summarised the result of breakeven analysis on the combined effects of the increases in (i) raw materials and consumables used; (ii) staff costs; (iii) depreciation; (iv) property rentals and related expenses; (v) utility expenses; (vi) advertising and promotion expenses; and (vii) other operating expenses on the adjusted profit (loss) excluding non-recurring listing expense for the year/period and the adjusted operating cash flows from operating activities before the changes in working capital after excluding listing expenses, with all other variables remaining constant.

	For the year ended 31 December			For the seven months ended 31 July
	2014	**2015**	**2016**	**2017**
Break-even on adjusted profit (loss) for the year/period	3.1%	3.1%	(2.6)%	(0.1)%
Break-even on adjusted operating cash flows from operating activities before the changes in working capital	9.9%	9.2%	7.5%	8.4%

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICES

Interest rate risk

Our Group is mainly exposed to cash flow interest rate risk in relation to bank balances as well as floating-rate bank borrowing, and fair value interest rate risk in relation to pledged bank deposits and non-interest bearing amounts due from/to related companies, Ms. PY Wong, non-controlling shareholders of subsidiaries, an AFS investee and an associate. Our Company is mainly exposed to fair value interest rate risk in relation to non-interest bearing amounts due to subsidiaries.

Our Group and our Company currently does not have interest rate hedging policy. However, our management closely monitors its exposure to future cash flow risk as a result of change on market interest rate and will consider hedging changes in market interest rates should the need arise.

Our Group's cash flow interest rate is mainly concentrated on the fluctuation of HIBOR arising from our Group's bank borrowings.

Our Group's and our Company's exposures to interest rates on financial liabilities are detailed in the liquidity risk section of this note.

Credit risk

As at 31 December 2014, 2015 and 2016 and 31 July 2017, the maximum exposure to credit risk of our Group which will cause a financial loss to our Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the combined statements of financial position. The directors of our Company considers the credit risk of our Company is immaterial.

Our Group trades with a large number of individual customers and trading terms are mainly on cash and credit card settlement. In view of our Group's operations, our Group does not have significant credit risk exposure to any single individual customer.

Our Group has significant concentration of credit risk on amounts due from related companies, Ms. PY Wong, non-controlling shareholders of subsidiaries, an associate and an AFS investee. Our management considers the counterparty with good credit worthiness based on its past repayment history and subsequent settlement.

The credit risk on liquid funds of our Group is limited because the counterparties are banks with good reputation. Our Group has concentration risk on its liquid funds as the pledged bank deposits and bank balances are placed with two banks in Hong Kong with good reputation.

Liquidity risk

Our Group had recorded net current liabilities of HK$1,482,000 as at 31 July 2017, which imposed liquidity risk to our Group. Taken into account the unutilised banking facilities available to our Group, our Directors are of the opinion that our Group's liquidity risk has been mitigated and it is appropriate to prepare the combined financial statements of our Group as set out in the Accountants' Report set out in Appendix I of this prospectus on a going concern basis.

The following tables detail our Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which our Group can be required to pay. Specifically, bank borrowings with a repayment on demand clause are included in the earliest time band regardless of the probability of the bank choosing to exercise its rights. The maturity dates for other bank borrowing is presented based on the agreed repayment dates.

The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

Our Group

	Weighted average effective interest rate	Repayable on demand	Less than 3 months	Between 3 months to 1 year	Between 1 to 5 years	Total undiscounted cash flows	Total carrying amount
	%	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
As at 31 December 2014							
Non-derivative financial liabilities							
Trade and other payables and accrued charges	N/A	151	13,481	—	—	13,632	13,632
Amounts due to related companies	N/A	12,169	325	—	—	12,494	12,494
Amount due to a controlling shareholder	N/A	1,003	—	—	—	1,003	1,003
Amounts due to non-controlling shareholders of subsidiaries	N/A	32,668	—	—	—	32,668	32,668
		45,991	13,806	—	—	59,797	59,797
As at 31 December 2015							
Non-derivative financial liabilities							
Trade and other payables and accrued charges	N/A	523	24,454	—	—	24,977	24,977
Amounts due to related companies	N/A	—	164	—	—	164	164
Amounts due to non-controlling shareholders of subsidiaries	N/A	2,015	—	—	—	2,015	2,015
		2,538	24,618	—	—	27,156	27,156

	Weighted average effective interest rate	Repayable on demand	Less than 3 months	Between 3 months to 1 year	Between 1 to 5 years	Total undiscounted cash flows	Total carrying amount
	%	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
As at 31 December 2016							
Non-derivative financial liabilities							
Trade and other payables and accrued charges	N/A	4,265	16,940	—	—	21,205	21,205
Amounts due to related companies	N/A	54	152	—	—	206	206
Amount due to a controlling shareholder	N/A	3	—	—	—	3	3
Amounts due to non-controlling shareholders of subsidiaries	N/A	2,590	—	—	—	2,590	2,590
Bank borrowings -floating rate	3.0	6,000	683	2,025	5,821	14,529	14,125
Bank overdraft	13.0	16	—	—	—	16	16
		12,928	17,775	2,025	5,821	38,549	38,145
As at 31 July 2017							
Non-derivative financial liabilities							
Trade and other payables and accrued charges	N/A	3,320	15,394	—	—	18,714	18,714
Amounts due to related companies	N/A	487	109	—	—	596	596
Bank borrowings -floating rate	2.9	—	1,757	3,463	13,288	18,508	17,667
		3,807	17,260	3,463	13,288	37,818	36,977

The amounts included above for variable interest rate non-derivative financial liabilities are subject to changes if changes in variable interest rates differ to those estimates of interest rates determined at the end of reporting period.

As at 31 December 2016, the carrying amounts of bank borrowings with repayment on demand clause amounting to HK$6,000,000 are included in "Repayable on demand" time band in the above maturity analysis. Our management does not believe that it is probable that the bank will exercise its discretionary rights to demand immediate repayment. Our management believes that such bank borrowings will be paid in accordance with the scheduled repayment date set out in the loan agreement.

For the purpose of managing liquidity risk, the management reviews the expected cash flow information of our bank borrowings based on the scheduled repayment date set out in the agreement as set out in the table below:

	Effective interest rate	Within 3 months	3 months to 1 year	1 year to 5 years	Total undiscounted cash flows	Carrying amount at the end of the reporting period
	%	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
As at 31 December 2016						
Bank borrowings	2.9	44	6,024	—	6,068	6,000

Our Company

	Weighted average effective interest rate	Repayable on demand	Less than 3 months	Total undiscounted cash flows	Total carrying amount
	%	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
As at 31 December 2015					
Non-derivative financial liabilities					
Trade and other payables and accrued charges	N/A	—	6,227	6,227	6,227
Amounts due to subsidiaries	N/A	7,044	—	7,044	7,044
		7,044	6,227	13,271	13,271

	Weighted average effective interest rate	Repayable on demand	Less than 3 months	Total undiscounted cash flows	Total carrying amount
	%	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
As at 31 December 2016					
Non-derivative financial liabilities					
Trade and other payables and accrued charges	N/A	—	1,599	1,599	1,599
Amounts due to subsidiaries	N/A	14,780	—	14,780	14,780
		14,780	1,599	16,379	16,379
As at 31 July 2017					
Non-derivative financial liabilities					
Trade and other payables and accrued charges	N/A	—	5,279	5,279	5,279
Amounts due to subsidiaries	N/A	20,653	—	20,653	20,653
		20,653	5,279	25,932	25,932

DISTRIBUTABLE RESERVES

As at 31 July 2017, our Company had no distributable reserves.

POST BALANCE SHEET EVENTS

Please refer to the section headed "Subsequent events" of the Accountants' Report set out in Appendix I to this prospectus.

LOSS ESTIMATE FOR THE YEAR ENDED 31 DECEMBER 2017

Our unaudited pro forma estimated loss per Share for the year ended 31 December 2017 has been prepared on the basis as set out in Appendix III to this prospectus for the purpose of illustrating the effect of the Share Offer as if they had taken place on 1 January 2017 and a total number of 860,000,000 Shares were in issue during such year, and the estimated combined loss of our Group attributable to the owners of our Company has taken into account of the expected listing expenses to be incurred during the year ended 31 December 2017 of approximately HK$10.4 million. This unaudited pro forma estimated loss per Share has been prepared for illustrative purposes only and, because of its hypothetical nature, may not provide a true picture of our financial results following the Share Offer and Capitalisation Issue. Please refer to Appendix III to this prospectus for further information.

Estimated combined loss of our Group attributable to the owners of our Company for the year ended 31 December 2017 (1)	not more than HK$5.6 million
Unaudited pro forma estimated loss per Share for the year ended 31 December 2017(2)	not more than HK$0.01

Notes:

(1) The bases and assumptions on which the loss estimate has been prepared are set out in Appendix III to this prospectus.

(2) The calculation of the unaudited pro forma estimated loss per Share is based on the estimated combined loss and total comprehensive expense for the year ended 31 December 2017, assuming a total of 860,000,000 Shares in issue during the entire year without taking into account any Shares which may be issued upon the exercise of the any options which may be granted under the Share Option Scheme.

UNAUDITED PRO FORMA ADJUSTED COMBINED NET TANGIBLE ASSETS

The statement of unaudited pro forma adjusted combined net tangible assets of our Group attributable to the owners of our Company prepared in accordance with Rule 7.31 of the GEM Listing Rules is set out below to illustrate the effect of the Share Offer on the audited combined net tangible assets of our Group attributable to the owners of our Company as if the Share Offer had taken place on 31 July 2017.

The statement of unaudited pro forma adjusted combined net tangible assets of our Group attributable to the owners of our Company has been prepared for illustrative purposes only and, because of its hypothetical nature, may not give a true picture of the financial position of our Group as at 31 July 2017 or any future dates following the Share Offer.

The following statement of unaudited pro forma adjusted combined net tangible assets of our Group attributable to the owners of our Company is based on the audited combined net tangible assets of our Group attributable to the owners of our Company as at 31 July 2017 as shown in the Accountants' Report, the text of which is set out in Appendix I to this prospectus, and adjusted as follows:

	Audited combined net tangible assets of our Group attributable to the owners of our Company as at 31 July 2017	**Estimated net proceeds from the Share Offer**	**Unaudited pro forma adjusted combined net tangible assets of our Group attributable to the owners of our Company**	**Unaudited pro forma adjusted combined net tangible assets of our Group attributable to the owners of our Company per Share**
	HK$'000	*HK$'000*	*HK$'000*	*HK$*
	(Note 1)	*(Note 2)*		*(Note 3)*
Based on Offer Price of HK$0.30 per Share	36,611	35,149	71,760	0.08

Notes:

(l) The audited combined net tangible assets of our Group attributable to the owners of our Company as at 31 July 2017 is extracted from the Accountants' Report set out in Appendix I to this prospectus.

(2) The estimated net proceeds from the issue of the Offer Shares pursuant to the Share Offer are based on 168,450,000 New Shares at the Offer Price of HK$0.30 per Share after deduction of the underwriting commissions for the Share Offer of 168,450,000 new Shares and fees and other related expenses incurred and to be incurred by our Company since 1 August 2017.

The calculation of such estimated net proceeds does not take into account of any Shares which may be allotted and issued pursuant to the exercise of options which may be granted under the Share Option Scheme or any Shares which may be issued or repurchased by our Company pursuant to the general mandates granted to our Directors to issue or repurchase Shares referred to in the section headed "Share capital — General mandate to issue Shares" or the section headed "Share capital — General mandate to repurchase Shares" in this prospectus.

(3) The unaudited pro forma adjusted combined net tangible assets of our Group attributable to the owners of our Company per Share is calculated based on 860,000,000 Shares in issue immediately following the completion of the Share Offer and the Capitalisation Issue. It does not take into account of any Shares which may be allotted and issued pursuant to the exercise of options which may be granted under the Share Option Scheme or any Shares which may be issued or repurchased by our Company pursuant to the general mandates granted to our Directors to issue or repurchase Shares referred to in the section headed "Share capital — General mandate to issue Shares" or the section headed "Share capital — General mandate to repurchase Shares" in this prospectus.

(4) No adjustment has been made to the unaudited pro forma adjusted combined net tangible assets of our Group attributable to the owners of our Company to reflect any trading results or other transactions of our Group entered into subsequent to 31 July 2017.

DISCLOSURE REQUIRED UNDER RULES 17.15 TO 17.21 OF THE GEM LISTING RULES

Saved as the bank facilities with undertaking relating to specific shareholding and control over management by Ms. PY Wong as disclosed in the section headed "Indebtedness — Banking facilities" in this prospectus, our Directors have confirmed that as at the Latest Practicable Date, there were no circumstances which would give rise to a disclosure requirement under Rules 17.15 to 17.21 of the GEM Listing Rules.

MATERIAL ADVERSE CHANGE

The impact of our listing expenses on the combined statements of profit or loss and other comprehensive income has posted a material adverse change in the financial or trading position or prospect of our Group since 31 July 2017 (being the date the latest audited combined financial statements were made up) and up to the Latest Practicable Date. Prospective investors should be aware of the impact of our listing expenses on the financial performance of our Group for the year ended 31 December 2017 and the year ending 31 December 2018.

Save as disclosed above, our Directors have confirmed that, up to the Latest Practicable Date, there had been no material adverse change in the financial or trading position of our Group since 31 July 2017, being the date to which the Group's latest audited financial information was prepared, and there had been no event since 31 July 2017 which would materially affect the information shown in the Accountants' Report set out in Appendix I to this prospectus.

BUSINESS OBJECTIVES

As at the Latest Practicable Date, we own and operate 10 restaurants in Hong Kong. Our primary business objectives are to strengthen our position in the independent full-service restaurant industry in Hong Kong and to enhance our brand recognition to enhance our shareholders' value.

BUSINESS STRATEGIES

We aim to achieve our business objectives by implementing the following business strategies:

To develop new dining concepts and restaurants

We will continue to seek opportunities to cooperate with internationally renowned chefs to develop new dining concepts and dining experience. Our Directors intend to open the CPS Restaurant at the revitalised Central Police Station Compound. In this regard, Ultra Wealthy entered into the operating agreement with The Jockey Club CPS Limited, the company that operates the Central Police Station Compound, in July 2016.

The floor area of each of the new restaurant and lounge at the revitalised Central Police Station Compound is expected to be approximately 450 sq.m. and 110 sq.m. respectively. To the best knowledge and belief of our Directors, as at the Latest Practicable Date, the Central Police Station Compound is currently in the process of redevelopment and revitalisation and the site will be made available to our Group in the first half of 2018 for preparation of its operation. Once preparation is completed, we expect to commence the operation of the restaurant and lounge before the end of the first half of 2018 which will offer Chinese provincial cuisine with an estimated seating capacity of 80. We expect the average spending per customer in the CPS Restaurant will be of approximately HK$300 and based on the current market conditions, the restaurant is expected to achieve a breakeven in approximately four months and investment payback to be achieved in three years.

We also intend to expand our restaurant network by opening new restaurants and explore the possibility of opening food joints at major tourists attractions and facilities. These dining locations, if established, will focus on tourists and travelers as our target customers. As the size and scale of restaurant will largely resemble that of Chachawan, our Directors estimate that the investment cost and length of investment payback period of such new restaurant will be similar to that of Chachawan. Our Group has plans to open a new restaurant in the third quarter of 2018 which will offer happy hour bar and a menu featuring food for sharing with average spending of HK$210, targeting young and professional diners. As at the Latest Practicable Date, we are in the process of identifying a suitable location (which will not compete with our existing restaurants) and have not established any formal plan for such development. Other restaurants under our existing brands or of new dining concepts will also be considered by our Directors in the future. Taking into account the geographical proximity and the dining concept / cuisines, we do not expect the new restaurants to compete with our existing restaurants.

We estimate that total investment cost for establishing the restaurant and lounge at the revitalised Central Police Station Compound and expanding our restaurant network to be approximately HK$5.0 million and HK$12.0 million respectively, of which HK$9.0 million and HK$8.0 million for the year ending 31 December 2018 and the six months ending 30 June 2019, respectively, which will be funded by the net proceeds of the Share Offer and our internal resources.

According to the Ipsos Report, the length of investment payback period of a restaurant is generally affected by (i) the size of the restaurant; (ii) the cuisine offered and operation model; (iii) operating location, and (iv) marketing strategy and expenses. An investment payback period from one year to four years is deemed as normal in the food service industry in Hong Kong.

We expect the average time required for our new restaurants opened or to be opened after the Track Record Period to achieve breakeven and investment payback will be dependent upon the investment cost amount. The higher (lower) the investment amount, the longer (shorter) the time required to achieve breakeven and investment payback.

To carry out maintenance at our existing restaurants

In addition to development of new dining concepts and restaurants, our Directors believe that maintenance of our existing restaurants also plays a vital role in our service offering of boutique dining experience. To remain competitive, we have incurred repair and maintenance costs for our restaurants in each of the three years ended 31 December 2016 and the seven months ended 31 July 2017 at approximately HK$1.2 million, HK$1.9 million, HK$2.9 million and HK$1.8 million respectively. Below is an expected timeframe and approximate amount (which may vary depending on the actual renovation costs incurred) of costs expected to be used on existing restaurants for renovation and maintenance work, which will be funded by the net proceeds of the Share Offer and our internal resources:

Restaurant	**Amount** *(HK$ million)*	**Expected timeframe**
208 Duecento Otto	3.1	March 2018
22 Ships	0.4	April 2018
Duddell's	2.6	July 2018
Chachawan	1.5	August 2018
Ham & Sherry	0.2	September 2018
Aberdeen Street Social	0.2	September 2018

After Listing, we shall continue to enhance our equipment, utensils and furnishing in our restaurants. We shall also continue to monitor and refine the interior design of existing restaurants and shall arrange for refurbishment if necessary. We expect the additional maintenance expenses for our restaurants to be financed by the net proceeds from the Share Offer and our internal resources.

To repay our term loan and reduce our level of indebtedness

We plan to reduce our level of indebtedness by repaying part of a term loan of HK$1.0 million with the net proceeds from the Share Offer. The term loan has a principal amount of HK$10.0 million, carries an interest rate of the higher of 2.5% per annum over one month HIBOR or the bank's cost of funds (whichever is higher) and will mature on 18 March 2020, and has been applied towards the renovation of new restaurants. Our Directors are of the opinion that, upon repayment of part of the term loan and after taking into account the available financial resources, that our Group has sufficient working capital for the present requirements for at least the next 12 months from the date of this prospectus.

IMPLEMENTATION PLANS

With a view to achieving our business objectives, our Directors have drawn up an implementation plan for the periods from the Latest Practicable Date to 31 December 2019. Investors should note that the implementation plans and their scheduled times for attainment are formulated on the bases and assumptions referred to the sub-section headed "Bases and assumptions" in this section. These bases and assumptions are subject to many uncertainties and unpredictable factors, in particular the risk factors as set out in the section headed "Risk factors" in this prospectus. Therefore, there is no assurance that our Group's business plans will materialise in accordance with the estimated time frame and that our Group's future plans will be accomplished at all. Our actual course of business may vary from the business objectives set out in this prospectus, due to, among other things, changes in circumstances beyond our control.

Our Directors intend to carry out the following implementation plans:

	Use of proceeds from the Share Offer *HK$ million*
1. **For the six months ending 30 June 2018**	
To develop new dining concepts and restaurants	
• Opening the CPS Restaurant at the revitalised Central Police Station Compound and expansion of our restaurant network	5.0
To carry out maintenance to our existing restaurants	
• Replacement of equipment and utensils	3.5
To repay our term loan	1.0

		Use of proceeds from the Share Offer
		HK$ million
2.	**For the six months ending 31 December 2018**	
	To develop new dining concepts and restaurants	
	• Establishment of new restaurants and expansion of our restaurant network	2.7
	To carry out maintenance to our existing restaurants	
	• Replacement of equipment and utensils	0.1
3.	**For the six months ending 30 June 2019**	
	To develop new dining concepts and restaurants	
	• Establishment of new restaurants and expansion of our restaurant network	—
4.	**For the six months ending 31 December 2019**	
	To carry out maintenance to our existing restaurants	
	• Replacement of equipment and utensils	—

To manage our expansion plans, our project management team will draw up detailed implementation plans and capital expenditure budgets in respect of each of our restaurants and investments for the approval of our Board before commitment to leases and other significant investments. We may bring in co-investors in our restaurants should we consider appropriate. As with our existing restaurants, we expect to recruit head chefs and staff dedicated to each restaurant. In terms of setting up of each restaurant, we will continue to draw upon the expertise of external consultants for licensing and design of our restaurants to ensure that each of our existing and new restaurants are adequately staffed.

BASES AND ASSUMPTIONS

The business objectives and strategies set out by our Directors are based on the following general assumptions:

— there will be no significant economic change in respect of inflation, interest rate, tax rate and currency exchange rate in Hong Kong which will adversely affect our Group's business;

— we will have sufficient financial resources to meet the planned capital expenditure and business development requirements during the period to which the business objectives relate;

— there will be no material adverse change in the existing laws and regulations (whether in Hong Kong or any part of the world), policies or industry or regulatory treatment relating to our Group's business, or in the political, economic, fiscal or market conditions in which our Group operates;

— there will be no change in the funding requirement for each of the near term business objectives described in this prospectus from the amount as estimated by our Directors;

— there will be no disasters, natural, political or otherwise, which would materially disrupt the business or operations of our Group or cause substantial loss, damage or destruction to its properties or facilities;

— there will be no change in the effectiveness of the licences and permits obtained by our Group; and

— we shall not be adversely affected by the risk factors as set out under the section headed "Risk factors" in this prospectus.

REASONS FOR THE SHARE OFFER AND PROPOSED USE OF NET PROCEEDS

Our Directors consider that the Share Offer and Listing will enhance our Group's profile, recognition and capital base, and provide our Group with additional working capital to implement the future plans set out in the sub-sections headed "Business strategies" and "Implementation plans" in this section above.

We believe that banks and financial institutions are more willing to establish business relationship with companies with a listing status. We also believe that a listing status can generate reassurance among our Group's existing banks with enhanced transparency. The regular financial reporting requirement under GEM Listing Rules can enable the bank to evaluate and monitor our Group's financial position more effectively and therefore is expected to smoothen the approval process for any future additional bank borrowings. The better accessibility to banking facilities allow us more flexibility in management of the cashflow of our business that can be affected by factors including those set out in the section headed "Risk factors" in this prospectus.

Further, our Directors consider that the Listing and the Share Offer will provide us with access to capital market for future corporate finance exercises to assist in our future business development and further strengthen and enhance our competitiveness, and a broader shareholder base which could potentially lead to a more liquid market in the trading of the Shares.

The total amount of listing expenses in connection with the Share Offer will be borne by our Company, save for underwriting commission, fees and expenses relating to the sale of the Sale Shares by the Selling Shareholder which will be borne by the Selling Shareholder. Based on the Offer Price of HK$0.30 per Offer Share, our Directors estimate that the proceeds (net of listing expenses and underwriting commission) to be received by us from the Share Offer in respect of the New Shares will be approximately HK$13.6 million. Our Group intends to apply such net proceeds from the Share Offer from the Latest Practicable Date to 30 June 2019 as follows:

	For the six months ending			
	30 June 2018	**31 December 2018**	**Total**	**% of net proceeds**
	HK$ million	*HK$ million*	*HK$ million*	
To develop new dining concepts and restaurants	5.0	2.7	7.7	56.5%
To carry out maintenance to our existing restaurants	3.5	0.1	3.6	26.5%
To repay term loan	1.0	—	1.0	7.0%
General working capital	1.0	0.3	1.3	10.0%
Total:	10.5	3.1	13.6	100.0%

To the extent that the net proceeds from the Share Offer are not immediately required for the above purposes, it is the present intention of our Directors that they will be placed as short-term deposits with licensed banks in Hong Kong.

We estimate that the net proceeds to the Selling Shareholder in respect of the Sale Shares (after deducting the underwriting fees, brokerage, the Stock Exchange trading fee and SFC transaction levy for the Sale Shares) based on the Offer Price of HK$0.30 per Placing Share, will be approximately HK$10.8 million. Our Company will not receive any of the proceeds from the sale of the Sale Shares by the Selling Shareholder.

Our Directors consider that the net proceeds from the Share Offer together with our internal resources will be sufficient to finance the implementation of our business plans as set forth in the sub-section headed "Implementation plans" in this section above. **Investors should be aware that any part of our business plans may not proceed according to the time frame as described above due to various factors. Under such circumstances, our Directors will evaluate carefully the situation and will hold the funds as short-term deposits until the relevant business plan(s) materialise.**

Should our Directors decide to re-allocate the intended use of proceeds to other business plans and/or new project of our Group to a material extent or there is to be any material modification to the use of proceeds as described above, we will issue an announcement in accordance with the GEM Listing Rules.

PUBLIC OFFER UNDERWRITERS

Great Roc Capital Securities Limited
Ping An Securities Limited
Innovax Securities Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

Public Offer

Public Offering Underwriting Agreement

Pursuant to the Public Offer Underwriting Agreement, our Company has agreed to offer initially 21,500,000 Shares for subscription by members of the public in Hong Kong on and subject to the terms and conditions of this prospectus and the Application Forms.

Subject to, among other conditions, the granting of the approval for the listing of, and permission to deal in, all the Shares in issue and any Shares to be issued as mentioned in this prospectus (including any Shares which may fall to be issued upon the exercise of the options which may be granted under the Share Option Scheme) by the Listing Division and to certain other conditions set out in the Public Offer Underwriting Agreement, the Public Offer Underwriters have severally, but not jointly, agreed to subscribe or procure subscribers for their respective applicable proportions of the Public Offer Shares now being offered which are not taken up under the Public Offer on the terms and conditions of this prospectus, the Application Forms and the Public Offer Underwriting Agreement.

In addition, the Public Offer Underwriting Agreement is conditional on and subject to the Placing Underwriting Agreement having been executed, becoming, and continuing to be, unconditional and not having been terminated.

Grounds for termination

The Sole Bookrunner (for itself and on behalf of the Public Offer Underwriters) shall have the absolute right upon giving a written notice to our Company (on behalf of the other parties thereto other than the Sole Sponsor, the Sole Bookrunner and the Public Offer Underwriters) to terminate the Public Offer Underwriting Agreement if any of the following events occur at any time prior to 8:00 a.m. on the Listing Date (which is expected to be on 8 February 2018):

(a) there comes to the notice of the Sole Sponsor or the Sole Bookrunner together:

(i) any statement contained in this prospectus, the Application Forms, the formal notice or any announcements or documents issued by our Company in connection with the Share Offer (including any supplement or amendment thereto) (the "**Relevant Documents**") considered by the Sole Sponsor or the Sole Bookrunner in its reasonable opinion was when its was issued, or has become, or been discovered to be untrue, incorrect or misleading in any material respect, or any expressions of opinion, intention or expectation contained in any of such documents are not, in the reasonable opinion of the Sole Sponsor or the Sole Bookrunner, in all material respects fair and honest and based on reasonable assumptions, when taken as a whole;

(ii) any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this prospectus, constitute an omission therefrom considered by the Sole Sponsor or the Sole Bookrunner in its reasonable opinion to be material in the context of the Share Offer;

(iii) any breach of any of the obligations imposed upon any party to the Underwriting Agreements (other than upon any of the Underwriters) considered by the Sole Sponsor or the Sole Bookrunner in its reasonable opinion to be material in the context of the Share Offer;

(iv) either (A) there has been a breach of any of the warranties contained in the Public Offer Underwriting Agreement by any of the relevant warrantors; or (B) any matter or event showing or rendering any of the warranties contained in the Public Offer Underwriting Agreement, as applicable, in the reasonable opinion of the Sole Sponsor or the Sole Bookrunner, to be untrue, incorrect or misleading in any material respect when given or repeated;

(v) any event, act or omission which gives or is likely to give rise to any liability of a material nature of any of our Company and the Controlling Shareholders pursuant to the indemnity provisions under the Underwriting Agreements or the Share Offer to be performed or implemented as envisaged;

(vi) approval by the Stock Exchange of the listing of, and permission to deal in, the Shares is refused or not granted before the Listing Date (other than subject to customary conditions) or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld;

(vii) our Company withdraws any of the Relevant Documents; or

(viii) any person (other than the Sole Sponsor, the Sole Bookrunner or any of the Underwriters) has withdrawn its consent to the issue of this prospectus with the inclusion of its reports, letters and/or legal opinions (as the case may be) and references to its name included in the form and context in which it respectively appears; or

(b) there shall develop, occur, happen, exist or come into effect:

(i) any event in the nature of force majeure, including, without limitation, acts of government or orders of any courts, strikes, calamity, crisis, lock-outs (whether or not covered by insurance), fire, explosion, flooding, civil commotion, acts of war, acts of God, acts of terrorism (whether or not responsibility has been claimed), declaration of a national or international emergency, riots, public disorder, economic sanctions, outbreaks of diseases or epidemics (including but not limited to MERS, H1N1 flu, H5N1 and H7N9), accidents, any local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared) in Hong Kong, Taiwan, the United Kingdom, the BVI or the Cayman Islands (the "**Relevant Jurisdictions**");

(ii) any change or development involving a prospective change, or any event, matters or circumstances likely to result in any change or development involving a prospective change, in the local, national, regional, international financial, economic, political, military, industrial, fiscal, regulatory, currency, credit, market or exchange control conditions or any monetary or trading settlement system or matters and/or disaster (including without limitation a change in the system under which the value of the Hong Kong currency is linked to that of the currency of the United States, or a material fluctuation in the exchange rate of Hong Kong dollar against any foreign currency);

(iii) any new law or regulation or any change or development involving a prospective change in existing laws or regulations or any change or development involving a prospective change in the interpretation or application thereof by any court or other competent authority, in each case, in or affecting the Relevant Jurisdictions;

(iv) the imposition of economic sanctions against any member of our Group, in whatever form, directly or indirectly, by the United States or by the European Union (or any member thereof) or by any of the Relevant Jurisdictions;

(v) a change or development involving a prospective change in any taxation or exchange control (or the implementation of any exchange control, currency exchange rates or foreign investment laws or regulations) in any of the Relevant Jurisdictions;

(vi) any change or development involving a prospective change, or a materialisation of, any of the risks set out in the section headed "Risk factors" in this prospectus;

(vii) any litigation or claim of material importance being threatened or instigated against any member of our Group or any of our executive Directors or the Selling Shareholder;

(viii) a Director being charged with an indictable offence or prohibited by operation of law or regulation or otherwise disqualified from taking part in the management of a company;

(ix) the Chairperson or chief executive officer of our Company vacating her office in circumstances where the operations of our Group may be adversely affected;

(x) the commencement by any governmental, regulatory or political body or organisation of any action against an executive Director or a member of our Group or an announcement by any governmental, regulatory or political body or organisation that it intends to take such action;

(xi) any contravention by any member of our Group or any executive Director of the Companies Ordinance, Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Companies Law, the GEM Listing Rules, the SFO or any applicable laws;

(xii) a prohibition on our Company or the Selling Shareholders for whatever reason from allotting, issuing or selling (as the case may be) the Offer Shares pursuant to the terms of the Share Offer;

(xiii) non-compliance of this prospectus (and/or any other documents used in connection with the subscription or purchase of the Offer Shares) or any aspect of the Share Offer with the GEM Listing Rules or any other applicable laws;

(xiv) other than with the written approval of the Sole Bookrunner, the issue by our Company of a supplement or an amendment to this prospectus (and/or any other documents used in connection with the subscription of the new Shares) pursuant to the Companies Ordinance, Companies (Winding Up and Miscellaneous Provisions) Ordinance or the GEM Listing Rules;

(xv) a valid demand by any creditor for repayment or payment of any indebtedness of any member of our Group or in respect of which any member of our Group is liable prior to its stated maturity;

(xvi) a petition or an order is presented for the winding-up or liquidation of any member of our Group or any member of our Group makes any composition or arrangement with its creditors or enters into a scheme of arrangement or any resolution is passed for the winding-up of any member of our Group or a provisional liquidator, receiver or manager is appointed over all or part of the material assets or undertakings of any member of our Group or any analogous matter thereto occurs in respect of any member of our Group; or

(xvii) the imposition of any moratorium, suspension or restriction on trading in shares or securities generally on or by the Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market, the London Stock Exchange, the Tokyo Stock Exchange, the Shanghai Stock Exchange or the Shenzhen Stock Exchange or minimum or maximum prices for trading having been fixed, or maximum ranges for prices having been required, by any of the said exchanges or by such system or by order of any government authority,

which in each case or in aggregate in the absolute opinion of the Sole Sponsor or the Sole Bookrunner (for itself and on behalf of the Public Offer Underwriters):

(A) is or will be materially adverse to or may prejudicially affect the general affairs, management, business, financial or trading condition or prospects of our Group (as a whole) or any member of our Group;

(B) has or will have a material adverse effect on the success, marketability of the Share Offer or the level of interest under the Share Offer;

(C) makes or may make it impossible to proceed with the Share Offer or the delivery of the Offer Shares on the terms and in the manner contemplated by any of the Relevant Documents; or

(D) has or would have the effect of making any part of the Underwriting Agreements (including underwriting) incapable of implementation or performance in accordance with its terms and in the manner contemplated by any of the Relevant Documents and the Underwriting Agreements or which prevents the processing of applications and/or payments pursuant to the Share Offer or pursuant to the underwriting thereof,

then the Sole Sponsor or the Sole Bookrunner (for itself and on behalf of the Public Offer Underwriters) may in its absolute discretion, upon giving notice in writing prior to 8:00 a.m. (Hong Kong Time) on the Listing Date to our Company, terminate the Public Offer Underwriting Agreement with immediate effect.

Indemnity

Our Company has agreed to indemnify the Public Offer Underwriters against certain losses which they may suffer, including losses arising from their performance of their obligations under the Public Offer Underwriting Agreement and any breach by us of the Public Underwriting Agreement.

Undertakings

Undertakings to the Public Offer Underwriters

Undertakings by our Company

Our Company has undertaken to each of the Sole Sponsor and the Sole Bookrunner (for itself and on behalf of all the Public Offer Underwriters) that, and each of Giant Mind and Ms. PY Wong (as our Controlling Shareholders immediately after the Listing) have jointly and severally further undertaken to procure that, our Company will not, without the prior written consent of the Sole Bookrunner (for itself and on behalf of the Public Offer Underwriters) and unless in compliance with the GEM Listing Rules, at any time during the period commencing from the date of the Public Offer Underwriting Agreement and ending on the expiry of the six months after the Listing Date (the "**First Six-Month Period**"):

(a) offer, accept subscription for, pledge, charge, allot, issue, sell, lend, mortgage, assign, contract to allot, issue or sell, sell any option or contract to purchase, purchase any option or contract to sell, grant or agree to grant any option, right or warrant to purchase or subscribe for, make any short sale, lend or otherwise transfer or dispose of, either directly or indirectly, conditionally or unconditionally, or repurchase, any of its share capital, debt capital or any securities of our Company or any interest therein or any voting right or any other right attaching thereto (including but not limited to any securities convertible into or exercisable or exchangeable for or that represent the right to receive any such share capital or securities or interest therein) save as pursuant to the repurchase mandate granted by the shareholders of our Company to our Directors, details of which are set out in Appendix V to this prospectus; or

(b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such share capital or securities or interest therein or any voting right or any other right attaching thereto; or

(c) enter into any transaction with the same economic effect as any forgoing transaction described in paragraphs (a) or (b) above; or

(d) agree or contract to, or publicly announce any intention to enter into, any forgoing transaction described in paragraphs (a), (b) or (c) above,

whether any of the foregoing transactions described in paragraphs (a), (b) or (c) above is to be settled by delivery of share capital or such other securities, in cash or otherwise, PROVIDED THAT the foregoing restrictions shall not apply to the issue of Shares by our Company pursuant to the Share Offer (including upon the exercise of options which may be granted under the Share Option Scheme).

Undertakings by Giant Mind and Ms. PY Wong

Each of Giant Mind and Ms. PY Wong (being the Controlling Shareholders immediately after the Listing) has jointly and severally undertaken to each of the Sole Sponsor and the Sole Bookrunner (for itself and on behalf of the Public Offer Underwriters) that it/she will not, and will procure that the relevant registered holder(s) and its/her associates and companies controlled by it/her and any nominee or trustee holding on trust for it/her will not, without the Sole Sponsor's prior written consent and unless in compliance with the GEM Listing Rules:

(a) at any time during the First Six-Month Period:

(i) offer, accept subscription for, sell, pledge, mortgage, charge, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant or agree to grant any option, right or warrant to purchase or subscribe for, make any share sale, lend or otherwise transfer or dispose of, either directly or indirectly, conditionally or unconditionally, any of the share capital, debt capital or other securities of our Company or any interest therein (including but not limited to any securities convertible into or exercisable or exchangeable for or that represent the right to receive any such share capital or securities or interest therein) beneficially owned by it/her as at the Listing Date (the "**Lock-up Securities**");

(ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the share capital, debt capital or other securities of our Company or any interest therein as described in (i) above;

(iii) enter into any transaction with the same economic effect as any transaction referred to in paragraph (i) or (ii) above; or

(iv) offer to or agree to or announce any intention to effect any transaction referred to in paragraph (i), (ii) or (iii) above;

whether any of the foregoing transactions described in paragraph (i), (ii) or (iii) above is to be settled by delivery of share capital or such other securities, in cash or otherwise PROVIDED THAT the aforesaid restrictions shall not apply to a pledge or charge of the Lock-up Securities in favour of an authorised institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) as security for a bona fide commercial loan;

(b) at any time during the 30-month period commencing from the expiry of the First Six-Month Period (the "**Second Lock-up Period**") enter into any of the foregoing transactions specified in paragraph (a)(i), (ii) or (iii) above or offer to or agree to or announce any intention to enter into any such transactions if, immediately following such transfer or disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, it/she will cease to be a controlling shareholder (as such term is defined in the GEM Listing Rules) of our Company PROVIDED THAT the aforesaid restrictions shall not apply to a pledge or charge of the Lock-up Securities in favour of an authorised institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) as security for a bona fide commercial loan;

(c) until expiry of the Second Lock-up Period, in the event that it/she enters into any such transactions or offer agrees or contracts to or publicly announces an intention to enter into any of the transactions specified in paragraph (a)(i), (ii) or (iii) above by virtue of the aforesaid exceptions, it/she will take all reasonable steps to ensure that such action not create a disorderly or false market in the Shares or other securities of our Company; and

(d) comply with the requirements of Rules 13.16A, 13.17 and 13.19 of the GEM Listing Rules, to procure that our Company will comply with the requirements under Rule 13.19 of the GEM Listing Rules, and comply with all the restrictions and requirements under the GEM Listing Rules on the sale, transfer or disposal by it/her or by the registered holder controlled by it/her and its/her close associates and companies controlled by it/her of any Shares or other securities of our Company.

Each of Giant Mind and Ms. PY Wong has further jointly and severally undertaken to the Sole Sponsor and the Sole Bookrunner (for itself and on behalf of the Public Offer Underwriters) that at any time after the date of the Public Offer Underwriting Agreement up to and including the date on which the Second Lock-up Period expires, it will:

(A) when it/she pledges or charges any Shares or other securities or interests in the securities of our Company in respect of which it/she is the beneficial owner, immediately inform our Company, the Sole Sponsor and the Stock Exchange in writing of any such pledges or charges together with the number of Shares or other securities of our Company and nature of interest so pledged or charged; and

(B) when it/she receives any indication, whether verbal or written, from any such pledgee or chargee that any of the pledged or charged Shares or securities or interests in the securities of our Company will be sold, transferred or disposed of, immediately inform our Company, the Sole Sponsor, the Sole Bookrunner (for itself and on behalf of all the Public Offer Underwriters) and the Stock Exchange in writing of any such indication.

Our Company has undertaken to the Sole Sponsor and the Sole Bookrunner (for itself and on behalf of the Public Offer Underwriters) to, and each of Giant Mind and Ms. PY Wong has jointly and severally undertaken to the Sole Sponsor and the Sole Bookrunner (for itself and on behalf of the Public Offer Underwriters) that it/she will procure our Company to, inform the Stock Exchange as soon as our Company has been informed of the matters mentioned in paragraph (A) or (B), and to make a public disclosure of such matters as soon as possible thereafter in accordance with the GEM Listing Rules.

Undertakings by the Relevant Minority Shareholders (save for Ms. Lo Kit Yee Grace)

Each of the Relevant Minority Shareholders (save for Ms. Lo Kit Yee Grace, whose 10.2% interest in Giant Mind will be repurchased by Giant Mind and who will cease to be a shareholder of Giant Mind upon completion of the Share Offer) has undertaken to the Sole Sponsor and the Sole Bookrunner (for itself and on behalf of the Underwriters) in the same terms as the undertakings it/he/she has given to the Stock Exchange and our Company set out in the sub-section headed "Undertakings to the Stock Exchange — Undertakings by our Controlling Shareholders" in this prospectus.

Undertakings by Ka Ka International and J C Tapas

Each of Ka Ka International and J C Tapas has undertaken to our Company, the Sole Sponsor and the Sole Bookrunner (for itself and on behalf of the Underwriters) that it shall not and shall procure that the registered holder(s) controlled by it shall not in the period commencing on the date by reference to which disclosure of its shareholding in our Company is made in this prospectus and ending on the date which is six months from the Listing Date, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of those Shares in respect of which it is shown by this prospectus to be the beneficial owners.

Undertakings to the Stock Exchange

Undertakings by our Company

Pursuant to Rule 17.29 of the GEM Listing Rules, we have undertaken to the Stock Exchange that, except pursuant to the Capitalisation Issue, the Share Offer and the Share Option Scheme as described and contained in this prospectus, no further Shares or securities convertible into equity securities of our Company (whether or not of a class already listed) may be issued or form the subject of any agreement to such an issue by us within six months from the Listing Date (whether or not such issue of Shares or securities will be completed within six months from the Listing Date), except for the circumstances as permitted by Rule 17.29(1) to (5) of the GEM Listing Rules.

Undertakings by our Controlling Shareholders

Pursuant to Rule 13.16A(1) of the GEM Listing Rules, each of our Controlling Shareholders (i.e. Giant Mind, Ms. PY Wong and the Relevant Minority Shareholders) save for Ms. Lo Kit Yee Grace (whose 10.2% interest in Giant Mind will be repurchased by Giant Mind and who will cease to be a shareholder of Giant Mind upon completion of the Share Offer) has undertaken to the Stock Exchange and our Company that, except for the circumstances as permitted by Rule 13.18 of the GEM Listing Rules, it/he/she shall not, and shall procure that the relevant registered shareholder(s) controlled by it/him/her shall not:

(a) in the period commencing on the date by reference to which disclosure of its/his/her shareholding in our Company is made in this prospectus and ending on the date which is six months from the Listing Date, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of those Shares in respect of which it/he/she is shown by this prospectus to be the beneficial owners, excluding the Sale Shares to be sold by Giant Mind; or

(b) in the period of six months commencing on the date on which the period referred to in paragraph (a) above expires, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares referred to in paragraph (a) above if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, it/he/she and the other Controlling Shareholders (i.e. Giant Mind, Ms. PY Wong and the Relevant Minority Shareholders) save for Ms. Lo Kit Yee Grace would together cease to be controlling shareholder as defined under the GEM Listing Rules.

Pursuant to Rule 13.19 of the GEM Listing Rules, each of the aforesaid Controlling Shareholders has further undertaken to the Stock Exchange and our Company respectively that it/he/she shall and shall procure that the relevant registered shareholder(s) controlled by it/him/her shall:

(i) in the event that it/he/she pledges or charges any direct or indirect interest in the Shares under Rule 13.18(1) of the GEM Listing Rules or pursuant to any right or waiver granted by the Stock Exchange pursuant to Rule 13.18(4) of the GEM Listing Rules, at any time during the relevant periods specified in paragraphs (a) and (b) above, inform our Company immediately thereafter, disclosing the details specified in Rule 17.43(1) to (4) of the GEM Listing Rules; and

(ii) having pledged or charged any interest in the Shares under paragraph (i) above, inform our Company immediately in the event that it/he/she becomes aware that the pledgee or chargee has disposed of or intends to dispose of such interest and of the number Shares affected.

Our Company shall, upon being informed of any of the matters referred to in above (if any) by the Controlling Shareholders, forthwith publish an announcement giving details of the same in accordance with the requirements of Rule 17.43 of the GEM Listing Rules.

Placing

In connection with the Placing, it is expected that our Company and the Selling Shareholders will enter into the Placing Underwriting Agreement with, *inter alios*, the Placing Underwriters. Under the Placing Underwriting Agreement, the Placing Underwriters will, subject to certain conditions, severally agree to subscribe for or purchase or procure subscribers or purchasers for the Placing Shares being offered pursuant to the Placing.

Commissions and expenses

The Public Offer Underwriters will, and the Placing Underwriters are expected to, receive a commission of 10.0% on the aggregate Offer Price payable for the Offer Shares underwritten by them, out of which they shall pay any sub-underwriting commissions. The commission payable to the Underwriters will be borne by our Company in relation to the New Shares to be issued in the Share Offer, and by the Selling Shareholder in relation to the Sale Shares for sale in the Placing.

The underwriting commission payable to the Underwriters, listing fees, the Stock Exchange trading fee, the SFC transaction levy, legal and other professional fees together with printing and other expenses relating to the Share Offer, based on the Offer Price of HK$0.30, are estimated to amount to HK$40.1 million in total, and are payable by our Company, out of which HK$36.9 million has been or shall be borne by our Company and HK$3.2 million shall be borne by the Selling Shareholder.

SOLE SPONSOR'S INDEPENDENCE

The Sole Sponsor satisfies the independence criteria applicable to sponsor as set out in Rule 6A.07 of the GEM Listing Rules.

UNDERWRITERS' INTERESTS IN OUR COMPANY

The Sole Sponsor will receive a sponsor fee of HK$2.5 million. Based on the performance of the Sole Sponsor, our Company may also pay a discretionary bonus up to HK$500,000 to the Sole Sponsor upon the Listing. The Sole Bookrunner and other Underwriters will receive an underwriting commission and/or incentive fee. Particulars of such underwriting commission and expenses are set out in the sub-section headed "Underwriting arrangements and expenses — Commissions and expenses" above in this section.

Our Company has appointed Innovax Capital Limited as our compliance adviser pursuant to Rule 6A.19 of the GEM Listing Rules for the period commencing on the Listing Date and ending on the date on which our Company complies with Rule 18.03 of the GEM Listing Rules in respect of our financial results for the second full financial year commencing after the Listing Date, or until the agreement is terminated, whichever is earlier.

Save for their obligations under the Underwriting Agreements, none of the Underwriters is interested legally or beneficially in any shares of our Company nor has any right or option (whether legally enforceable or not) to subscribe for or purchase or to nominate persons to subscribe for or purchase securities in our Company nor any interest in the Share Offer.

MINIMUM PUBLIC FLOAT

The Directors will ensure that there will be a minimum 25% of the total issued Shares held in public hands in accordance with Rule 11.23(7) of the GEM Listing Rules after completion of the Capitalisation Issue and the Share Offer.

STRUCTURE OF THE SHARE OFFER

The Share Offer comprises the Placing and the Public Offer. A total of initially 215,000,000 Offer Shares will be made available under the Share Offer, of which 193,500,000 Placing Shares (comprising 146,950,000 New Shares and 46,550,000 Sale Shares) (subject to reallocation), representing 90% of the Offer Shares, will initially be conditionally placed with selected professional, institutional and private investors under the Placing. The remaining 21,500,000 Public Offer Shares (subject to reallocation), representing 10% of the Offer Shares, will initially be offered to members of the public in Hong Kong under the Public Offer. The Public Offer is open to all members of the public in Hong Kong as well as to institutional and professional investors. The Public Offer Underwriters have severally agreed to underwrite the Public Offer Shares under the terms of the Public Offer Underwriting Agreement. The Placing Underwriters will severally underwrite the Placing Shares pursuant to the terms of the Placing Underwriting Agreement. Further details of the underwriting are set out in the section headed ''Underwriting'' in this prospectus.

Investors may apply for the Offers Shares under the Public Offer or indicate an interest for Offer Shares under the Placing, but may not do both.

The number of Offer Shares to be offered under the Public Offer and the Placing respectively may be subject to reallocation as described in the sub-section headed "Pricing and allocation" below in this section.

PRICING

Offer Price

The Offer Price is HK$0.30 per Offer Share, unless otherwise announced not later than the morning of the last day for lodging applications under the Public Offer, as explained below.

Price payable on application

Applicants under the Public Offer must pay, on application, the Offer Price of HK$0.30 per Public Offer Share plus 1.0% brokerage, a 0.005% Stock Exchange trading fee and a 0.0027% SFC transaction levy, amounting to a total of HK$3,030.23 per board lot of 10,000 Shares. Each Application Form includes a table showing the exact amount payable on certain multiples of Offer Shares.

Please see the section headed "How to apply for the Public Offer Shares — 13. Refund of application monies" in this prospectus for details.

Reduction in number of Offer Shares

If, based on the level of interest expressed by prospective institutional, professional and other investors during the book-building process, the Sole Bookrunner (for itself and on behalf of all the Underwriters) considers it appropriate and together with the consent of our Company, the number of Offer Shares may be reduced below that stated in this prospectus at any time prior to the morning of the last day for lodging applications under the Public Offer.

In such a case, our Company will, as soon as practicable following the decision to make any such reduction, and in any event not later than the morning of the last day for lodging applications under the Share Offer, cause to be published by our Company on our Company's website at **www.jiagroup.co**, the Stock Exchange's website at **www.hkexnews.hk** and the GEM website at **www.hkgem.com** notice of the reduction in the number of Offer Shares. Such notice will also include confirmation or revision, as appropriate, of the offering statistics as currently set out in the section headed "Summary" in this prospectus and any other financial information which may change as a result of such reduction. Upon issue of such a notice, the number of Offer Shares offered in the Share Offer will be final and conclusive. If the number of Offer Shares is reduced, applicants under the Public Offer will be entitled to withdraw their applications, unless positive confirmations from the applicants to proceed are received.

Before submitting applications for the Public Offer Shares, applicants should have regard to the possibility that any announcement of a reduction in the indicative Offer Price and/or number of Offer Shares may not be made until the day which is the last day for lodging applications under the Public Offer.

Announcement of basis of allocations

The level of indications of interest in the Placing and the basis of allocations of the Public Offer Shares are expected to be announced on Wednesday, 7 February 2018 on our Company's website at **www.jiagroup.co**, the Stock Exchange's website at **www.hkexnews.hk** and the GEM website at **www.hkgem.com**.

Results of allocations in the Public Offer, including the Hong Kong identity card/passport/Hong Kong business registration numbers of successful applicants (where applicable) and the number of Public Offer Shares successfully applied for under **WHITE** and **YELLOW** application forms, or by giving **electronic application instructions** to HKSCC via CCASS or to the designated **HK eIPO White Form** Service Provider through the **HK eIPO White Form** Service at **www.hkeipo.hk**, will be made available through a variety of channels as described in the section headed "How to apply for the Public Offer Shares — 11. Publication of results" in this prospectus.

CONDITIONS OF THE PUBLIC OFFER

Acceptance of all applications for the Offer Shares pursuant to the Public Offer will be conditional upon, among other things:

- the Listing Division granting the approval for the listing of, and permission to deal in, all the Shares in issue and to be issued as mentioned in this prospectus (including any Shares which may fall to be issued upon the exercise of the options which may be granted under the Share Option Scheme);
- the execution and delivery of the Placing Underwriting Agreement; and
- the obligations of the Underwriters under each of the Placing Underwriting Agreement and the Public Offer Underwriting Agreement becoming, and continuing to be, unconditional and not having been terminated in accordance with the terms of the respective agreements,

in each case on or before the dates and times specified in such Underwriting Agreements (unless and to the extent such conditions are waived on or before such dates and times) and in any event not later than 30 days after the date of this prospectus.

The consummation of each of the Public Offer and the Placing is conditional upon, among other things, the other becoming unconditional and not having been terminated in accordance with its terms. If the above conditions are not fulfilled or waived, prior to the dates and times specified, the Share Offer will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Public Offer will be announced by our Company on our Company's website at **www.jiagroup.co**, the Stock Exchange's website at **www.hkexnews.hk** and the GEM website at **www.hkgem.com** on the next day following such lapse. In such eventuality, all application monies will be returned, without interest, on the terms set out in the section headed "How to apply for the Public Offer Shares — 13. Refund of application monies" in this prospectus. In the meantime, the application monies will be held in separate bank account(s) with the receiving bank or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) (as amended).

Share certificates for the Offer Shares are expected to be issued on Wednesday, 7 February 2018 but will only become valid certificates of title at 8:00 a.m. on Thursday, 8 February 2018, provided that (i) the Share Offer has become unconditional in all respects and (ii) the right of termination as described in the section headed "Underwriting — Underwriting arrangements and expenses — Public Offer — Grounds for termination" in this prospectus has not been exercised.

PUBLIC OFFER

Number of Shares Initially Offered

Our Company is initially offering 21,500,000 New Shares at the Offer Price, representing 10% of the 215,000,000 Shares initially available under the Share Offer, for subscription by the public in Hong Kong. Subject to adjustment as mentioned below, the number of Shares offered under the Public Offer will represent 2.5% of the total number of Shares in issue after completion of the Capitalisation Issue and the Share Offer. The Public Offer is open to members of the public in Hong Kong as well as to institutional and professional investors. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities. Completion of the Public Offer is subject to the conditions as set out in the sub-section headed "Conditions of the Public Offer" above in this section.

Allocation

Allocation of Shares to investors under the Public Offer will be based solely on the level of valid applications received under the Public Offer. The basis of allocation may vary, depending on the number of Public Offer Shares validly applied for by applicants. The allocation of Public Offer Shares could, where appropriate, consist of balloting, which would mean that some applicants may receive a higher allocation than others who have applied for the same number of Public Offer Shares, and those applicants who are not successful in the ballot may not receive the any Public Offer Shares.

Multiple or suspected multiple applications under the Share Offer will be rejected. No application will be accepted from applicants for more than 21,500,000 Public Offer Shares (being 100% of the initial number of Public Offer Shares).

Reallocation

The allocation of Shares between the Public Offer and the Placing is subject to adjustment. If the number of Shares validly applied for in the Public Offer represents (i) 15 times or more but less than 50 times, (ii) 50 times or more but less than 100 times, and (iii) 100 times or more, of the number of Shares initially available under the Public Offer, the total number of Shares available under the Public Offer will be increased to 64,500,000, 86,000,000 and 107,500,000 Shares, respectively, representing 30% (in the case of (i)), 40% (in the case of (ii)) and 50% (in the case of (iii)), respectively, of the total number of Shares initially available under the Share Offer. In such cases, the number of Shares allocated in the Placing will be correspondingly reduced, in such manner as the Sole Bookrunner deem appropriate.

If the Public Offer Shares are not fully subscribed, the Sole Bookrunner has the authority to reallocate all or any unsubscribed Public Offer Shares to the Placing, in such proportions as the Sole Bookrunner deem appropriate.

In addition, the Shares to be offered in the Public Offer and the Placing may, in certain circumstances, be reallocated as between these offerings at the discretion of the Sole Bookrunner.

Applications

The Sole Bookrunner (for itself and on behalf of all the Underwriters) may require any investor who has been offered Shares under the Placing, and who has made an application under the Public Offer to provide sufficient information to the Sole Bookrunner so as to allow it to identify the relevant applications under the Public Offer and to ensure that it is excluded from any application for Shares under the Public Offer.

Each applicant under the Public Offer will also be required to give an undertaking and confirmation in the Application Form submitted by him that he and any person for whose benefit he is making the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any Offer Shares under the Placing, and such applicant's application is liable to be rejected if the said undertaking or confirmation is breached or untrue (as the case may be) or it has been or will be placed or allocated Offer Shares under the Placing. References in this prospectus to applications, Application Forms, application monies or to the procedure for application relate solely to the Public Offer.

PLACING

Number of Offer Shares Offered

Our Company and the Selling Shareholder are initially offering 193,500,000 Placing Shares (comprising 146,950,000 New Shares and 46,550,000 Sale Shares) for subscription and purchase at the Offer Price under the Placing, representing 90% of the Offer Shares under the Share Offer, subject to adjustment as mentioned in the sub-section headed "Public Offer — Reallocation" above in this section. The Placing is subject to the Public Offer being unconditional.

Allocation

Pursuant to the Placing, the Placing Underwriters will conditionally place the Shares with institutional and professional investors and other investors at the Offer Price in Hong Kong. Allocation of Offer Shares pursuant to the Placing will be determined by the Sole Bookrunner and effected in accordance with the "book-building" process based on a number of factors, including the level and timing of demand, total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further Shares, and/or hold or sell its Shares after Listing.

Such allocation is intended to result in a distribution of the Shares on a basis which would lead to the establishment of a stable shareholder base to the benefit of our Company and the Shareholders as a whole.

SHARES WILL BE ELIGIBLE FOR CCASS

All necessary arrangements have been made enabling the Shares to be admitted into CCASS. If the Stock Exchange grants the listing of, and permission to deal in, the Shares and our Company complies with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares on the Stock Exchange or any other date HKSCC chooses. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

DEALING ARRANGEMENTS

Assuming that the Public Offer becomes unconditional at or before 8:00 a.m. in Hong Kong on Thursday 8 February 2018, it is expected that dealings in the Shares on the Stock Exchange will commence at 9:00 a.m. on Thursday 8 February 2018. The Shares will be traded in board lots of 10,000 Shares each under the stock code 8519.

1. HOW TO APPLY

If you apply for Public Offer Shares, then you may not apply for or indicate an interest for Placing Shares.

To apply for Public Offer Shares, you may:

- use a **WHITE** or **YELLOW** Application Form;
- apply online via the **HK eIPO White Form** Service at **www.hkeipo.hk**; or
- electronically cause HKSCC Nominees to apply on your behalf.

None of you or your joint applicant(s) may make more than one application, except where you are a nominee and provide the required information in your application.

Our Company, the Sole Bookrunner, the **HK eIPO White Form** Service Provider and their respective agents may reject or accept any application in full or in part for any reason at their discretion.

2. WHO CAN APPLY

You can apply for Public Offer Shares on a **WHITE** or **YELLOW** Application Form if you or the person(s) for whose benefit you are applying:

- are 18 years of age or older;
- have a Hong Kong address;
- are outside the United States, and are not a United States Person (as defined in Regulation S under the U.S. Securities Act); and
- are not a legal or natural person of the PRC.

If you apply online through the **HK eIPO White Form** Service, in addition to the above, you must also: (i) have a valid Hong Kong identity card number and (ii) provide a valid e-mail address and a contact telephone number.

If you are a firm, the application must be in the individual members' names. If you are a body corporate, the application form must be signed by a duly authorised officer, who must state his representative capacity, and stamped with your corporation's chop.

If an application is made by a person under a power of attorney, the Sole Bookrunner may accept it at its discretion and on any conditions it thinks fit, including evidence of the attorney's authority.

The number of joint applicants may not exceed four and they may not apply by means of **HK eIPO White Form** Service for the Public Offer Shares.

Unless permitted by the GEM Listing Rules, you cannot apply for any Public Offer Shares if you are:

- an existing beneficial owner of Shares in our Company;
- a Director or chief executive officer of our Company;
- an associate (as defined in the GEM Listing Rules) of any of the above;
- a connected person (as defined in the GEM Listing Rules) of our Company or will become a connected person of our Company immediately upon completion of the Share Offer; and
- have been allocated or have applied for or indicated an interest in any Offer Shares under the Placing.

3. APPLYING FOR PUBLIC OFFER SHARES

Which Application Channel to Use

For Public Offer Shares to be issued in your own name, use a **WHITE** Application Form or apply online via the **HK eIPO White Form** Service at **www.hkeipo.hk**.

For Public Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your or a designated CCASS Participant's stock account, use a **YELLOW** Application Form or electronically instruct HKSCC via CCASS to cause HKSCC Nominees to apply for you.

Where to Collect the Application Forms

You can collect a **WHITE** Application Form and a prospectus during normal business hours between 9:00 a.m. and 5:00 p.m. from Monday, 29 January 2018 to Thursday, 1 February 2018 from:

(i) any of the following offices of the Public Offer Underwriters:

(1) **Innovax Capital Limited**
Room 2002, 20/F Chinachem Century Tower
178 Gloucester Road
Wan Chai, Hong Kong

(2) **Great Roc Capital Securities Limited**
Suite 1601-1603, 16/F., West Tower,
Shun Tak Centre, 168-200 Connaught Road Central
Central, Hong Kong

Ping An Securities Limited
Unit 02, 2/F,
China Merchants Building
152-155 Connaught Road Central, Hong Kong

Innovax Securities Limited
Unit A-C 20/F
Neich Tower, 128 Gloucester Road
Wan Chai, Hong Kong

(ii) any of the following branches of the Standard Chartered Bank (Hong Kong) Limited for the Public Offer:

District	Branch	Address
Hong Kong Island	Des Voeux Road Branch	Standard Chartered Bank Building, 4-4A, Des Voeux Road Central, Central
	Wanchai Southorn Branch	Shop C2 on G/F and 1/F to 2/F, Lee Wing Building, No. 156-162 Hennessy Road, Wanchai
Kowloon	Telford Gardens Branch	Shop P9-12, Telford Centre, Telford Gardens, Tai Yip Street, Kowloon Bay
	Mei Foo Manhattan Branch	Shop Nos.07 & 09, Ground Floor, Mei Foo Plaza, Mei Foo Sun Chuen
New Territories	Shatin Plaza Branch	Shop No. 8, Shatin Plaza, 21-27 Shatin Centre Street, Shatin
	Tseung Kwan O Branch	Shop G37-40, G/F, Hau Tak Shopping Centre East Wing, Hau Tak Estate, Tseung Kwan O

You can collect a **YELLOW** Application Form and this prospectus during normal business hours from 9:00 a.m. on Monday, 29 January 2018 until 12:00 noon on Thursday, 1 February 2018 from the Depository Counter of HKSCC at 1/F, One & Two Exchange Square, 8 Connaught Place, Central, Hong Kong or from your stockbroker.

Time for Lodging Application Forms

Your completed **WHITE** or **YELLOW** Application Form, together with a cheque or a banker's cashier order attached and marked payable to "Horsford Nominees Limited — JIA Group Public Offer" for the payment, should be deposited in the special collection boxes provided at any of the branches of the receiving bank listed above, at the following times:

- Monday, 29 January 2018 from 9:00 a.m. to 5:00 p.m.
- Tuesday, 30 January 2018 from 9:00 a.m. to 5:00 p.m.
- Wednesday, 31 January 2018 from 9:00 a.m. to 5:00 p.m.
- Thursday, 1 February 2018 from 9:00 a.m. to 12:00 noon

The application lists will be opened from 11:45 a.m. to 12:00 noon on Thursday, 1 February 2018, the last application day or such later time as described in the paragraph headed "10. Effect of bad weather on the opening of the application lists" below in this section.

4. TERMS AND CONDITIONS OF AN APPLICATION

Follow the detailed instructions in the Application Form carefully; otherwise, your application may be rejected.

By submitting an Application Form or applying through the **HK eIPO White Form** Service at **www.hkeipo.hk**, among other things, you (and if you are joint applicant, each of you jointly and severally) for yourself or as an agent or a nominee on behalf of each person for whom you act:

(i) undertake to execute all relevant documents and instruct and authorise our Company and/or the Sole Bookrunner (or its agent or nominee), as agents of our Company, to execute any documents for you and to do on your behalf all things necessary to register any Public Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Memorandum and the Articles;

(ii) agree to comply with the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Companies Ordinance, the Companies Law, the Memorandum and the Articles;

(iii) confirm that you have read the terms and conditions and application procedures set out in this prospectus and in the Application Form and agree to be bound by them;

(iv) confirm that you have received and read this prospectus and have only relied on the information and representations contained in this prospectus in making your application and will not rely on any other information or representations except those in any supplement to this prospectus;

(v) confirm that you are aware of the restrictions on the Share Offer in this prospectus;

(vi) agree that none of our Company, the Sole Bookrunner, the Underwriters, their respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Share Offer is or will be liable for any information and representations not in this prospectus (and any supplement to it);

(vii) undertake and confirm that you or the person(s) for whose benefit you have made the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any Offer Shares under the Placing nor participated in the Placing;

(viii) agree to disclose to our Company, the Hong Kong Branch Share Registrar, the receiving bank, the Sole Bookrunner, the Underwriters and/or their respective advisers and agents any personal data which they may require about you and the person(s) for whose benefit you have made the application;

(ix) (if the laws of any place outside Hong Kong apply to your application) agree and warrant that you have complied with all such laws and none of our Company, the Sole Bookrunner and the Underwriters nor any of their respective officers or advisers will breach any law outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus and the Application Form;

(x) agree that once your application has been accepted, you may not rescind it because of an innocent misrepresentation;

(xi) agree that your application will be governed by the laws of Hong Kong;

(xii) represent, warrant and undertake that (i) you understand that the Public Offer Shares have not been and will not be registered under the U.S. Securities Act; and (ii) you and any person for whose benefit you are applying for the Public Offer Shares are outside the United States (as defined in Regulation S) or are a person described in paragraph (h)(3) of Rule 902 of Regulation S;

(xiii) warrant that the information you have provided is true and accurate;

(xiv) agree to accept the Public Offer Shares applied for, or any lesser number allocated to you under the application;

(xv) authorise our Company to place your name(s) or the name of the HKSCC Nominees, on our Company's register of members as the holder(s) of any Public Offer Shares allocated to you, and our Company and/ or our agents to send any share certificate(s) and/ or any e-Auto Refund payment instructions and/or any refund cheque(s) to you or the first-named applicant for joint application by ordinary post at your own risk to the address stated on the application, unless you have chosen to collect the share certificate(s) and/ or refund cheque(s) in person;

(xvi) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;

(xvii) understand that our Company and the Sole Bookrunner will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Public Offer Shares to you and that you may be prosecuted for making a false declaration;

(xviii) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC or to the **HK eIPO White Form** Service Provider by you or by any one as your agent or by any other person; and

(xix) (if you are making the application as an agent for the benefit of another person) warrant that (i) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC; and (ii) you have due authority to sign the Application Form or give **electronic application instructions** on behalf of that other person as their agent.

Additional Instructions for Yellow Application Form

You may refer to the Yellow Application Form for details.

5. APPLYING THROUGH HK EIPO WHITE FORM SERVICE

General

Individuals who meet the criteria in the paragraph headed "2. Who can apply" above in this section, may apply through the **HK eIPO White Form** Service for the Offer Shares to be allotted and registered in their own names through the designated website at **www.hkeipo.hk**.

Detailed instructions for application through the **HK eIPO White Form** Service are on the designated website at **www.hkeipo.hk**. If you do not follow the instructions, your application may be rejected and may not be submitted to our Company. If you apply through the designated website at **www.hkeipo.hk**, you authorise the **HK eIPO White Form** Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **HK eIPO White Form** Service.

Time for Submitting Applications under the HK eIPO White Form

You may submit your application to the **HK eIPO White Form** Service Provider at **www.hkeipo.hk** (24 hours daily, except on the last application day) from 9:00 a.m. on Monday, 29 January 2018 until 11:30 a.m. on Thursday, 1 February 2018 and the latest time for completing full payment of application monies in respect of such applications will be 12:00 noon on Thursday, 1 February 2018 or such later time under the paragraph headed "10. Effects of bad weather on the opening of the applications lists" below in this section.

No Multiple Applications

If you apply by means of **HK eIPO White Form**, once you complete payment in respect of any **electronic application instruction** given by you or for your benefit through the **HK eIPO White Form** Service to make an application for Public Offer Shares, an actual application shall be deemed to have been made. For the avoidance of doubt, giving an electronic application instruction under **HK eIPO White Form** more than once and obtaining different application reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you are suspected of submitting more than one application through the **HK eIPO White Form** Service or by any other means, all of your applications are liable to be rejected.

Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance

For the avoidance of doubt, our Company and all other parties involved in the preparation of this prospectus acknowledge that each applicant who gives or causes to give **electronic application instructions** is a person who may be entitled to compensation under section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance).

6. APPLYING BY GIVING ELECTRONIC APPLICATION INSTRUCTIONS TO HKSCC VIA CCASS

General

CCASS Participants may give **electronic application instructions** to apply for the Public Offer Shares and to arrange payment of the money due on application and payment of refunds under their participant agreements with HKSCC and the General Rules of CCASS and the CCASS Operational Procedures.

If you are a CCASS Investor Participant, you may give these **electronic application instructions** through the CCASS Phone System by calling 2979-7888 or through the CCASS Internet System at **https://ip.ccass.com** (using the procedures in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time).

HKSCC can also input **electronic application instructions** for you if you go to:

Hong Kong Securities Clearing Company Limited
Customer Service Center
1/F, One & Two Exchange Square
8 Connaught Place
Central
Hong Kong

and complete an input request form.

You can also collect a prospectus from this address.

If you are not a CCASS Investor Participant, you may instruct your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** via CCASS terminals to apply for the Public Offer Shares on your behalf.

You will be deemed to have authorised HKSCC and/or HKSCC Nominees to transfer the details of your application to our Company, the Sole Bookrunner and the Hong Kong Branch Share Registrar.

Giving Electronic Application Instructions to HKSCC Via CCASS

Where you have given **electronic application instructions** to apply for the Public Offer Shares and a **WHITE** Application Form is signed by HKSCC Nominees on your behalf:

(i) HKSCC Nominees will only be acting as a nominee for you and is not liable for any breach of the terms and conditions of the **WHITE** Application Form or this prospectus;

(ii) HKSCC Nominees will do the following things on your behalf:

- agree that the Public Offer Shares to be allotted shall be issued in the name of HKSCC Nominees and deposited directly into CCASS for the credit of the CCASS Participant's stock account on your behalf or your CCASS Investor Participant's stock account;

- agree to accept the Public Offer Shares applied for or any lesser number allocated;

- undertake and confirm that you have not applied for or taken up, will not apply for or take up, or indicate an interest for, any Offer Shares under the Placing;

- (if the **electronic application instruction** are given for your benefit) declare that only one set of **electronic application instructions** has been given for your benefit;

- (if you are an agent for another person) declare that you have only given one set of **electronic application instructions** for the other person's benefit and are duly authorised to give those instructions as their agent;

- confirm that you understand that our Company, the Directors and the Sole Bookrunner will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Public Offer Shares to you and that you may be prosecuted if you make a false declaration;

- authorise our Company to place HKSCC Nominees' name on our Company's register of members as the holder of the Public Offer Shares allocated to you and to send share certificate(s) and/or refund monies under the arrangements separately agreed between us and HKSCC;

- confirm that you have read the terms and conditions and application procedures set out in this prospectus and agree to be bound by them;

- confirm that you have received and/or read a copy of this prospectus and have relied only on the information and representations in this prospectus in causing the application to be made, save as set out in any supplement to this prospectus;

- agree that none of our Company, the Sole Bookrunner, the Underwriters, their respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Share Offer, is or will be liable for any information and representations not contained in this prospectus (and any supplement to it);

- agree to disclose your personal data to our Company, the Hong Kong Branch Share Registrar, the receiving bank, the Sole Bookrunner, the Underwriters and/ or its respective advisers and agents;

- agree (without prejudice to any other rights which you may have) that once HKSCC Nominees' application has been accepted, it cannot be rescinded for innocent misrepresentation;

- agree that any application made by HKSCC Nominees on your behalf is irrevocable before the fifth day after the time of the opening of the application lists (excluding any day which is Saturday, Sunday or public holiday in Hong Kong), such agreement to take effect as a collateral contract with us and to become binding when you give the instructions and such collateral contract to be in consideration of our Company agreeing that it will not offer any Public Offer Shares to any person before the fifth day after the time of the opening of the application lists (excluding any day which is Saturday, Sunday or public holiday in Hong Kong), except by means of one of the procedures referred to in this prospectus. However, HKSCC Nominees may revoke the application before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is a Saturday, Sunday or public holiday in Hong Kong) if a person responsible for this prospectus under section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance gives a public notice under that section which excludes or limits that person's responsibility for this prospectus;

- agree that once HKSCC Nominees' application is accepted, neither that application nor your **electronic application instructions** can be revoked, and that acceptance of that application will be evidenced by our Company's announcement of the Public Offer results;

- agree to the arrangements, undertakings and warranties under the participant agreement between you and HKSCC, read with the General Rules of CCASS and the CCASS Operational Procedures, for the giving **electronic application instructions** to apply for Public Offer Shares;

- agree with our Company, for itself and for the benefit of each Shareholder (and so that our Company will be deemed by its acceptance in whole or in part of the application by HKSCC Nominees to have agreed, for itself and on behalf of each of the Shareholders, with each CCASS Participant giving **electronic application instructions**) to observe and comply with the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Companies Ordinance, the Companies Law, the Memorandum and the Articles; and

- agree that your application, any acceptance of it and the resulting contract will be governed by the laws of Hong Kong.

Effect of Giving Electronic Application Instructions to HKSCC via CCASS

By giving **electronic application instructions** to HKSCC or instructing your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give such instructions to HKSCC, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have done the following things. Neither HKSCC nor HKSCC Nominees shall be liable to our Company or any other person in respect of the things mentioned below:

- instructed and authorised HKSCC to cause HKSCC Nominees (acting as nominee for the relevant CCASS Participants) to apply for the Public Offer Shares on your behalf;
- instructed and authorised HKSCC to arrange payment of the maximum Offer Price, brokerage, the SFC transaction levy and the Stock Exchange trading fee by debiting your designated bank account and, in the case of a wholly or partially unsuccessful application and/or if the Offer Price is less than the maximum Offer Price per Offer Share initially paid on application, refund of the application monies (including brokerage, the SFC transaction levy and the Stock Exchange trading fee) by crediting your designated bank account; and
- instructed and authorised HKSCC to cause HKSCC Nominees to do on your behalf all the things stated in the **WHITE** Application Form and in this prospectus.

Minimum Purchase Amount and Permitted Numbers

You may give or cause your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** for a minimum of 10,000 Public Offer Shares. Instructions for more than 10,000 Public Offer Shares must be in one of the numbers set out in the table in the Application Forms. No application for any other number of Public Offer Shares will be considered and any such application is liable to be rejected.

Time for Inputting Electronic Application Instructions

CCASS Clearing/Custodian Participants can input **electronic application instructions** at the following times on the following dates:

- Monday, 29 January 2018 from 9:00 a.m. to 8:30 p.m.[(1)]
- Tuesday, 30 January 2018 from 8:00 a.m. to 8:30 p.m.[(1)]

- Wednesday, 31 January 2018 from 8:00 a.m. to 8:30 p.m.[(1)]

- Thursday, 1 February 2018 from 8:00 a.m.[(1)] to 12:00 noon

Note:

(1) These times are subject to change as HKSCC may determine from time to time with prior notification to CCASS Clearing/Custodian Participants.

CCASS Investor Participants can input **electronic application instructions** from 9:00 a.m. on Monday, 29 January 2018 until 12:00 noon on Thursday, 1 February 2018 (24 hours daily, except on the last application day).

The latest time for inputting your **electronic application instructions** will be 12:00 noon on Thursday, 1 February 2018, the last application day or such later time as described in the paragraph headed "10. Effect of Bad Weather on the Opening of the Application Lists" below in this section.

No Multiple Applications

If you are suspected of having made multiple applications or if more than one application is made for your benefit, the number of Public Offer Shares applied for by HKSCC Nominees will be automatically reduced by the number of Public Offer Shares for which you have given such instructions and/or for which such instructions have been given for your benefit. Any **electronic application instructions** to make an application for the Public Offer Shares given by you or for your benefit to HKSCC shall be deemed to be an actual application for the purposes of considering whether multiple applications have been made.

Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance

For the avoidance of doubt, our Company and all other parties involved in the preparation of this prospectus acknowledge that each CCASS Participant who gives or causes to give **electronic application instructions** is a person who may be entitled to compensation under section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

Personal Data

The section of the Application Form headed "Personal Data" applies to any personal data held by our Company, the Hong Kong Branch Share Registrar, the receiving bank, the Sole Bookrunner, the Underwriters and any of their respective advisers and agents about you in the same way as it applies to personal data about applicants other than HKSCC Nominees.

7. WARNING FOR ELECTRONIC APPLICATIONS

The subscription of the Public Offer Shares by giving **electronic application instructions** to HKSCC is only a facility provided to CCASS Participants. Similarly, the application for Public Offer Shares through the **HK eIPO White Form** Service is also only a facility provided by the **HK eIPO White Form** Service Provider to public investors. Such facilities are subject to capacity limitations and potential service interruptions and you are advised not to wait until the last application day in making your electronic applications. Our Company, the Directors, the Sole Sponsor, the Sole Bookrunner and the Underwriters take no responsibility for such applications and provide no assurance that any CCASS Participant or person applying through the **HK eIPO White Form** Service will be allotted any Public Offer Shares.

To ensure that CCASS Investor Participants can give their **electronic application instructions**, they are advised not to wait until the last minute to input their instructions to the systems. In the event that CCASS Investor Participants have problems in the connection to CCASS Phone System/CCASS Internet System for submission of **electronic application instructions**, they should either (i) submit a **WHITE** or **YELLOW** Application Form, or (ii) go to HKSCC's Customer Service Centre to complete an input request form for **electronic application instructions** before 12:00 noon on Thursday, 1 February 2018.

8. HOW MANY APPLICATIONS CAN YOU MAKE

Multiple applications for the Public Offer Shares are not allowed except by nominees. If you are a nominee, in the box on the Application Form marked "For nominees" you must include:

- an account number; or
- some other identification code,

for each beneficial owner or, in the case of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.

All of your applications will be rejected if more than one application on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC or through **HK eIPO White Form** Service, is made for your benefit (including the part of the application made by HKSCC Nominees acting on **electronic application instructions**). If an application is made by an unlisted company and:

- the principal business of that company is dealing in securities; and
- you exercise statutory control over that company,

then the application will be treated as being for your benefit.

"**Unlisted company**" means a company with no equity securities listed on the Stock Exchange.

"**Statutory control**" means you:

- control the composition of the board of directors of our Company;
- control more than half of the voting power of our Company; or
- hold more than half of the issued share capital of our Company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

9. HOW MUCH ARE THE PUBLIC OFFER SHARES

The **WHITE** and **YELLOW** Application Forms have tables showing the exact amount payable for Shares.

You must pay the maximum Offer Price, brokerage, the SFC transaction levy and the Stock Exchange trading fee in full upon application for Shares under the terms set out in the Application Forms.

You may submit an application using a **WHITE** or **YELLOW** Application Form or through the **HK eIPO White Form** Service in respect of a minimum of 10,000 Public Offer Shares. Each application or **electronic application instruction** in respect of more than 10,000 Public Offer Shares must be in one of the numbers set out in the table in the Application Form, or as otherwise specified on the designated website at **www.hkeipo.hk**.

If your application is successful, brokerage will be paid to the Exchange Participants, and the SFC transaction levy and the Stock Exchange trading fee are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC).

For further details on the Offer Price, see the section headed "Structure and conditions of the Share Offer — Pricing and allocation" in this prospectus.

10. EFFECT OF BAD WEATHER ON THE OPENING OF THE APPLICATION LISTS

The application lists will not open if there is:

- a tropical cyclone warning signal number 8 or above; or
- a "black" rainstorm warning,

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Thursday, 1 February 2018. Instead they will open between 11:45 a.m. and 12:00 noon on the next Business Day which does not have either of those warnings in Hong Kong in force at any time between 9:00 a.m. and 12:00 noon.

If the application lists do not open and close on Thursday, 1 February 2018 or if there is a tropical cyclone warning signal number 8 or above or a "black" rainstorm warning signal in force in Hong Kong that may affect the dates mentioned in the section headed "Expected Timetable" in this prospectus, an announcement will be made in such event.

11. PUBLICATION OF RESULTS

Our Company expects to announce the final Offer Price, the level of indication of interest in the Placing, the level of applications in the Public Offer and the basis of allocation of the Public Offer Shares on Wednesday, 7 February 2018 on our Company's website at **www.jiagroup.co**, the Stock Exchange's website at **www.hkexnews.hk** and the GEM website at **www.hkgem.com**.

The results of allocations and the Hong Kong identity card/passport/Hong Kong business registration numbers of successful applicants under the Public Offer will be available at the times and date and in the manner specified below:

- in the announcement to be posted on our Company's website at **www.jiagroup.co**, the Stock Exchange's website at **www.hkexnews.hk** and the GEM website at **www.hkgem.com** by no later than 9:00 a.m. on Wednesday, 7 February 2018;

- from the designated results of allocations website at **www.tricor.com.hk/ipo/result** with a "search by ID" function on a 24-hour basis from 8:00 a.m. on Wednesday, 7 February 2018 to 12:00 midnight on Tuesday, 13 February 2018;

- by telephone enquiry line by calling 3691 8488 between 9:00 a.m. and 6:00 p.m. from Wednesday, 7 February 2018 to Monday, 12 February 2018 on a Business Day;

- in the special allocation results booklets which will be available for inspection during opening hours from Wednesday, 7 February 2018 to Friday, 9 February 2018 at all the receiving bank branches.

If our Company accepts your offer to purchase (in whole or in part), which it may do by announcing the basis of allocations and/or making available the results of allocations publicly, there will be a binding contract under which you will be required to purchase the Public Offer Shares if the conditions of the Share Offer are satisfied and the Share Offer is not otherwise terminated. Further details are contained in the section headed "Structure and conditions of the Share Offer" in this prospectus.

You will not be entitled to exercise any remedy of rescission for innocent misrepresentation at any time after acceptance of your application. This does not affect any other right you may have.

12. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOTTED OFFER SHARES

You should note the following situations in which the Public Offer Shares will not be allotted to you:

(i) If your application is revoked:

By completing and submitting an Application Form or giving **electronic application instructions** to HKSCC or to **HK eIPO White Form** Service Provider, you agree that your application or the application made by HKSCC Nominees on your behalf cannot be revoked on or before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is Saturday, Sunday or public holiday in Hong Kong). This agreement will take effect as a collateral contract with our Company.

Your application or the application made by HKSCC Nominees on your behalf may only be revoked on or before such fifth day if a person responsible for this prospectus under section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance) gives a public notice under that section which excludes or limits that person's responsibility for this prospectus.

If any supplement to this prospectus is issued, applicants who have already submitted an application will be notified that they are required to confirm their applications. If applicants have been so notified but have not confirmed their applications in accordance with the procedure to be notified, all unconfirmed applications will be deemed revoked.

If your application or the application made by HKSCC Nominees on your behalf has been accepted, it cannot be revoked. For this purpose, acceptance of applications which are not rejected will be constituted by notification in the press of the results of allocation, and where such basis of allocation is subject to certain conditions or provides for allocation by ballot, such acceptance will be subject to the satisfaction of such conditions or results of the ballot respectively.

(ii) If our Company or its agents exercise their discretion to reject your application:

Our Company, the Sole Bookrunner, the **HK eIPO White Form** Service Provider and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

(iii) If the allotment of Public Offer Shares is void:

The allotment of Public Offer Shares will be void if the Listing Division does not grant permission to list the Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Listing Division notifies our Company of that longer period within three weeks of the closing date of the application lists.

(iv) If:

- you make multiple applications or suspected multiple applications;
- you or the person for whose benefit you are applying have applied for or taken up, or indicated an interest for, or have been or will be placed or allocated (including conditionally and/or provisionally) Public Offer Shares and Placing Shares;
- your Application Form is not completed in accordance with the stated instructions;
- your **electronic application instructions** through the **HK eIPO White Form** Service are not completed in accordance with the instructions, terms and conditions on the designated website at **www.hkeipo.hk**;
- your payment is not made correctly or the cheque or banker's cashier order paid by you is dishonoured upon its first presentation;
- the Underwriting Agreements do not become unconditional or are terminated; or
- our Company or the Sole Bookrunner believe that by accepting your application, it would violate applicable securities or other laws, rules or regulations.

13. REFUND OF APPLICATION MONIES

If an application is rejected, not accepted or accepted in part only, or if the conditions of the Public Offer are not fulfilled in accordance with the section headed "Structure and conditions of the Share Offer — Conditions of the Public Offer" in this prospectus or if any application is revoked, the application monies, or the appropriate portion thereof, together with the related brokerage, the SFC transaction levy and the Stock Exchange trading fee, will be refunded, without interest or the cheque or banker's cashier order will not be cleared.

Any refund of your application monies will be made on Wednesday, 7 February 2018.

14. DESPATCH/COLLECTION OF SHARE CERTIFICATES AND REFUND MONIES

You will receive one share certificate for all Public Offer Shares allotted to you under the Public Offer (except pursuant to applications made on **YELLOW** Application Forms or by **electronic application instructions** to HKSCC via CCASS where the share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the Shares. No receipt will be issued for sums paid on application. If you apply by **WHITE** or **YELLOW** Application Form, subject to personal collection as mentioned below, the following will be sent to you (or, in the case of joint applicants, to the first-named applicant) by ordinary post, at your own risk, to the address specified on the Application Form:

- share certificate(s) for all the Public Offer Shares allotted to you (for **YELLOW** Application Forms, share certificates will be deposited into CCASS as described below); and

- refund cheque(s) crossed "Account Payee Only" in favour of the applicant (or, in the case of joint applicants, the first-named applicant) for (i) all or the surplus application monies for the Public Offer Shares, wholly or partially unsuccessfully applied for; and/ or (ii) the difference between the Offer Price and the maximum Offer Price per Offer Share paid on application in the event that the Offer Price is less than the maximum Offer Price (including brokerage, the SFC transaction levy and the Stock Exchange trading fee but without interest). Part of the Hong Kong identity card number/ passport number, provided by you or the first-named applicant (if you are joint applicants), may be printed on your refund cheque, if any. Your banker may require verification of your Hong Kong identity card number/passport number before encashment of your refund cheque(s). Inaccurate completion of your Hong Kong identity card number/ passport number may invalidate or delay encashment of your refund cheque(s).

Subject to arrangement on dispatch/collection of share certificates and refund monies as mentioned below, any refund cheques and share certificates are expected to be posted on or around Wednesday, 7 February 2018. The right is reserved to retain any share certificate(s) and any surplus application monies pending clearance of cheque(s) or banker's cashier's order(s).

Share certificates will only become valid at 8:00 a.m. on Thursday, 8 February 2018 provided that the Share Offer has become unconditional and the right of termination described in the section headed "Underwriting" in this prospectus has not been exercised. Investors who trade shares prior to the receipt of share certificates or the share certificates becoming valid do so at their own risk.

Personal Collection

(i) If you apply using a WHITE Application Form

If you apply for 1,000,000 or more Public Offer Shares and have provided all information required by your Application Form, you may collect your refund cheque(s) and/or share certificate(s) from Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong from 9:00 a.m. to 1:00 p.m. on Wednesday, 7 February 2018 or such other date as notified by us.

If you are an individual who is eligible for personal collection, you must not authorise any other person to collect for you. If you are a corporate applicant which is eligible for personal collection, your authorised representative must bear a letter of authorisation from your corporation stamped with your corporation's chop. Both individuals and authorised representatives must produce, at the time of collection, evidence of identity acceptable to the Hong Kong Branch Share Registrar.

If you do not collect your refund cheque(s) and/or share certificate(s) personally within the time specified for collection, they will be despatched promptly to the address specified in your Application Form by ordinary post at your own risk.

If you apply for less than 1,000,000 Public Offer Shares, your refund cheque(s) and/or share certificate(s) will be sent to the address on the relevant Application Form on Wednesday, 7 February 2018, by ordinary post and at your own risk.

(ii) If you apply using a YELLOW Application Form

If you apply for 1,000,000 Public Offer Shares or more, please follow the same instructions as described above. If you have applied for less than 1,000,000 Public Offer Shares, your refund cheque(s) will be sent to the address on the relevant Application Form on Wednesday, 7 February 2018, by ordinary post and at your own risk.

If you apply by using a **YELLOW** Application Form and your application is wholly or partially successful, your share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for credit to your or the designated CCASS Participant's stock account as stated in your Application Form on Wednesday, 7 February 2018, or upon contingency, on any other date determined by HKSCC or HKSCC Nominees.

- ***If you apply through a designated CCASS participant (other than a CCASS investor participant)***

For Public Offer Shares credited to your designated CCASS participant's stock account (other than CCASS Investor Participant), you can check the number of Public Offer Shares allotted to you with that CCASS participant.

- ***If you are applying as a CCASS investor participant***

Our Company will publish the results of CCASS Investor Participants' applications together with the results of the Public Offer in the manner described in the sub-section headed "11. Publication of results" above in this section. You should check the announcement published by our Company and report any discrepancies to HKSCC before 5:00 p.m. on Wednesday, 7 February 2018 or any other date as determined by HKSCC or HKSCC Nominees. Immediately after the credit of the Public Offer Shares to your stock account, you can check your new account balance via the CCASS Phone System and CCASS Internet System.

(iii) If you apply through the HK eIPO White Form Service

If you apply for 1,000,000 Public Offer Shares or more and your application is wholly or partially successful, you may collect your share certificate(s) from Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong from 9:00 a.m. to 1:00 p.m. on Wednesday, 7 February 2018, or such other date as notified by our Company as the date of despatch/collection of share certificates/e-Auto Refund payment instructions/refund cheques.

If you do not collect your share certificate(s) personally within the time specified for collection, they will be sent to the address specified in your application instructions by ordinary post at your own risk.

If you apply for less than 1,000,000 Public Offer Shares, your share certificate(s) (where applicable) will be sent to the address specified in your application instructions on Wednesday, 7 February 2018 by ordinary post at your own risk.

If you apply and pay the application monies from a single bank account, any refund monies will be despatched to that bank account in the form of e-Auto Refund payment instructions. If you apply and pay the application monies from multiple bank accounts, any refund monies will be despatched to the address as specified in your application instructions in the form of refund cheque(s) by ordinary post at your own risk.

(iv) If You apply via Electronic Application Instructions to HKSCC

Allocation of Public Offer Shares

For the purposes of allocating Public Offer Shares, HKSCC Nominees will not be treated as an applicant. Instead, each CCASS Participant who gives **electronic application instructions** or each person for whose benefit instructions are given will be treated as an applicant.

Deposit of Share Certificates into CCASS and Refund of Application Monies

- If your application is wholly or partially successful, your share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for the credit of your designated CCASS Participant's stock account or your CCASS Investor Participant stock account on Wednesday, 7 February 2018, or, on any other date determined by HKSCC or HKSCC Nominees.

- Our Company expects to publish the application results of CCASS Participants (and where the CCASS Participant is a broker or custodian, our Company will include information relating to the relevant beneficial owner), your Hong Kong identity card number/passport number or other identification code (Hong Kong business registration number for corporations) and the basis of allotment of the Public Offer in the manner specified in the paragraph headed "11. Publication of results" above in this section on Wednesday, 7 February 2018. You should check the announcement published by our Company and report any discrepancies to HKSCC before 5:00 p.m. on Wednesday, 7 February 2018 or such other date as determined by HKSCC or HKSCC Nominees.

- If you have instructed your broker or custodian to give **electronic application instructions** on your behalf, you can also check the number of Public Offer Shares allotted to you and the amount of refund monies (if any) payable to you with that broker or custodian.

- If you have applied as a CCASS Investor Participant, you can also check the number of Public Offer Shares allotted to you and the amount of refund monies (if any) payable to you via the CCASS Phone System and the CCASS Internet System (under the procedures contained in HKSCCs "An Operating Guide for Investor Participants" in effect from time to time) on Wednesday, 7 February 2018. Immediately following the credit of the Public Offer Shares to your stock account and the credit of refund monies to your bank account, HKSCC will also make available to you an activity statement showing the number of Public Offer Shares credited to your CCASS Investor Participant stock account and the amount of refund monies (if any) credited to your designated bank account.

- Refund of your application monies (if any) in respect of wholly and partially unsuccessful applications and/ or difference between the Offer Price and the maximum Offer Price per Offer Share initially paid on application (including brokerage, the SFC transaction levy and the Stock Exchange trading fee but without interest) will be credited to your designated bank account or the designated bank account of your broker or custodian on Wednesday, 7 February 2018.

15. ADMISSION OF THE SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the Shares and we comply with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants (as defined in the GEM Listing Rules) is required to take place in CCASS on the second Business Day after any trading day.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Investors should seek the advice of their stockbroker or other professional adviser for details of the settlement arrangement as such arrangements may affect their rights and interests.

All necessary arrangements have been made enabling the Shares to be admitted into CCASS.

The following is the text of a report set out on pages I-1 to I-92, received from the Company's reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this Prospectus.

Deloitte. 德勤

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION

TO THE DIRECTORS OF JIA GROUP HOLDINGS LIMITED AND INNOVAX CAPITAL LIMITED

Introduction

We report on the historical financial information of Jia Group Holdings Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages I-4 to I-92, which comprises the combined statements of financial position of the Group as at 31 December 2014, 2015 and 2016 and 31 July 2017, the statements of financial position of the Company as at 31 December 2015 and 2016 and 31 July 2017, and the combined statements of profit or loss and other comprehensive income, the combined statements of changes in equity and the combined statements of cash flows for each of the three years ended 31 December 2016 and the seven months ended 31 July 2017 (the "Track Record Period") and a summary of significant accounting policies and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-4 to I-92 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 29 January 2018 (the "Prospectus") in connection with the initial listing of shares of the Company on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial

Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Company, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the Group's financial position as at 31 December 2014, 2015 and 2016 and 31 July 2017, the Company's financial position as at 31 December 2015 and 2016 and 31 July 2017 and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information.

Review of stub period comparative financial information

We have reviewed the stub period comparative financial information of the Group which comprises the combined statement of profit or loss and other comprehensive income, the combined statement of changes in equity and the combined statement of cash flows for the seven months ended 31 July 2016 and other explanatory information (the "Stub Period Comparative Financial Information"). The directors of the Company are responsible for the preparation and presentation of the Stub Period Comparative Financial Information in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the GEM of the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

The Historical Financial Information is stated after making such adjustments to the Underlying Financial Statements as defined on page I-4 as were considered necessary.

Dividends

We refer to note 12 to the Historical Financial Information which contains information about the dividends paid by any entities now comprising the Group in respect of the Track Record Period. No dividend has been paid by the Company in respect of the Track Record Period.

No historical financial statements for the Company

No financial statements have been prepared for the Company since its date of incorporation.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
29 January 2018

HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The Historical Financial Information in this report was prepared based on the consolidated financial statements of Big Team Ventures Limited ("Big Team") and its subsidiaries for the Track Record Period and the management accounts of the Company for the period from its date of incorporation to 31 December 2015, the year ended 31 December 2016 and the seven months ended 31 July 2017 (collectively known as "Underlying Financial Statements"). The consolidated financial statements of Big Team and its subsidiaries have been prepared in accordance with the accounting policies which conform with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA and were audited by us in accordance with the Hong Kong Standards of Auditing issued by the HKICPA.

The Historical Financial Information is presented in Hong Kong dollar ("HK$"), which is also the functional currency of the Company, and all values are rounded to the nearest thousand (HK$'000) except when otherwise indicated.

COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 December			Seven months ended 31 July	
	NOTES	**2014**	**2015**	**2016**	**2016**	**2017**
		HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
					(unaudited)	
Revenue	6	170,487	206,476	232,375	129,130	134,855
Other income	8	416	548	1,745	770	1,308
Other gains and losses	9	4	2	720	(16)	(172)
Raw materials and consumables used		(44,582)	(52,501)	(58,184)	(32,446)	(33,095)
Staff costs		(59,847)	(73,000)	(79,514)	(44,992)	(50,529)
Depreciation	14	(9,842)	(11,188)	(13,670)	(7,537)	(8,611)
Property rentals and related expenses		(20,586)	(24,326)	(31,698)	(17,493)	(19,186)
Utility expenses		(5,258)	(6,651)	(7,718)	(4,354)	(4,437)
Advertising and promotion expenses		(5,933)	(7,502)	(6,788)	(3,682)	(3,899)
Other operating expenses		(19,367)	(24,868)	(33,431)	(18,877)	(14,419)
Finance costs - interest expenses on bank borrowings		—	—	(313)	(155)	(274)
Share of loss of an associate		—	—	(6,467)	(3,930)	(433)
Listing expenses		—	(9,750)	(4,588)	(2,919)	(7,239)
Profit (loss) before taxation	10	5,492	(2,760)	(7,531)	(6,501)	(6,131)
Income tax expense	11	(1,194)	(1,832)	(2,012)	(967)	(1,167)
Profit (loss) for the year/period		4,298	(4,592)	(9,543)	(7,468)	(7,298)
Other comprehensive (expense) income:						
Items that may be subsequently reclassified to profit or loss:						
Exchange differences arising on translation of foreign operation		—	(253)	(129)	285	—
Reclassification of translation reserve to profit or loss upon disposal of foreign operation		—	—	382	—	—
Other comprehensive (expense) income for the year/period		—	(253)	253	285	—
Total comprehensive income (expense) for the year/period		4,298	(4,845)	(9,290)	(7,183)	(7,298)
Profit (loss) for the year/period attributable to						
- Owners of the Company		2,747	(7,033)	(8,245)	(6,651)	(6,989)
- Non-controlling interests		1,551	2,441	(1,298)	(817)	(309)
		4,298	(4,592)	(9,543)	(7,468)	(7,298)
Total comprehensive income (expense) for the year/period attributable to						
- Owners of the Company		2,747	(7,240)	(7,992)	(6,366)	(6,989)
- Non-controlling interests		1,551	2,395	(1,298)	(817)	(309)
		4,298	(4,845)	(9,290)	(7,183)	(7,298)

COMBINED STATEMENTS OF FINANCIAL POSITION

		The Group			
		As at 31 December			As at 31 July
	NOTES	**2014**	**2015**	**2016**	**2017**
		HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Non-current assets					
Property, plant and equipment	14	38,959	44,585	46,621	35,911
Available-for-sale ("AFS") investment	15	—	2	2	2
Investment in an associate	16	—	—	—	—
Deferred tax assets	17	1,084	1,148	1,558	2,007
Deposits	18	5,433	9,463	10,669	10,380
Pledged bank deposits	19	—	—	3,008	5,508
		45,476	55,198	61,858	53,808
Current assets					
Inventories	20	3,257	3,745	4,120	3,890
Trade and other receivables, deposits and prepayments	18	2,914	7,623	8,273	9,868
Amounts due from related companies	21	2,630	—	35	308
Amount due from a controlling shareholder	21	101	—	104	4,036
Amounts due from non-controlling shareholders of subsidiaries	21	13	5,483	6,500	77
Amount due from an AFS investee	21	—	1,990	2,984	2,984
Amount due from an associate	21	—	—	—	389
Tax recoverable		197	—	654	1,161
Bank balances and cash	19	21,920	16,687	7,642	5,172
		31,032	35,528	30,312	27,885

		The Group			
		As at 31 December			As at 31 July
	NOTES	**2014**	**2015**	**2016**	**2017**
		HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Current liabilities					
Trade and other payables and accrued charges	22	19,931	29,658	24,993	21,374
Amounts due to related companies	21	12,494	164	206	596
Amount due to a controlling shareholder	21	1,003	—	3	—
Amounts due to non-controlling shareholders of subsidiaries	21	32,668	2,015	2,590	—
Bank borrowings	23	—	—	8,500	4,782
Bank overdraft	19	—	—	16	—
Tax payable		898	2,289	2,725	2,615
		66,994	34,126	39,033	29,367
Net current (liabilities) assets		(35,962)	1,402	(8,721)	(1,482)
Total assets less current liabilities		9,514	56,600	53,137	52,326
Non-current liabilities					
Bank borrowings	23	—	—	5,625	12,885
Provision	24	2,313	3,251	3,514	3,345
Deferred tax liabilities	17	137	65	4	9
		2,450	3,316	9,143	16,239
Net assets		7,064	53,284	43,994	36,087
Capital and reserves					
Share capital	25	60	390	390	390
Reserves		8,041	52,953	45,035	36,221
Equity attributable to owners of the Company		8,101	53,343	45,425	36,611
Non-controlling interests		(1,037)	(59)	(1,431)	(524)
Total equity		7,064	53,284	43,994	36,087

STATEMENTS OF FINANCIAL POSITION

		The Company		
		As at 31 December		As at 31 July
	NOTES	2015	2016	2017
		HK$'000	*HK$'000*	*HK$'000*
Current assets				
Trade and other receivables, deposits and prepayments	18	3,461	1,912	4,197
Bank balances and cash	19	—	51	51
		3,461	1,963	4,248
Current liabilities				
Trade and other payables and accrued charges	22	6,227	1,599	5,279
Amounts due to subsidiaries	21	7,044	14,780	20,653
		13,271	16,379	25,932
Net current liabilities		(9,810)	(14,416)	(21,684)
Capital and reserve				
Share capital	25	—	—	—
Accumulated losses		(9,810)	(14,416)	(21,684)
Equity attributable to owners of the Company		(9,810)	(14,416)	(21,684)

COMBINED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company						
	Share capital *HK$'000*	**Translation reserve** *HK$'000*	**Other reserve** *HK$'000* *(note a)*	**Retained profits (accumulated loss)** *HK$'000*	**Total** *HK$'000*	**Non-controlling interests** *HK$'000* *(note b)*	**Total equity** *HK$'000*
At 1 January 2014	59	—	1,017	1,138	2,214	551	2,765
Profit and total comprehensive income for the year	—	—	—	2,747	2,747	1,551	4,298
Acquisition of additional interest in a subsidiary (note 31)	—	—	2,573	—	2,573	(2,573)	—
Deemed disposal of partial interest in a subsidiary (note 31)	1	—	566	—	567	(566)	1
At 31 December 2014	60	—	4,156	3,885	8,101	(1,037)	7,064
(Loss) profit for the year	—	—	—	(7,033)	(7,033)	2,441	(4,592)
Exchange difference arising on translation of foreign operation	—	(207)	—	—	(207)	(46)	(253)
Total comprehensive (expense) income for the year	—	(207)	—	(7,033)	(7,240)	2,395	(4,845)
Reserve arising from group reorganisation	330	—	48,000	—	48,330	—	48,330
Deemed disposal of partial interest in a subsidiary (note 31)	—	—	12	—	12	(11)	1
Deemed acquisition of additional interests in subsidiaries (note 31)	—	(46)	629	—	583	(513)	70
Acquisition of additional interests in a subsidiary (note 31)	—	—	(32)	—	(32)	(268)	(300)
Dividend paid to a non-controlling shareholder of a subsidiary	—	—	—	—	—	(625)	(625)
Waiver of amounts due to the then shareholders	—	—	3,589	—	3,589	—	3,589
At 31 December 2015	390	(253)	56,354	(3,148)	53,343	(59)	53,284

	Attributable to owners of the Company						
	Share capital HK$'000	**Translation reserve** HK$'000	**Other reserve** HK$'000 (note a)	**Retained profits (accumulated loss)** HK$'000	**Total** HK$'000	**Non-controlling interests** HK$'000 (note b)	**Total equity** HK$'000
Loss for the year	—	—	—	(8,245)	(8,245)	(1,298)	(9,543)
Exchange difference arising on translation of foreign operation	—	(129)	—	—	(129)	—	(129)
Reclassification of translation reserve to profit or loss upon disposal of foreign operation	—	382	—	—	382	—	382
Total comprehensive income (expense) for the year	—	253	—	(8,245)	(7,992)	(1,298)	(9,290)
Deemed disposal of partial interest in a subsidiary (note 31)	—	—	74	—	74	(74)	—
At 31 December 2016	390	—	56,428	(11,393)	45,425	(1,431)	43,994
Loss and total comprehensive expense for the period	—	—	—	(6,989)	(6,989)	(309)	(7,298)
Waiver of amount due from More Earn (as defined in note 2) by group entities	—	—	(1,825)	—	(1,825)	1,825	—
Disposal of subsidiaries	—	—	—	—	—	(409)	(409)
Dividend paid to a non-controlling shareholder of a subsidiary	—	—	—	—	—	(200)	(200)
At 31 July 2017	390	—	54,603	(18,382)	36,611	(524)	36,087

	Attributable to owners of the Company						
	Share capital HK$'000	Translation reserve HK$'000	Other reserve HK$'000 (note a)	Retained profits (accumulated loss) HK$'000	Total HK$'000	Non-controlling interests HK$'000 (note b)	Total equity HK$'000
Unaudited							
At 1 January 2016	390	(253)	56,354	(3,148)	53,343	(59)	53,284
Loss for the period	—	—	—	(6,651)	(6,651)	(817)	(7,468)
Exchange difference arising on translation of foreign operation	—	285	—	—	285	—	285
Total comprehensive income (expense) for the period	—	285	—	(6,651)	(6,366)	(817)	(7,183)
Deemed disposal of partial interest in a subsidiary (note 31)	—	—	74	—	74	(74)	—
At 31 July 2016	390	32	56,428	(9,799)	47,051	(950)	46,101

Notes:

(a) Other reserve represents the aggregate amount of 1) the differences between the considerations received and the proportionate share of the carrying amount of the net assets attributable to the relevant interests upon the deemed disposal of partial interest in subsidiaries; 2) the differences between the considerations paid and the proportionate share of the carrying amount of the net assets attributable to the relevant interests upon the deemed acquisition/acquisition of additional interests in subsidiaries; 3) acquisition of additional interest in a subsidiary by a controlling shareholder as deemed capital contribution; 4) reserve arising from the group reorganisation, which mainly comprises issue of shares by Big Team to acquire equity interest in subsidiaries and shareholders' loans of respective subsidiaries with an aggregate loan balance of HK$48,330,000, as set out in note 2 to the Historical Financial Information; 5) deemed capital contribution from shareholders through waiver of amounts due to the then shareholders of HK$3,589,000; and 6) HK$1,825,000 upon the waiver of inter-company loans to More Earn by group entities that caused an increase in net assets of More Earn attributable to non-controlling interests.

(b) As represented by the directors of the Company, issuance / transfer of equity interests to certain chefs have not resulted in any expense to the Group to be recorded in the Historical Financial Information under HKFRSs on the grounds that:-

(1) the chefs were invited to take up the equity interests in those restaurant subsidiaries in the capacity as investors alongside the Group and under Hong Kong Accounting Standard ("HKAS") 32 "Financial Instruments: Presentation", no gain or loss is recognised upon issue of equity instruments; and

(2) the commercial terms in respect of the equity interests in those restaurant subsidiaries were agreed by the parties before the commencement of operation of the relevant restaurants, and the equity instruments were issued or transferred at a time where the relevant restaurant subsidiaries were at their initial operation or pre-operation stage and were either loss making or making minimal profit and did not have much assets and liabilities. In substance, both the Group and the chefs agreed to invest in start up entities. Therefore, where HKFRS 2 "Share-based payment" is applicable, the fair value impact of such share based payments will be negligible.

COMBINED STATEMENTS OF CASH FLOWS

	Year ended 31 December			Seven months ended 31 July	
	2014	**2015**	**2016**	**2016**	**2017**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (Unaudited)	*HK$'000*
OPERATING ACTIVITIES					
Profit (loss) before taxation	5,492	(2,760)	(7,531)	(6,501)	(6,131)
Adjustments for:					
Depreciation of property, plant and equipment	9,842	11,188	13,670	7,537	8,611
Finance costs	—	—	313	155	274
Loss on disposal of property, plant and equipment	—	—	16	16	—
(Gain) loss on disposal of business/ subsidiaries	—	—	(736)	—	100
Share of loss of an associate	—	—	6,467	3,930	433
Net working capital held by a non-controlling shareholder for Singapore operation	—	(788)	(459)	(247)	—
Operating cash flows before movements in working capital	15,334	7,640	11,740	4,890	3,287
(Increase) decrease in inventories	(1,545)	(416)	(417)	(69)	121
Increase in trade and other receivables, deposits and prepayments	(882)	(8,162)	(2,178)	(1,684)	(1,877)
Increase (decrease) in trade and other payables and accrued charges	4,514	8,745	(3,663)	(5,757)	985
Increase (decrease) in amounts due to related companies	73	(161)	(11)	26	(44)
Decrease (increase) in amount due from a controlling shareholder	39	102	(104)	(3)	66
Decrease (increase) in amount due from non-controlling shareholders of subsidiaries	16	(136)	112	(22)	(27)
Cash generated from (used in) operations	17,549	7,612	5,479	(2,619)	2,511
Income tax paid	(824)	(380)	(2,702)	(2,016)	(2,228)
NET CASH GENERATED FROM (USED IN) OPERATING ACTIVITIES	16,725	7,232	2,777	(4,635)	283
INVESTING ACTIVITIES					
Placement of pledged bank deposits	—	—	(3,008)	(3,000)	(2,500)
Advance to related companies	—	(33)	(35)	(3)	(273)
Repayment from related companies	—	2,719	—	—	—
Repayment from a controlling shareholder	—	—	—	—	1,002
Advance to a controlling shareholder	—	—	—	—	(5,000)

	Year ended 31 December			Seven months ended 31 July	
	2014	2015	2016	2016	2017
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (Unaudited)	*HK$'000*
Consideration received for disposal of business in prior year	—	—	—	—	6,450
Purchases of property, plant and equipment	(16,913)	(14,818)	(15,777)	(9,373)	(5,165)
Capital contribution and advance to an AFS investee	—	(1,992)	(994)	(994)	—
Advance to an associate	—	—	(6,467)	(3,930)	(822)
Net cash flows from disposal of subsidiaries	—	—	—	—	72
NET CASH USED IN INVESTING ACTIVITIES	(16,913)	(14,124)	(26,281)	(17,300)	(6,236)
FINANCING ACTIVITIES					
Interest paid	—	—	(313)	(155)	(274)
New bank borrowing raised	—	—	16,000	10,000	5,000
Repayment of bank borrowing	—	—	(1,875)	(833)	(1,458)
Advances from related companies	10,805	8,889	9,980	6,394	1,730
Repayments to related companies	(3,956)	(8,279)	(9,927)	(6,325)	(1,296)
Advance from a controlling shareholder	967	965	1,000	—	—
Repayment to a controlling shareholder	—	(1,944)	(997)	—	(3)
Advances from non-controlling shareholders of subsidiaries	7,467	3,673	575	—	—
Repayments to non-controlling shareholders of subsidiaries	(6,000)	(720)	—	—	—
Advance to a related company for acquisition of additional interest in a subsidiary	(2,630)	—	—	—	—
Payment for acquisition of additional interest in a subsidiary	—	(300)	—	—	—
Dividend paid to non-controlling shareholder of a subsidiary	—	(625)	—	—	(200)
NET CASH FROM FINANCING ACTIVITIES	6,653	1,659	14,443	9,081	3,499
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	6,465	(5,233)	(9,061)	(12,854)	(2,454)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR/PERIOD	15,455	21,920	16,687	16,687	7,626
CASH AND CASH EQUIVALENTS AT END OF THE YEAR/PERIOD	21,920	16,687	7,626	3,833	5,172
Analysis of balance of cash and cash equivalents					
Bank balances and cash	21,920	16,687	7,642	3,833	5,172
Bank overdrafts	—	—	(16)	—	—
	21,920	16,687	7,626	3,833	5,172

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL

The Company was incorporated in the Cayman Islands and registered as an exempted company with limited liability under the Cayman Companies Law on 21 August 2015. Its immediate and ultimate holding company is Giant Mind International Limited ("Giant Mind"), a company incorporated in the British Virgin Islands ("BVI") and is controlled by a controlling shareholder of the Company, Ms. Wong Pui Yain ("Ms. PY Wong"). The address of the Company's registered office and principal place of business is disclosed in the section headed "Corporate information" to the Prospectus. The Company acts as investment holding company and its subsidiaries are principally engaged in operating restaurants and providing membership services for the Group's restaurants in Hong Kong and Singapore.

2. BASIS OF PREPARATION AND PRESENTATION OF THE HISTORICAL FINANCIAL INFORMATION

The Historical Financial Information has been prepared based on the accounting policies set out in note 4 which conform with HKFRSs issued by HKICPA and the principles of merger accounting under Accounting Guideline 5 "Merger Accounting for Common Control Combinations" ("AG5") issued by the HKICPA.

In the preparation for the listing of the Company's shares on the Stock Exchange, the companies now comprising the Group underwent a group reorganisation as more fully explained in the section headed "History, Reorganisation and Group Structure" to the Prospectus (the "Group Reorganisation"), which included the following steps:

(i) On 18 June 2015, Big Team was incorporated in the BVI with limited liability with initial authorised share capital of United States Dollar ("US$") 50,000 divided into 50,000 shares of US$1 each. On the same date, one share, credited as fully paid, was issued and allotted to Giant Mind.

(ii) On 30 July 2015, Big Team acquired 100% equity interest in Victory Rich Global Group Limited ("Victory Rich"), together with the shareholders' loans owed by Victory Rich, from a company controlled by Ms. PY Wong and the non-controlling shareholders of Victory Rich. In consideration thereof, Big Team issued and allotted 6,160 shares and 9,745 shares in aggregate to Giant Mind and the non-controlling shareholders respectively. After the completion of the acquisition by Big Team, Victory Rich became directly wholly-owned subsidiary of Big Team.

(iii) On 31 July 2015, Big Team simultaneously acquired 100% equity interest in each of Rising Mark Development Limited ("Rising Mark"), Springlike Limited ("Springlike"), Capital Creative Limited ("Capital Creative"), Hidden Glory Limited ("Hidden Glory"), Kingswide Limited ("Kingswide") and Oman International Investment Limited ("Oman

International") and 75% equity interest in each of Gain Long Corporation Limited ("Gain Long"), Profit Holder Limited ("Profit Holder") and Ideal Profit Corporation Limited ("Ideal Profit"), together with the respective shareholders' loans owed by these acquirees, if any, from the companies controlled by Ms. PY Wong and the respective non-controlling shareholders of these acquirees, if any. In consideration thereof, Big Team issued and allotted 23,446 shares and 10,648 shares in aggregate to Giant Mind and the non-controlling shareholders respectively. After the completion of the above mentioned acquisitions by Big Team, Rising Mark, Springlike, Capital Creative, Hidden Glory, Kingswide, Oman International, Gain Long, Profit Holder and Ideal Profit became directly owned subsidiaries of Big Team.

(iv) On 4 August 2015, Big Team subscribed 100% equity interest in Maxmount Global Limited ("Maxmount"), through an issue and allotment of one ordinary share at par for cash by Maxmount to Big Team. After the aforesaid issue and allotment of share, Maxmount became a direct wholly-owned subsidiary of Big Team.

(v) On 18 September 2015, 22 September 2015, 25 September 2015, 15 October 2015 and 27 November 2015, Big Team acquired 100% equity interest in each of Brightsome Investments Limited ("Brightsome"), Concept Wise Global Limited ("Concept Wise"), Season Luck Limited ("Season Luck"), Fair Dollar Ventures Limited ("Fair Dollar") and Dazzle Long Limited ("Dazzle Long") from Ms. PY Wong at cash consideration of US$1, US$1, US$1, US$1 and US$1 (Equivalent to approximately HK$7.8, HK$7.8, HK$7.8, HK$7.8 and HK$7.8), respectively. After the completion of such acquisition, Brightsome, Concept Wise, Season Luck, Fair Dollar and Dazzle Long became direct wholly-owned subsidiaries of Big Team.

(vi) On 7 October 2015, Concept Wise acquired one ordinary share in More Earn Limited ("More Earn") from Ms. PY Wong at a cash consideration of HK$1. On the same date, More Earn issued and allotted 599, 250 and 150 shares to Concept Wise, Mr. Sun Tao Hung Stanley, a shareholder of Big Team and 168 Limited, an independent third party, respectively. After the aforesaid transfer, issue and allotment of shares of More Earn, More Earn became an indirectly held non-wholly owned subsidiary of Big Team.

(vii) The Company was incorporated on 21 August 2015 in the Cayman Islands with an authorised share capital of HK$380,000 divided into 38,000,000 shares of HK$0.01 each. One share, credited as fully paid, was allotted and issued to the subscriber of the Company, which was later transferred to Giant Mind on the same date.

Pursuant to the Group Reorganisation as set out in the section headed "History, Reorganisation and Group Structure" to the Prospectus, which was completed on 23 January 2018 by interspersing the Company between the shareholders of Big Team and Big Team, the Company became the holding company of the companies now comprising the Group.

The Group comprising the Company and its subsidiaries resulting from the Group Reorganisation have been under the common control of Ms. PY Wong throughout the Track Record Period or since their respective dates of incorporation, where there is a shorter period and is regarded as a continuing entity. Accordingly, the Historical Financial Information has been prepared under the principles of merger accounting in accordance with AG5 issued by the HKICPA as if the Company had always been the holding company of the Group.

The combined statements of profit or loss and other comprehensive income, combined statements of changes in equity and combined statements of cash flows of the Group for the Track Record Period are prepared as if the current group structure had been in existence throughout the Track Record Period or since the date of incorporation where there is a shorter period.

The combined statements of financial position of the Group as at 31 December 2014, 2015 and 2016 and 31 July 2017 present the assets and liabilities of the companies now comprising the Group as at the respective dates as if the current group structure had been in existence at those dates.

As at 31 July 2017, the Group recorded net current liabilities of HK$1,482,000. Taken into account the unutilised banking facilities available to the Group, the directors of the Company are of the opinion that the Group will have sufficient financial resources to meet its financial obligations as they fall due in the next twelve months from the end of the reporting period. Accordingly, the Underlying Financial Statements and the Historical Financial Information have been prepared on a going concern basis.

3. ADOPTION OF NEW AND REVISED HKFRS

For the purpose of preparing and presenting the Historical Financial Information for the Track Record Period, the Group has adopted and consistently applied HKFRSs issued by the HKICPA that are effective for the Group's financial year beginning on 1 January 2017 throughout the Track Record Period.

At the date of this report, the HKICPA has issued the following new and revised HKFRSs which are not yet effective:

HKFRS 9	Financial instruments[1]
HKFRS 15	Revenue from contracts with customers and related amendments[1]
HKFRS 16	Leases[2]
HKFRS 17	Insurance contracts[4]
HK(IFRIC)-Int 22	Foreign currency transactions and advance consideration[1]

HK(IFRIC)-Int 23	Uncertainty over income tax treatments[2]
Amendments to HKFRS 2	Classification and measurement of share-based payment transactions[1]
Amendments to HKFRS 4	Applying HKFRS 9 financial instruments with HKFRS 4 insurance contracts[1]
Amendments to HKFRS 9	Payment features with negative compensation[2]
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture[3]
Amendments to HKAS 28	Long-term interests in associates and joint ventures[2]
Amendments to HKAS 28	As part of the annual improvements to HKFRSs 2014-2016 cycle[1]
Amendments to HKAS 40	Transfers of investment property[1]

1 Effective for annual periods beginning on or after 1 January 2018.

2 Effective for annual periods beginning on or after 1 January 2019.

3 Effective for annual periods beginning on or after a date to be determined.

4 Effective for annual periods beginning on or after 1 January 2021.

HKFRS 9 "Financial instruments"

HKFRS 9 introduced new requirements for the classification and measurement of financial assets and financial liabilities, general hedge accounting and impairment requirements for financial assets.

Key requirements of HKFRS 9 which are relevant to the Group are described below:

- All recognised financial assets that are within the scope of HKFRS 9 are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at fair value through other comprehensive income ("FVTOCI"). All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39 "Financial Instruments: Recognition and Measurement". The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Based on the Group's financial instruments and risk management policies as at 31 July 2017 and the disposal of the Group's AFS investment through a subsidiary on 11 September 2017, application of HKFRS 9 in the future may result in provision of expected credit losses on the Group's financial assets measured at amortised cost and is not likely to have other material impact on the results and financial position of the Group.

HKFRS 15 "Revenue from contracts with customers"

HKFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 "Revenue", HKAS 11 "Construction contracts" and the related interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer

- Step 2: Identify the performance obligations in the contract

- Step 3: Determine the transaction price

- Step 4: Allocate the transaction price to the performance obligations in the contract

- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

In 2016, the HKICPA issued Clarifications to HKFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

The directors of the Company anticipate that the application of HKFRS 15 in the future may result in more disclosure, however, will not have a material impact on the timing and amounts of revenue recognised to the financial statements of the Group in the future based on the existing business model of the Group as at 31 July 2017.

HKFRS 16 "Leases"

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 "Leases" and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, operating lease payments are currently presented as operating cash flows. Under the HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows.

In contrast to lessee accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

As at 31 July 2017, the Group as lessee has non-cancellable operating lease commitments of HK$41,767,000 as disclosed in note 27. A preliminary assessment indicates that these arrangements will meet the definition of a lease under HKFRS 16, and hence the Group may result in recognising a significant right-of-use asset and a corresponding significant liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of HKFRS 16. However, the directors of the Company do not expect the adoption of HKFRS 16, as compared to the current accounting policy of the Group, would result in significant impact on the results and the net assets of the Group. In addition, the application of new requirements may result changes in measurement, presentation and disclosure as indicated above.

Except for the above, the management of the Group anticipates that the application of the other new and revised HKFRSs will have no material impact on the financial statements of the Group in the future.

4. SIGNIFICANT ACCOUNTING POLICIES

The Historical Financial Information has been prepared on the historical cost basis and in accordance with the following accounting policies which conform to HKFRSs issued by the HKICPA. In addition, the Historical Financial Information includes the applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of the Stock Exchange and by the Hong Kong Companies Ordinance.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in this Historical Financial Information is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 "Share-based payment", leasing transactions that are within the scope of HKAS 17 "Leases", and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 "Inventories" or value in use in HKAS 36 "Impairment of assets".

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies adopted are set out below.

Basis of combination

The Historical Financial Information incorporates the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Combination of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year/period are included in the combined statements of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on combination.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity including reserves and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted after re-attribution of the relevant equity component, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Disposal of a business/subsidiaries

When the Group dispose of a business/subsidiaries, a gain or loss is recognised in profit or loss and is calculated as the difference between the fair value of the consideration received and the carrying amount of the assets, and liabilities of the business attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that business are accounted for as if the Group had directly disposed of the related assets or liabilities of the business/subsidiaries (i.e. reclassified to profit or loss).

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 "Income taxes" and HKAS 19 "Employee benefits" respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 "Share-based payment" at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 "Non-current assets held for sale and discontinued operations" are measured in accordance with that standard.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value.

Merger accounting for business combination involving businesses under common control

The Historical Financial Information incorporates the financial statements items of the combining businesses in which the common control combination occurs as if they had been combined from the date when the combining businesses first came under the control of the controlling party.

The net assets of the combining businesses are combined using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or bargain purchase gain at the time of common control combination.

The combined statements of profit or loss and other comprehensive income include the results of each of the combining businesses from the earliest date presented or since the date when the combining businesses first came under the common control, where this is a shorter period, regardless of the date of the common control combination.

Investment in an associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of an associate are incorporated in the Historical Financial Information using the equity method of accounting. The financial statements of an associate used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognised in the combined statements of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate.

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 "Impairment of Assets" as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Historical Financial Information of the Group only to the extent of interests in the associate that are not related to the Group.

Revenue recognition

Revenue is measured at fair value of the consideration received or receivable and represents amounts receivable for goods sold and services provided in the normal course of business and net of discount.

Revenue is recognised when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, as described below.

Catering, restaurant consultancy and other service income is recognised when the services are rendered.

Annual membership fee and sponsorship income are recognised on a straight-line basis over the subscription period and sponsorship period respectively.

Licence fee income is recognised on an accrual basis in accordance with the substance of the relevant agreement. License fee income is determined by reference to the gross revenue generated by the licensee under the licensing arrangement.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Property, plant and equipment

Property, plant and equipment are stated at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment over their estimated useful lives, using the straight-line method. The estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Impairment loss on tangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories are determined on a first-in, first-out method. Net realisable value represents the estimated selling price for inventories less all costs necessary to make the sale.

Financial instruments

Financial assets and financial liabilities are recognised on the statements of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

The Group's financial assets are classified into AFS financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees or points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

AFS financial assets

AFS financial assets are non-derivatives that are either designated as available-for-sale or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss.

Dividends on AFS equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any identified impairment losses at the end of each reporting period (see the accounting policy in respect of impairment loss on financial assets below).

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables, deposits, amounts due from related companies, an AFS investee, an associate, non-controlling shareholders of subsidiaries and a controlling shareholder, pledged bank deposits and bank balances and cash) are measured at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment of financial assets below).

Impairment of financial assets

Loans and receivables are assessed for indicators of impairment at the end of each reporting period. Loans and receivables are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the loans and receivables, the estimated future cash flows of the loans and receivables have been affected.

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For loans and receivables, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of trade receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments, observable changes in national or local economic conditions that correlate with default on trade receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets carried at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of a group entity after deducting all of its liabilities. Equity instruments issued by the group entities are recognised at the proceeds received, net of direct issue costs.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis for debt instruments.

Financial liabilities at amortised cost

The Group's financial liabilities including trade and other payables and accrued charges, amounts due to related companies, non-controlling shareholders of subsidiaries and a controlling shareholder, bank borrowings and bank overdraft and the Company's financial liabilities including other payables and accrued charges and amounts due to subsidiaries are subsequently measured at amortised cost, using the effective interest method.

Derecognition

The Group and the Company derecognise a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

The Group and the Company derecognise financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Retirement benefits costs

Payments to the defined contribution retirement benefit schemes, including state-managed retirement benefit scheme and the Mandatory Provident Fund Scheme ("MPF Scheme"), are recognised as an expense when employees have rendered service entitling them to the contributions.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Taxation

Taxation represents the sum of the income tax expense currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year/period. Taxable profit differs from 'profit (loss) before taxation' as reported in the combined statements of profit or loss and other comprehensive income because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's and the Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group and the Company expect, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligations, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the Historical Financial Information, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK$) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 4, management of the Group is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following is the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets within the next twelve months.

Estimation of useful lives and impairment of property, plant and equipment

The Group's management determines the estimated useful lives and depreciation method in determining the related depreciation charges for its property, plant and equipment. This estimate is based on the management's experience of the actual useful lives of property, plant and equipment of similar nature and functions and will take into account the lease term (including any renewal option) of the Group's restaurants. Management of the Group will accelerate the depreciation charge where the economic useful lives are shorter than previously estimated due to removal or closure of restaurants. The management of the Group will also write-off or write-down the carrying value of the items which are technically obsolete or non-strategic assets that have been abandoned. Actual economic useful lives may differ from estimated economic useful lives.

In addition, management of the Group assesses impairment whenever events or changes in circumstances indicate that the carrying amount of an item of property, plant and equipment may not be recoverable. When the recoverable amounts of property, plant and equipment differ from the original estimates, adjustment will be made and recognised in the period in which such event takes place. As at 31 December 2014, 2015 and 2016 and 31 July 2017, the carrying amounts of property, plant and equipment are approximately HK38,959,000, HK$44,585,000, HK$46,621,000 and HK$35,911,000, respectively.

6. REVENUE AND SEGMENTAL INFORMATION

Revenue represents the amounts received and receivable from restaurant operations including income from catering services (net of discount), restaurant related sponsorship income from third party suppliers for promotion of their products in the Group's restaurants and membership fee income from external customers for privileged services in the Group's restaurants, during the Track Record Period. The Group's revenue from external customers based on their nature are detailed below:

	Year ended 31 December			Seven months ended 31 July	
	2014	**2015**	**2016**	**2016**	**2017**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* *(unaudited)*	*HK$'000*
Catering services	168,205	204,698	231,093	128,402	134,056
Sponsorship income	825	800	800	467	534
Membership fee income	1,457	978	482	261	265
	170,487	206,476	232,375	129,130	134,855

The Group's operation is solely derived from the operation and management of restaurants in Hong Kong and Singapore during the Track Record Period. For the purpose of resources allocation and performance assessment, the chief operating decision maker (being the senior management of the Group) reviews the overall results and financial position of the Group as a whole, which are prepared based on same accounting policies set out in note 4. Accordingly, the Group has only one single operating segment and no further analysis of this single segment is presented.

Geographical information

The Group's operation are located in Hong Kong and Singapore. The Group's revenue from external customers based on the location of customers are detailed below:

	Year ended 31 December			Seven months ended 31 July	
	2014	**2015**	**2016**	**2016**	**2017**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* *(unaudited)*	*HK$'000*
Hong Kong	170,487	200,380	220,649	122,370	134,855
Singapore	—	6,096	11,726	6,760	—
	170,487	206,476	232,375	129,130	134,855

Non-current assets (excluding deferred tax assets, pledged bank deposits and AFS investment) by geographical location of assets are detailed below:

	As at 31 December			As at 31 July
	2014	**2015**	**2016**	**2017**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Hong Kong	44,392	53,056	57,290	46,291
Singapore	—	992	—	—
	44,392	54,048	57,290	46,291

Information about major customers

No revenue from individual external customer contributes over 10% of total revenue of the Group for each of the years/periods during the Track Record Period.

7. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

(a) Directors' and chief executive's emoluments

Ms. Wong Pui Yain and Ms. Wan Suet Yee, Cherry were appointed as directors of the Company on 21 August 2015 and redesignated as executive directors on 18 May 2017, and Mr. Devin Nijanthan Chanmugam, Mr. Leung Yuk Lun, Ulric and Mr. Wee Keng Hiong, Tony were appointed as independent non-executive directors of the Company on 23 January 2018.

During the period from 1 January 2014 to 28 February 2017, no emoluments were paid/payable to the executive directors of the Company (including emoluments for the services as director/employees of group entities prior to they becoming the directors of the Company) as the executive directors of the Company were also employed and remunerated by a related company, which is controlled by Ms. PY Wong and it is not practicable to allocate payments to them for their services to the Group and those to other related companies.

Effective from 1 March 2017, the Group has entered into employment contracts with the two executive directors and emoluments from 1 March 2017 to 31 July 2017 paid/payable to them for their services in connection with the management of the affairs of the Group were as follow:

For the seven months ended 31 July 2017

	Wong Pui Yain	Wan Suet Yee, Cherry	Total
	HK$'000	*HK$'000*	*HK$'000*
Fees	—	—	—
Other emoluments:			
Salaries and other benefits and allowance	240	325	565
Retirement benefit scheme contributions	8	8	16
	248	333	581

No emoluments were paid/payable to the independent non-executive directors of the Company during the Track Record Period.

During the Track Record Period, no remuneration was paid by the Group to the directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors of the Company has waived any remuneration during the Track Record Period.

(b) **Employees' emoluments**

The five highest paid individuals are all non-director employees for each of the years ended 31 December 2014, 2015 and 2016 and the seven months ended 31 July 2016 (unaudited) and 2017. Their emoluments were as follows:

	Year ended 31 December			Seven months ended 31 July	
	2014	**2015**	**2016**	**2016**	**2017**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* *(unaudited)*	*HK$'000*
Salaries and other benefits and allowance	3,583	3,891	4,058	2,367	2,203
Retirement benefit scheme contributions	35	60	72	42	55
Discretionary bonus (note)	390	460	—	—	—
	4,008	4,411	4,130	2,409	2,258

Note: The bonus was determined on a discretionary basis with reference to the individual's performance.

Their emoluments were within the following bands:

	Year ended 31 December			Seven months ended 31 July	
	2014	**2015**	**2016**	**2016**	**2017**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* *(unaudited)*	*HK$'000*
Nil to HK$1,000,000	4	5	5	5	5
HK$1,000,001 to HK$1,500,000	1	—	—	—	—
	5	5	5	5	5

During the Track Record Period, no emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of the five highest paid individuals waived any emoluments during the Track Record Period.

8. OTHER INCOME

	Year ended 31 December			Seven months ended 31 July	
	2014	**2015**	**2016**	**2016**	**2017**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(unaudited)	
Credit card commission rebate	20	26	21	12	17
Consignment income of wines and cigars	102	100	67	37	48
Arts sponsorship income	43	257	—	—	—
Compensation from insurance	193	3	—	—	—
Event service income	—	120	132	85	164
Restaurant consultancy service income	—	—	745	320	650
Forfeited credits from members	—	—	485	261	105
License fee income	—	—	—	—	100
Others	58	42	295	55	224
	416	548	1,745	770	1,308

9. OTHER GAINS AND LOSSES

	Year ended 31 December			Seven months ended 31 July	
	2014	**2015**	**2016**	**2016**	**2017**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(unaudited)	
Net exchange gain (loss)	4	2	—	—	(72)
Loss on disposal of property, plant and equipment	—	—	(16)	(16)	—
Gain on disposal of business (note 29(a))	—	—	736	—	—
Loss on disposal of subsidiaries (note 29(b))	—	—	—	—	(100)
	4	2	720	(16)	(172)

10. PROFIT (LOSS) BEFORE TAXATION

	Year ended 31 December			Seven months ended 31 July	
	2014	2015	2016	2016	2017
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(unaudited)	
Profit (loss) before taxation has been arrived at after charging:					
Auditor's remuneration	233	800	800	467	467
Directors' remuneration (note 7)	—	—	—	—	581
Other staff costs					
Salaries and other benefits	57,286	69,778	75,792	43,319	47,935
Retirement benefits scheme contributions	2,561	3,222	3,722	1,673	2,013
Total staff costs	59,847	73,000	79,514	44,992	50,529
Lease payments under operating leases in respect of land and buildings:					
Minimum lease payments	14,143	17,539	25,104	14,061	15,948
Contingent rents (note)	3,877	3,455	978	565	459
	18,020	20,994	26,082	14,626	16,407

Note: The operating lease rentals for certain restaurants are determined as the higher of a fixed rental or a predetermined percentage on revenue of respective restaurants pursuant to the terms and conditions that are set out in the respective rental agreements.

11. INCOME TAX EXPENSE

	Year ended 31 December			Seven months ended 31 July	
	2014	2015	2016	2016	2017
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(unaudited)	
Hong Kong Profits Tax:					
Current tax	1,305	1,957	2,490	1,155	1,611
(Over) under provision in prior years	(10)	11	(7)	(7)	—
	1,295	1,968	2,483	1,148	1,611
Deferred tax credit (note 17)	(101)	(136)	(471)	(181)	(444)
	1,194	1,832	2,012	967	1,167

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the Track Record Period.

The tax expenses for the Track Record Period can be reconciled to the profit (loss) before taxation as follows:

	Year ended 31 December			Seven months ended 31 July	
	2014	**2015**	**2016**	**2016**	**2017**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(unaudited)	
Profit (loss) before taxation	5,492	(2,760)	(7,531)	(6,501)	(6,131)
Tax at the domestic income tax rate of 16.5%	906	(455)	(1,243)	(1,073)	(1,012)
Tax effect of expenses not deductible for tax purpose	376	2,020	1,223	730	1,869
Tax effect of income not taxable for tax purpose	—	(30)	(135)	(2)	—
Tax effect of tax losses not recognised	—	402	1,122	674	443
Tax effect of utilisation of tax losses previously not recognised	—	(117)	(15)	(3)	(204)
Tax effect of share of loss of an associate	—	—	1,067	648	71
(Over) under provision in prior years	(10)	11	(7)	(7)	—
Tax effect of different tax rates of a subsidiary operating in other jurisdiction	2	1	—	—	—
Others	(80)	—	—	—	—
Tax charge for the year/period	1,194	1,832	2,012	967	1,167

Details of deferred taxation are set out in note 17.

12. DIVIDEND

During the year ended 31 December 2015, Ideal Profit, a non-wholly owned subsidiary, declared and paid dividends of HK$50 per share of which HK$625,000 was paid to its non-controlling shareholder and HK$1,875,000 was paid to its immediate holding company, Big Team. During the seven months ended 31 July 2017, Ideal Profit declared and paid dividend of HK$16 per share of which HK$200,000 was paid to its non-controlling shareholders and HK$600,000 was paid to its immediate holding company, Big Team. Other than disclosed above, no dividend was paid or declared by any group entities during the Track Record Period.

No dividend was paid or declared by the Company since its incorporation.

13. EARNINGS (LOSS) PER SHARE

No earnings (loss) per share information is presented for the purpose of this report as its inclusion is not considered meaningful having regard to the Group Reorganisation of the Group and the result of the Group for the Track Record Period that is prepared on a combined basis as set out in note 2.

14. PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvements	Furniture and fixtures	Equipment and tools	Computers	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
COST					
At 1 January 2014	27,306	6,449	8,939	914	43,608
Additions	10,896	1,733	4,332	479	17,440
At 31 December 2014	38,202	8,182	13,271	1,393	61,048
Additions	8,524	1,918	4,747	346	15,535
Acquired on acquisition of business (note 26)	831	210	251	40	1,332
Exchange realignment	(99)	(33)	(50)	(7)	(189)
At 31 December 2015	47,458	10,277	18,219	1,772	77,726
Additions	10,460	1,387	3,976	437	16,260
Disposal	—	(21)	(34)	—	(55)
Disposal of business	(2,114)	(664)	(1,046)	(168)	(3,992)
Exchange realignment	(41)	(15)	(24)	(4)	(84)
At 31 December 2016	55,763	10,964	21,091	2,037	89,855
Additions	462	352	340	131	1,285
Disposal of subsidiaries	(3,016)	(242)	(1,256)	(41)	(4,555)
At 31 July 2017	53,209	11,074	20,175	2,127	86,585
DEPRECIATION					
At 1 January 2014	6,827	2,036	2,968	416	12,247
Provided for the year	4,922	1,488	3,156	276	9,842
At 31 December 2014	11,749	3,524	6,124	692	22,089
Provided for the year	6,181	1,561	2,962	484	11,188
Exchange realignment	(68)	(23)	(39)	(6)	(136)
At 31 December 2015	17,862	5,062	9,047	1,170	33,141

	Leasehold Improvements	Furniture and fixtures	Equipment and tools	Computers	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Provided for the year	7,761	1,776	3,688	445	13,670
Eliminated on disposal	—	(16)	(23)	—	(39)
Disposal of business	(1,779)	(594)	(947)	(152)	(3,472)
Exchange realignment	(26)	(14)	(22)	(4)	(66)
At 31 December 2016	23,818	6,214	11,743	1,459	43,234
Provided for the period	5,089	1,108	2,186	228	8,611
Disposal of subsidiaries	(589)	(71)	(491)	(20)	(1,171)
At 31 July 2017	28,318	7,251	13,438	1,667	50,674
CARRYING AMOUNTS					
At 31 December 2014	26,453	4,658	7,147	701	38,959
At 31 December 2015	29,596	5,215	9,172	602	44,585
At 31 December 2016	31,945	4,750	9,348	578	46,621
At 31 July 2017	24,891	3,823	6,737	460	35,911

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Leasehold improvements	Over the term of the lease
Furniture and fixtures	20%
Equipment and tools	20%
Computers	33⅓%

15. AVAILABLE-FOR-SALE INVESTMENT

The balance represents investment in 25.57% equity interest of Selecta Holdings Limited, a private entity incorporated in the BVI (the "Investee") with issued fully paid ordinary share capital of US$1,001. The Investee, through its subsidiaries, operates a membership based family gathering house with a restaurant facility in Hong Kong.

Pursuant to the shareholders' agreement of the Investee, the Group is entitled the right to appoint or remove one out of three directors in the board of directors of the Investee and the Group has irrecoverably surrendered such right. Accordingly, the directors of the Company are of the opinion that the Group has neither significant influence, joint control and control over the Investee and such investment is accounted for as AFS investment.

The investment is measured at cost less impairment at the end of each reporting period because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that their fair values cannot be measured reliably.

16. INVESTMENT IN AN ASSOCIATE/LOAN TO AN ASSOCIATE

Details of the Group's investment in an associate are as follows:

	As at 31 December 2016	**As at 31 July 2017**
	HK$'000	*HK$'000*
Cost of investment in an associate, unlisted (note)	—	—
Loan to an associate	6,467	6,900
Less: share of post-acquisition losses that are in excess of the cost of investment	(6,467)	(6,900)
	—	—

Note: The Group subscribed 30% interest in the associate at subscription price of HK$30 on 13 January 2016.

The details of the Group's investment in an associate are as follows:

Name of entity	Place and date of incorporation	Principal place of operation	Issued and fully paid share capital as at date of this report	Proportion of equity interests held by the Group as at 31 December 2014	2015	2016	31 July 2017	date of this report	Proportion of voting power held by the Group	Principal activities
Potato Head Hong Kong Limited ("Potato Head (HK)")	Hong Kong 15 October 2015	Hong Kong	HK$100	n/a	n/a	30%	30%	30%	30% (note a)	Investment holding (note b)

Notes:

(a) Pursuant to the shareholders agreement entered into by the Group and the other shareholder of Potato Head (HK), an independent third party to the Group, the Group has the right to appoint one out of the three directors of Potato Head (HK). Accordingly, the Group is able to exercise significant influence over Potato Head (HK).

(b) Potato Head (HK), through its subsidiary, operates a mixed-use entertainment venue which comprise retail shop, cafe and bar and restaurant.

17. DEFERRED TAXATION

The following is the deferred tax assets (liabilities) recognised and movements thereon during the Track Record Period.

	Tax losses	Accelerated accounting depreciation	Accelerated tax depreciation	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2014	1,343	375	(872)	846
(Charge) credit to profit or loss	(113)	184	30	101
At 31 December 2014	1,230	559	(842)	947
(Charge) credit to profit or loss (note 11)	(263)	347	52	136
At 31 December 2015	967	906	(790)	1,083
(Charge) credit to profit or loss (note 11)	(316)	652	135	471
At 31 December 2016	651	1,558	(655)	1,554
(Charge) credit to profit or loss (note 11)	(132)	449	127	444
At 31 July 2017	519	2,007	(528)	1,998

For the purpose of presentation in the Historical Financial Information, the following is the analysis of the deferred taxation:

	As at 31 December			As at 31 July
	2014	2015	2016	2017
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Deferred tax assets	1,084	1,148	1,558	2,007
Deferred tax liabilities	(137)	(65)	(4)	(9)
	947	1,083	1,554	1,998

At 31 December 2014, 2015 and 2016 and 31 July 2017, the Group has unused tax losses of approximately HK$8,162,000, HK$8,300,000, HK$13,091,000 and HK$10,728,000, respectively available for offset against future profits. Deferred tax asset has been recognised in respect of HK$7,454,000, HK$5,863,000, HK$3,948,000 and HK$3,143,000 of such losses respectively. No deferred tax asset has been recognised in respect of the remaining tax loss of HK$708,000, HK$2,437,000, HK$9,143,000 and HK$7,585,000 at 31 December 2014, 2015 and 2016 and 31 July 2017, respectively due to the unpredictability of future profit streams. The tax losses may be carried forward indefinitely.

18. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group				The Company		
	As at 31 December			As at 31 July	As at 31 December		As at 31 July
	2014	2015	2016	2017	2015	2016	2017
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Trade receivables from restaurant operation	1,255	1,405	2,456	1,821	—	—	—
Rental deposits	4,311	7,922	9,095	8,740	—	—	—
Other deposits	1,652	2,224	2,722	3,225	—	—	—
Other receivables	182	529	904	907	—	—	—
Prepayments and others	947	5,006	3,765	5,555	3,461	1,912	4,197
Total trade and other receivables	8,347	17,086	18,942	20,248	3,461	1,912	4,197
Analysed as:							
Current	2,914	7,623	8,273	9,868	3,461	1,912	4,197
Non-current	5,433	9,463	10,669	10,380	—	—	—
	8,347	17,086	18,942	20,248	3,461	1,912	4,197

Usually, there is no credit period for the restaurant operation except for certain customers in which credit period ranging from 4 to 30 days is granted by the Group. The Group's trading terms with its customers are mainly by cash or credit card settlement. The settlement terms with credit card companies are usually within 7 days after the billing date which is also the service rendered date.

The following is an ageing analysis of trade receivables from restaurant operations presented based on the invoice date, which approximated the service rendered date, at the end of each reporting period.

	The Group			
	As at 31 December			As at 31 July
	2014	**2015**	**2016**	**2017**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
0 to 30 days	1,188	1,212	1,936	1,681
31 to 60 days	61	51	229	83
61 to 90 days	—	142	71	—
Over 90 days	6	—	220	57
	1,255	1,405	2,456	1,821

Trade receivables that were neither past due nor impaired related to credit card companies and diversified customers for whom there was no recent history of default.

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of approximately HK$67,000, HK$193,000, HK$520,000 and HK$140,000, which are past due at 31 December 2014, 2015 and 2016 and 31 July 2017 respectively for which the Group has not provided for impairment loss. The Group considers that the amounts are recoverable because of the good repayment records by the counterparties or the amounts are subsequently settled.

Ageing of trade receivables which are past due but not impaired:

	The Group			
	As at 31 December			As at 31 July
	2014	2015	2016	2017
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
31 to 60 days	61	51	229	83
61 to 90 days	—	142	71	—
Over 90 days	6	—	220	57
	67	193	520	140

19. BANK BALANCES AND CASH/PLEDGED BANK DEPOSITS/BANK OVERDRAFT

As at 31 December 2016 and 31 July 2017, pledged bank deposits represent deposits pledged to a bank to secure the bank borrowings of the Group (as set out in note 23), which carry at fixed interest rate of 0.5% per annum as at 31 December 2016 and fixed interest rate ranged from 0.61% to 1.39% as at 31 July 2017.

Bank balances and cash comprise cash held and short term bank deposits with an original maturity of three months or less and carrying interest at prevailing market rate at 0.01% per annum at the end of each reporting period. The bank overdraft is subject to variable interest rate of 8% per annum over best lending rate.

20. INVENTORIES

	As at 31 December			As at 31 July
	2014	2015	2016	2017
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Food, beverages and other consumables	3,257	3,745	4,120	3,890

21. AMOUNTS DUE FROM/TO RELATED COMPANIES/A CONTROLLING SHAREHOLDER/ NON-CONTROLLING SHAREHOLDERS OF SUBSIDIARIES/AN AFS INVESTEE/ SUBSIDIARIES/AN ASSOCIATE

Amounts due from related companies, non-controlling shareholders of subsidiaries and a controlling shareholder

Amounts are unsecured and interest-free. Other than those trade nature balances as disclosed below, the remaining balances have no fixed repayment term. In the opinion of directors of the Company, the amounts are expected to be recovered within twelve months from the end of each reporting period.

Included in the amounts due from non-controlling shareholders of subsidiaries are 1) amounts of approximately nil as at 31 December 2014, HK$5,321,000 as at 31 December 2015, nil as at 31 December 2016 and nil as at 31 July 2017 which represent net working capital of a restaurant held by the non-controlling shareholder on behalf of the Group for operating purpose; 2) amounts of HK$13,000 as at 31 December 2014, HK$162,000 as at 31 December 2015, HK$50,000 as at 31 December 2016 and HK$77,000 as at 31 July 2017 which are trade nature with credit term of 60 days from the date of invoices and aged within 60 days based on the invoice date at the end of each reporting period; and 3) an amount of HK$6,450,000 as at 31 December 2016 which represent consideration receivable for the disposal of business (note 29(a)) and was settled in January 2017.

Details of the amounts due from related companies are as follows:

						Maximum amount outstanding during			
	As at 1 January	As at 31 December			As at 31 July	the year ended 31 December			the seven months ended 31 July
Name	**2014**	**2014**	**2015**	**2016**	**2017**	**2014**	**2015**	**2016**	**2017**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Jia Holdings Limited	—	2,630	—	—	—	2,630	2,630	—	—
Jia Group Limited (formerly named as Jia Boutiques Hotel Limited)	—	—	—	35	308	—	—	35	308
	—	2,630	—	35	308				

Both Jia Holdings Limited and Jia Group Limited are 50% owned by Ms. PY Wong. The amounts are non-trade nature.

The amount due from a controlling shareholder of HK$101,000 as at 31 December 2014, HK$104,000 as at 31 December 2016 and HK$38,000 as at 31 July 2017 are trade nature with credit term of 60 days from the date of invoices and aged within 60 days based on the invoice date at the end of each reporting period. The remaining amount due from a controlling shareholder of HK$3,998,000 as at 31 July 2017 is non-trade in nature. The maximum amount outstanding during the seven months ended 31 July 2017 is HK$5,000,000.

Amount due from an AFS investee

The amount represents a loan to the Investee (as defined in note 15), which is non-trade nature, unsecured, interest-free and with no fixed repayment term. The directors of the Company expected that such balances will be recovered within 12 months from the end of each reporting period.

Amount due from an associate

The amount is non-trade nature, unsecured, interest-free and with no fixed repayment term. The directors of the Company expected that such balances will be recovered within 12 months from the end of each reporting period.

Amounts due to non-controlling shareholders of subsidiaries and a controlling shareholder

The amounts due to non-controlling shareholders of subsidiaries and a controlling shareholder are non-trade nature, unsecured, interest-free and repayable on demand. As at 31 December 2014, 2015 and 2016, the amounts due to non-controlling shareholders of subsidiaries represent shareholders' loans to respective subsidiaries.

Amounts due to related companies

Details of the amounts due to related companies are as follows:

	As at 31 December			As at 31 July
	2014	**2015**	**2016**	**2017**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Trade nature (note a):				
Altaya Wines Limited ("Altaya")	252	147	151	109
Cigarro Limited ("Cigarro")	9	3	2	—
Classified Group Management Limited (formerly known as "Classified Bread and Cheese Limited") ("Classified")	3	14	—	—
Jason Atherton Restaurant Consultancy Limited ("Jason Consultancy")	3	—	—	—
Social Restaurants Group Ltd (formerly known as "Jason Atherton Restaurant Holdings Limited") ("Jason Holdings")	58	—	—	—
	325	164	153	109
Non-trade nature:				
PC Asia Limited (note b)	24	—	53	487
Jia Group Limited (note b)	101	—	—	—
Epicure Pte Ltd (note b)	3	—	—	—
Pottage Restaurant Limited ("Pottage") (note c)	15	—	—	—
Many Good Limited (note b)	10,531	—	—	—
Incredible Resources Limited (note b)	1,495	—	—	—
	12,169	—	53	487
	12,494	164	206	596

Notes:

(a) Balances with i) Altaya, which is controlled by close family member of Mr. Pong Kin Yee, a non-controlling shareholder of certain subsidiaries; ii) Cigarro, which is controlled by Ms. PY Wong; and iii) Classified, of which the spouse of Ms. PY Wong has control collectively with other parties; and iv) Jason Holdings and Jason Consultancy, which are controlled by a non-controlling shareholder of certain subsidiaries, are trade nature, with a credit period from purchase of goods of 30 days. These trading balances with related companies are unsecured, interest-free and aged within 30 days based on the invoice date at the end of each reporting period.

(b) These related companies are 50% owned by Ms. PY Wong. The amounts are unsecured, interest-free and repayable on demand.

(c) Pottage is controlled by a non-controlling shareholder of certain subsidiaries. The amount is unsecured, interest-free and repayable on demand.

Amounts due to subsidiaries

The amounts are non-trade nature, unsecured, interest-free and repayable on demand.

22. TRADE AND OTHER PAYABLES AND ACCRUED CHARGES

	The Group				The Company		
	As at 31 December			As at 31 July	As at 31 December		As at 31 July
	2014	2015	2016	2017	2015	2016	2017
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Trade payables	6,590	7,974	11,325	9,007	—	—	—
Other payables:							
Accrued staff related costs	4,913	5,158	992	2,204	—	—	—
Payables for renovation of restaurants	428	2,173	3,880	—	—	—	—
Other payables and other accrued charges	8,000	14,353	8,796	10,163	6,227	1,599	5,279
	19,931	29,658	24,993	21,374	6,227	1,599	5,279

The credit period on purchases of goods is 30 days. The following is an ageing analysis of trade payables presented based on the invoice date at the end of each reporting period:

	The Group			
	As at 31 December			As at 31 July
	2014	2015	2016	2017
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
0 - 30 days	6,439	7,451	7,060	5,687
31 - 60 days	1	444	4,258	3,132
61 - 90 days	16	17	2	184
Over 90 days	134	62	5	4
	6,590	7,974	11,325	9,007

23. BANK BORROWINGS

	As at 31 December 2016 HK$'000	As at 31 July 2017 HK$'000
Secured bank borrowings		
Bank borrowings	14,125	17,667
Carrying amounts repayable of the bank borrowings*:		
Within one year	8,500	4,782
More than one year, but not exceeding two years	2,500	4,782
More than two years, but not more than five years	3,125	8,103
	14,125	17,667
Less: Amounts due within one year or contain a repayment on demand clause shown under current liabilities	(8,500)	(4,782)
Amount shown under non-current liabilities	5,625	12,885
Carrying amount of bank borrowings that are repayable within one year and contain a repayment on demand clause	6,000	—

* The amounts due are based on scheduled repayment dates set out in the loan agreement.

The bank borrowings are subject to variable interest rate of the higher of 2.50% to 2.75% per annum over Hong Kong Inter-bank Offered Rate ("HIBOR") or the bank's cost of funds and 2.5% per annum below Prime Rate or the bank's cost of funds. The weighted average interest rate is 2.96% per annum as at 31 December 2016 and 2.88% per annum as at 31 July 2017.

During the seven months ended 31 July 2017, the revolving loan with repayable on demand clause and carrying amount of HK$6,000,000 as at 31 December 2016 has been restructured to a 47-month term loan with no repayable on demand clause.

As at 31 December 2016 and 31 July 2017, the bank borrowings of the Group is secured by bank deposits of HK$3,008,000 and HK$5,508,000 respectively and guaranteed by personal guarantee for unlimited amount by Ms. PY Wong and corporate guarantees for unlimited amount by the Company and certain subsidiaries of the Company. The directors of the Company have represented to us that they expect that such personal guarantee will be released prior to the completion of the listing of the Company's shares on the Stock Exchange.

24. PROVISION

	Reinstatement works
	HK$'000
At 1 January 2014	1,786
Addition	527
At 31 December 2014	2,313
Addition	718
Acquired from acquisition of business (note 26)	231
Exchange realignment	(11)
At 31 December 2015	3,251
Addition	483
Disposed upon disposal of business (note 29(a))	(215)
Exchange realignment	(5)
At 31 December 2016	3,514
Disposed upon disposal of subsidiaries (note 29(b))	(169)
At 31 July 2017	3,345

The provision for reinstatement works related to the estimated cost of reinstating the rented premises to be carried out at the end of respective lease periods. These amounts have not been discounted for the purpose of measuring the provision for reinstatement works as the effect is not significant.

25. SHARE CAPITAL

THE GROUP

The share capital as at 1 January 2014 represented the aggregate paid-up capital of Luck Wealthy Limited ("Luck Wealthy"), Gain Long, Ideal Profit, Profit Holder, Rising Mark, Kingswide, Oman International and Hidden Glory attributable to Ms. PY Wong.

The share capital as at 31 December 2014 represented the aggregate paid-up capital of Luck Wealthy, Gain Long, Ideal Profit, Profit Holder, Rising Mark, Kingswide, Oman International, Hidden Glory and Capital Creative attributable to Ms. PY Wong.

The share capital as at 31 December 2015 and 2016 and 31 July 2017 represented the aggregate paid-up capital of Big Team and the Company.

THE COMPANY

The Company was incorporated on 21 August 2015 in the Cayman Islands with an authorised share capital of HK$380,000 divided into 38,000,000 shares of HK$0.01 each. One share, credited as fully paid, was allotted and issued on 21 August 2015 to the subscriber of the Company, which was later transferred to Giant Mind on the same date. Other than the aforesaid, there is no movement in the Company's authorised share capital and issued share capital for the period from 21 August 2015 (date of incorporation) to 31 December 2015, the year ended 31 December 2016 and the seven months ended 31 July 2017.

26. ACQUISITION OF BUSINESS

On 1 July 2015, Hidden Glory, a non-wholly owned subsidiary of the Company, agreed to purchase and J C Tapas Bar Pte. Ltd. ("J C Tapas"), a non-controlling shareholder of Hidden Glory, agreed to sell, the assets and liabilities as well as the business of one of the restaurants of J C Tapas in Singapore together with the right to receive from J C Tapas the working capital of that restaurant at a cash consideration of SG$957,645 (equivalent to approximately HK$5,510,000) (the "Acquisition"). The business of the restaurant in Singapore was acquired so as to expand the Group's restaurant operation to Singapore. The transaction was completed on 1 July 2015.

Assets acquired and liabilities recognised at their respective fair values at the date of acquisition are as follows:

	HK$'000
Net assets acquired:	
Property, plant and equipment	1,332
Inventories	76
Trade and other receivables, deposits and prepayments	605
Amount due from J C Tapas	4,755
Trade and other payables and accrued charges	(1,027)
Provision	(231)
	5,510

The fair value of trade and other receivables and amount due from J C Tapas at the date of acquisition approximates their carrying amounts.

Included in the loss for the year ended 31 December 2015 of the Group is profit of approximately HK$148,000 attributable to the acquired business. Revenue for the year ended 31 December 2015 includes approximately HK$6,096,000 generated from the acquired business.

Had the acquisition been completed on 1 January 2015, total group revenue for the year ended 31 December 2015 would have been approximately HK$213,318,000, and loss for the year would have been approximately HK$4,263,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2015, nor is it intended to be a projection of future results.

27. OPERATING LEASE COMMITMENTS

The Group as lessee

At the end of each reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	As at 31 December			As at 31 July
	2014	**2015**	**2016**	**2017**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Within one year	14,776	26,107	27,666	20,884
In the second to fifth year inclusive	23,489	29,673	22,191	20,883
	38,265	55,780	49,857	41,767

The above operating lease payments represent rental payable by the Group for restaurants, warehouses and office premises for the Track Record Period.

Leases and rentals are negotiated and fixed for term of one to five years. Certain lease agreements entered into between the respective landlords and the Group included renewal option at the discretion of the Group for further two or three years. The operating lease rentals for certain restaurants are determined at the higher of a fixed rental or a pre-determined percentage on revenue of respective restaurants pursuant to the terms and conditions that are set out in the respective rental agreements. As the future revenue of these restaurants could not be reliably determined, the relevant contingent rent has not been included above and only the minimum lease commitment have been included in the table above.

28. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the Historical Financial Information, the Group had the following transactions with its related parties during the Track Record Period:

	Year ended 31 December			Seven months ended 31 July	
	2014	**2015**	**2016**	**2016**	**2017**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Catering income from a company 50% owned by Ms. PY Wong	—	—	10	—	—
Catering income from Ms. PY Wong	115	194	236	95	80
Catering income from non-controlling shareholders of subsidiaries	267	472	600	394	155
Catering income from Gameone Group Limited (Note a)	—	—	140	140	8
Purchases of goods from Altaya	3,282	1,916	1,212	654	553
Purchases of goods from Cigarro	64	43	38	24	15
Purchases of goods from Classified	64	156	105	70	—
Purchases of goods from Jason Holdings	107	—	—	—	—
Restaurant consultancy service income from an associate	—	—	385	110	385
Restaurant consultancy service income from an AFS investee	—	—	360	210	210

	Year ended 31 December			Seven months ended 31 July	
	2014	2015	2016	2016	2017
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(unaudited)	
Management service fee to companies 50% owned by Ms. PY Wong	3,880	4,864	7,923	4,718	1,182
Consultancy service fee to a non-controlling shareholder of subsidiaries	661	582	530	392	289
Rental expenses to companies 50% owned by Ms. PY Wong (Note b)	150	552	960	585	525

Notes:

(a) Ms. PY Wong has significant influence in Gameone Group Limited.

(b) At the end of each reporting period, the Group had commitments for future minimum payments under non-cancellable operating lease with a company 50% owned by Ms. PY Wong, which fall due as follows:

	As at 31 December			As at 31 July
	2014	2015	2016	2017
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Within one year	—	900	900	900
In the second to fifth year inclusive	—	1,500	600	75
	—	2,400	1,500	975

These operating lease commitment had been included in the amounts as shown in note 27.

Details of the balances with related companies, an AFS investee, an associate, a controlling shareholder, non-controlling shareholders of subsidiaries and subsidiaries at the end of each reporting period are disclosed in the statements of financial position and note 21 to the Historical Financial Information.

Compensation of key management personnel

The compensation to key management personnel of the Group representing individuals appointed as directors of the Company is set out in note 7.

29. DISPOSAL OF BUSINESS/SUBSIDIARIES

(a) *Disposal of business*

On 31 December 2016, the Group disposed its business of the restaurant in Singapore to J C Tapas at a consideration of HK$6,450,000. The net assets of the business at the date of disposal were as follow:

	HK$'000
Net assets disposed of:	
Property, plant and equipment	520
Inventories	42
Trade and other receivables, deposits and prepayments	315
Amount due from J C Tapas	5,650
Trade and other payables and accrual charges	(980)
Provision	(215)
	5,332
Gain on disposal of business:	
Consideration receivable*	6,450
Net assets disposed of	(5,332)
Release of translation reserve upon the disposal of foreign operation	(382)
Gain on disposal	736

* The consideration was included in the combined statements of financial position as amounts due from non-controlling shareholders of subsidiaries as at 31 December 2016.

(b) ***Disposal of subsidiaries***

On 31 March 2017, Big Team disposed of the entire equity interest in Concept Wise (which holds 60% equity interest in More Earn) to an independent third party at a cash consideration of approximately HK$513,000. The net assets of Concept Wise and its subsidiary at the date of disposal were as follow:

	HK$'000
Net assets disposed of:	
Property, plant and equipment	3,384
Deposits	386
Inventories	109
Trade and other receivables, deposits and prepayments	185
Bank balances and cash	441
Trade and other payables and accrual charges	(724)
Amounts due to non-controlling shareholders	(2,590)
Provision	(169)
	1,022
Loss on disposal of subsidiaries:	
Consideration received	513
Net assets disposed of	(1,022)
Non-controlling interests	409
Loss on disposal	(100)
Net cash inflow arising on disposal:	
Bank balance and cash disposal of	(441)
Cash consideration received	513
	72

30. RETIREMENT BENEFITS SCHEMES

The MPF Scheme is registered with the Mandatory Provident Fund Schemes Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at rates specified in the rules. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions. Except for voluntary contribution, no forfeited contribution under the MPF Scheme is available to reduce the contribution payable in future years. Effective from June 2014, the cap of contribution amount has been changed from HK$1,250 to HK$1,500 per employee per month.

The retirement benefits schemes contributions arising from the MPF Scheme charged to the combined statements of profit or loss and other comprehensive income represent contributions paid or payable to the funds by the Group at rates specified in the rules of the schemes.

The employees of the Group's subsidiary in Singapore are participated in the national pension scheme. The subsidiary operates in Singapore is required to contribute certain percentage of the monthly salaries of their current employees to the Central Provident Fund.

The contributions paid and payable to the schemes by the Group during each of the three years ended 31 December 2016 and seven months ended 31 July 2016 and 2017 are HK$2,561,000, HK$3,222,000, HK$3,722,000, HK$1,673,000 (unaudited) and HK$2,029,000, respectively.

31. DETAILS OF THE NON-WHOLLY OWNED SUBSIDIARIES

The table below shows details of non-wholly owned subsidiaries of the Group that has material non-controlling interests:

Name of subsidiaries	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests				Profit (loss) allocated to non-controlling interests					Accumulated non-controlling interests			
		As at 31 December			As at 31 July	Year ended 31 December			Seven months ended 31 July		As at 31 December			As at 31 July
		2014	2015	2016	2017	2014	2015	2016	2016	2017	2014	2015	2016	2017
						HK$'000	HK$'000	HK$'000	HK$'000 (unaudited)	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Ideal Profit	Hong Kong	60%	25%	25%	25%	861	1,044	147	84	103	1,926	709	856	759
Profit Holder	Hong Kong	60%	25%	25%	25%	(1,634)	1,188	(211)	(99)	(218)	(2,200)	(304)	(515)	(733)
Gain Long	Hong Kong	60%	25%	25%	25%	18	(52)	73	54	67	(448)	(203)	(130)	(63)
Oman International and its subsidiaries*	Hong Kong	33.3%	—	—	—	1,183	(65)	—	—	—	(1,346)	—	—	—
Rising Mark and its subsidiary**	BVI/Hong Kong	50%	—	—	—	1,041	552	—	—	—	1,031	—	—	—
More Earn***	Hong Kong	n/a	40%	40%	—	n/a	(261)	(1,110)	(693)	(45)	n/a	(261)	(1,371)	—
Pure Love Restaurant Limited ("Pure Love")	BVI/Hong Kong	n/a	n/a	15%	15%	n/a	n/a	(197)	(163)	(216)	n/a	n/a	(271)	(487)
Individually immaterial non-controlling interest						82	35	—	—	—	—	—	—	—
						1,551	2,441	(1,298)	(817)	(309)	(1,037)	(59)	(1,431)	(524)

* As at 31 December 2014, Victory Rich was non-wholly owned subsidiaries of Oman International. Duddell's (HK) and Top Glorification were wholly owned subsidiaries of Victory Rich.

** Fit Asia Inc. Limited ("Fit Asia") was a non-wholly owned subsidiary of Rising Mark as at 31 December 2014.

*** More Earn ceased to be a subsidiary of the Group upon the disposal of Concept Wise (which holds 60% equity interest in More Earn) on 31 March 2017, as disclosed in note 29(b).

Summarised financial information for the Track Record Period in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

The table below shows details of non-wholly owned subsidiaries of the Group that has material non-controlling interests:

Ideal Profit

	As at 31 December			As at 31 July
	2014	**2015**	**2016**	**2017**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Non-current assets	2,503	2,459	1,987	1,658
Current assets	6,807	7,183	7,326	7,413
Non-current liabilities	(146)	(85)	(85)	(85)
Current liabilities	(5,915)	(6,550)	(5,634)	(5,779)
	3,249	3,007	3,594	3,207
Equity attributable to owners of the Company	1,323	2,298	2,738	2,448
Non-controlling interests of Ideal Profit	1,926	709	856	759
	3,249	3,007	3,594	3,207

	Year ended 31 December			Seven months ended 31 July	
	2014	**2015**	**2016**	**2016**	**2017**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(unaudited)	
Revenue	21,398	21,950	18,196	10,775	10,167
Expenses	(19,963)	(19,692)	(17,609)	(10,440)	(9,754)
Profit and total comprehensive income for the year/period	1,435	2,258	587	335	413
Profit and total comprehensive income for the year/period attributable to:					
— owners of the Company	574	1,214	440	251	310
— non-controlling interests of Ideal Profit	861	1,044	147	84	103
	1,435	2,258	587	335	413
Dividends paid to non-controlling shareholder of Ideal Profit	—	625	—	—	200
Net cash inflow (outflow) from operating activities	2,537	2,451	(561)	(1,134)	908
Net cash outflow from investing activities	(1,084)	(625)	(2,203)	(2,183)	(520)
Net cash inflow (outflow) from financing activities	13	(1,613)	167	41	(396)
Net cash inflow (outflow)	1,466	213	(2,597)	(3,276)	(8)

Profit Holder

	As at 31 December			As at 31 July
	2014	**2015**	**2016**	**2017**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Non-current assets	15,273	12,623	10,072	8,721
Current assets	2,993	6,877	8,563	8,353
Non-current liabilities	(527)	(573)	(527)	(527)
Current liabilities	(21,406)	(20,079)	(20,102)	(19,413)
	(3,667)	(1,152)	(1,994)	(2,866)
Equity attributable to owners of the Company	(1,467)	(848)	(1,479)	(2,133)
Non-controlling interests of Profit Holder	(2,200)	(304)	(515)	(733)
	(3,667)	(1,152)	(1,994)	(2,866)

	Year ended 31 December			Seven months ended 31 July	
	2014	**2015**	**2016**	**2016**	**2017**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(unaudited)	
Revenue	28,507	44,714	33,727	20,305	17,100
Expenses	(31,730)	(42,199)	(34,569)	(20,701)	(17,972)
(Loss) profit and total comprehensive (expense) income for the year/period	(3,223)	2,515	(842)	(396)	(872)
(Loss) profit and total comprehensive (expense) income for the year/period attributable to:					
— owners of the Company	(1,589)	1,327	(631)	(297)	(654)
— non-controlling interests of Profit Holder	(1,634)	1,188	(211)	(99)	(218)
	(3,223)	2,515	(842)	(396)	(872)

	Year ended 31 December			Seven months ended 31 July	
	2014	2015	2016	2016	2017
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(unaudited)	
Net cash inflow from operating activities	1,481	4,321	629	683	556
Net cash outflow from investing activities	(15,288)	(706)	(5,380)	(6,166)	(437)
Net cash inflow (outflow) from financing activities	14,722	98	1,227	857	(276)
Net cash inflow (outflow)	915	3,713	(3,524)	(4,626)	(157)

Gain Long

	As at 31 December			As at 31 July
	2014	2015	2016	2017
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Non-current assets	3,489	3,107	2,384	2,009
Current assets	893	1,197	1,630	1,904
Non-current liabilities	(159)	(159)	(159)	(159)
Current liabilities	(4,969)	(4,931)	(4,350)	(4,232)
	(746)	(786)	(495)	(478)
Equity attributable to owners of the Company	(298)	(583)	(365)	(415)
Non-controlling interests of Gain Long	(448)	(203)	(130)	(63)
	(746)	(786)	(495)	(478)

	Year ended 31 December			Seven months ended 31 July	
	2014	2015	2016	2016	2017
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(unaudited)	
Revenue	13,207	13,858	13,198	7,775	7,512
Expenses	(13,178)	(13,898)	(12,907)	(7,559)	(7,239)
Profit (loss) and total comprehensive income (expense) for the year/period	29	(40)	291	216	273
Profit (loss) and total comprehensive income (expense) for the year/period attributable to:					
— owners of the Company	11	12	218	162	206
— non-controlling interests of Gain Long	18	(52)	73	54	67
	29	(40)	291	216	273
Net cash (outflow) inflow from operating activities	(827)	595	827	562	482
Net cash outflow from investing activities	(527)	(376)	(791)	(869)	(417)
Net cash inflow (outflow) from financing activities	965	10	(407)	(130)	(43)
Net cash (outflow) inflow	(389)	229	(371)	(437)	22

Oman International and its subsidiaries

	As at 31 December 2014
	HK$'000
Non-current assets	19,166
Current assets	11,345
Non-current liabilities	(988)
Current liabilities	(30,901)
	(1,378)
Equity attributable to owners of the Company	(32)
Non-controlling interests of Oman International	(419)
Non-controlling interests of Victory Rich	(927)
	(1,378)

	Year ended 31 December	
	2014	2015*
	HK$'000	*HK$'000*
Revenue	57,256	32,521
Expenses	(55,642)	(32,628)
Profit (loss) and total comprehensive income (expense) for the year	1,614	(107)
Profit (loss) and total comprehensive income (expense) for the year attributable to:		
— owners of the Company	431	(42)
— non-controlling interests of Oman International	216	(20)
— non-controlling interests of Victory Rich	967	(45)
	1,614	(107)
Net cash inflow from operating activities	5,990	701
Net cash outflow from investing activities	(184)	(238)
Net cash outflow from financing activities	(5,993)	(5,001)
Net cash outflow	(187)	(4,538)

* The subsidiaries of Oman International have been disposal of to Big Team upon the Group Reorganisation. Accordingly, the result of such subsidiaries was included here up to the date of such disposal.

Rising Mark and its subsidiary

	As at 31 December
	2014
	HK$'000
Non-current assets	2,384
Current assets	3,236
Non-current liabilities	(198)
Current liabilities	(4,392)
	1,030
Equity attributable to owners of the Company	(1)
Non-controlling interests of Rising Mark	928
Non-controlling interests of Fit Asia	103
	1,030

	Year ended 31 December	
	2014	**2015**
	HK$'000	*HK$'000*
Revenue	18,912	20,393
Expenses	(17,019)	(18,677)
Profit and total comprehensive income for the year	1,893	1,716
Profit and total comprehensive income for the year attributable to:		
— owners of the Company	852	1,164
— non-controlling interests of Rising Mark	851	387
— non-controlling interests of Fit Asia	190	165
	1,893	1,716
Net cash inflow from operating activities	3,038	918
Net cash outflow from investing activities	(308)	(5,997)
Net cash inflow from financing activities	1	4,518
Net cash inflow (outflow)	2,731	(561)

More Earn

	As at 31 December	
	2015	**2016**
	HK$'000	*HK$'000*
Non-current assets	4,496	3,896
Current assets	447	1,000
Non-current liabilities	(169)	(169)
Current liabilities	(5,425)	(8,152)
	(651)	(3,425)
Equity attributable to owners of the Company	(390)	(2,054)
Non-controlling interests of More Earn	(261)	(1,371)
	(651)	(3,425)

	Year ended 31 December 2015 HK$'000	Year ended 31 December 2016 HK$'000	Seven months ended 31 July 2016 HK$'000 (unaudited)	Three months ended 31 March 2017* HK$'000
Revenue	2,710	9,244	5,466	2,372
Expenses	(3,361)	(12,018)	(7,198)	(2,487)
Loss and total comprehensive expense for the year/period	(651)	(2,774)	(1,732)	(115)
Loss and total comprehensive expense for the year/period attributable to:				
— owners of the Company	(390)	(1,664)	(1,039)	(70)
— non-controlling interests of More Earn	(261)	(1,110)	(693)	(45)
	(651)	(2,774)	(1,732)	(115)
Net cash (outflow) inflow from operating activities	(634)	(1,638)	(749)	4,510
Net cash (outflow) inflow from investing activities	(4,033)	(1,020)	(315)	72
Net cash inflow (outflow) from financing activities	4,700	3,126	1,163	(4,642)
Net cash inflow (outflow)	33	468	99	(60)

* The amounts represented the results and cash flow movements of More Earn for the period from 1 January 2017 to 31 March 2017, due to disposal of subsidiaries on 31 March 2017 as disclosed in note 29(b).

Pure Love

	As at 31 December 2016	As at 31 July 2017
	HK$'000	*HK$'000*
Non-current assets	6,609	5,884
Current assets	614	642
Non-current liabilities	(224)	(224)
Current liabilities	(8,804)	(9,549)
	(1,805)	(3,247)
Equity attributable to owners of the Company	(1,534)	(2,760)
Non-controlling interests of Pure Love	(271)	(487)
	(1,805)	(3,247)

	Year ended 31 December 2016	Seven months ended 31 July 2016	Seven months ended 31 July 2017
	HK$'000	*HK$'000* *(unaudited)*	*HK$'000*
Revenue	9,475	1,837	8,389
Expenses	(11,265)	(3,400)	(9,831)
Loss and total comprehensive expense for the year/period	(1,790)	(1,563)	(1,442)
Loss and total comprehensive expense for the year/period attributable to:			
— owners of the Company	(1,593)	(1,400)	(1,226)
— non-controlling interests of Pure Love	(197)	(163)	(216)
	(1,790)	(1,563)	(1,442)

	Year ended 31 December 2016	Seven months ended 31 July 2016	2017
	HK$'000	*HK$'000* *(unaudited)*	*HK$'000*
Net cash (outflow) inflow from operating activities	(700)	1,576	(1,498)
Net cash outflow from investing activities	(12,128)	(791)	(86)
Net cash inflow from financing activities	12,843	—	1,605
Net cash inflow	15	785	21

There are no significant restrictions on the ability of these non-wholly owned subsidiaries to transfer funds to the Group in the form of cash dividends, or to repay loans or advance made by the Group.

Change in ownership in non-wholly owned subsidiaries

Name of subsidiaries	% of equity interest acquired/(disposed of) by the Group	Increase (decrease) in non-controlling interest	Increase (decrease) in attributable to owners of the Company
		HK$'000	*HK$'000*
Year ended 31 December 2014			
Luck Wealthy	40%*(Note a)*	(2,573)	2,573
Profit Holder	(60%)*(Note b)*	(566)	566
		(3,139)	3,139
Year ended 31 December 2015			
Ideal Profit	35%*(Note c)*	(1,636)	1,636
Gain Long	35%*(Note c)*	297	(297)
Profit Holder	35%*(Note c)*	708	(708)
Rising Mark	50%*(Note c)*	(1,315)	1,315
Victory Rich	58.75%*(Note c)*	971	(971)
Oman International	33.33%*(Note c)*	440	(440)
Hidden Glory	(49%)	(11)	11

Name of subsidiaries	% of equity interest acquired/(disposed of) by the Group	Increase (decrease) in non-controlling interest	Increase (decrease) in attributable to owners of the Company
		HK$'000	*HK$'000*
Hidden Glory	49% *(Note c)*	22	(22)
More Earn	(40%) *(Note d)*	—	—
Fit Asia	10% *(Note e)*	(268)	268
		(792)	792
Year ended 31 December 2016			
Pure Love	15% *(Note f)*	(74)	74

(a) The consideration for the acquisition of additional equity interest in Luck Wealthy was HK$2,630,000.

(b) The deemed partial disposal of equity interest in Profit Holder by the Group without loss in control was due to the allotment of 600 new shares of Profit Holder at HK$600 to respective non-controlling shareholders of Profit Holder.

(c) The deemed acquisitions of additional interests in these subsidiaries were part of the Group Reorganisation as set out in note 2 to the Historical Financial Information.

(d) The deemed partial disposal of equity interest in More Earn by the Group without loss of control was due to the allotment of an aggregate 400 new shares of More Earn at HK$400 to Ms. Sun Tao Hung Stanley, a shareholder of Big Team and 168 Limited, an independent third party.

(e) On 10 December 2015, Rising Mark acquired additional 10% equity interests of Fit Asia from the non-controlling shareholder at a consideration of HK$300,000. After the aforesaid acquisition, Fit Asia became a direct wholly-owned subsidiary of Rising Mark.

(f) The deemed partial disposal of equity interest in Pure Love by the Group without loss of control was due to the allotment of an aggregate 15 new shares of Pure Love at US$15 to Mr. Nathan Daniel Green, an independent third party to the Group.

32. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged throughout the Track Record Period.

The capital structure of the Group consists of debt balance and equity balance. Equity balance consists of equity attributable to owners of the Company, comprising issued share capital and reserves.

The management of the Group reviews the capital structure on an on-going annual basis. As part of this review, the management of the Group considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management of the Group, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt.

33. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	The Group				The Company		
	As at 31 December			As at 31 July	As at 31 December		As at 31 July
	2014	2015	2016	2017	2015	2016	2017
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
AFS investment	—	2	2	2	—	—	—
Loans and receivables (including cash and cash equivalents)	27,753	28,318	26,355	24,427	—	51	51
Financial liabilities at amortised cost	59,797	27,156	38,145	36,977	13,271	16,379	25,932

(b) Financial risk management objectives and policies

The Group's major financial instruments include AFS investment, trade and other receivables and deposits, amounts due from related companies, a controlling shareholder, non-controlling shareholders of subsidiaries, an AFS investee and an associate, pledged bank deposits, bank balances and cash, trade and other payables and accrued charges, amounts due to related companies, a controlling shareholder and non-controlling shareholders of subsidiaries, bank borrowings and bank overdraft. The Company's financial instruments include bank balances and cash, other payables and accrued charges and amounts due to subsidiaries. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below.

Management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) ***Market risk***

Interest rate risk

The Group is mainly exposed to cash flow interest rate risk in relation to floating-rate bank borrowings, and fair value interest rate risk in relation to pledged bank deposits and non-interest bearing amounts due from/to related companies, a controlling shareholder, non-controlling shareholders of subsidiaries, an AFS investee and an associate. The Company is mainly exposed to fair value interest rate risk in relation to non-interest bearing amounts due to subsidiaries.

The Group and the Company currently do not have interest rate hedging policy. However, management of the Group closely monitors its exposure to future cash flow risk as a result of change on market interest rate and will consider hedging changes in market interest rates should the need arise.

The Group's cash flow interest rate is mainly concentrated on the fluctuation of HIBOR arising from the Group's bank borrowings.

The Group's and the Company's exposures to interest rates on financial liabilities are detailed in the liquidity risk section of this note.

Sensitivity analysis

No sensitivity analysis is provided on bank balances and floating-rate bank borrowings as the management of the Group considers that the interest rate fluctuation on bank balances and bank borrowings is minimal.

(ii) ***Credit risk***

As at 31 December 2014, 2015 and 2016 and 31 July 2017, the maximum exposure to credit risk of the Group which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the combined statements of financial position. The directors of the Company considers the credit risk of the Company is immaterial.

The Group trades with a large number of individual customer and trading terms are mainly on cash and credit card settlement. In view of the Group's operation, the Group does not have significant credit risk exposure to any single individual customer.

The Group has significant concentration of credit risk on amounts due from related companies, a controlling shareholder, non-controlling shareholders of subsidiaries, an associate and an AFS investee. The management of the Group considers the counterparty with good credit worthiness based on its past repayment history and subsequent settlement.

The credit risk on liquid funds of the Group is limited because the counterparties are banks with good reputation. The Group has concentration risk on its liquid funds as the pledged bank deposits and bank balances are placed with two banks in Hong Kong with good reputation.

(iii) ***Liquidity risk***

The Group had recorded net current liabilities of HK$1,482,000 as at 31 July 2017, which imposed liquidity risk to the Group. Taken into account the unutilised banking facilities available to the Group, the directors of the Company are of the opinion that the Group's liquidity risk has been mitigated and it is appropriate to prepare the Underlying Financial Statements and the Historical Financial Information on a going concern basis.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank borrowings with a repayment on demand clause are included in the earliest time band regardless of the probability of the bank choosing to exercise its rights. The maturity dates for other bank borrowings is presented based on the agreed repayment dates.

The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of each reporting period.

The Group

	Weighted average effective interest rate	Repayable on demand	Less than 3 months	Between 3 months to 1 year	Between 1 to 5 years	Total undiscounted cash flows	Total carrying amount
	%	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
As at 31 December 2014							
Non-derivative financial liabilities							
Trade and other payables and accrued charges	N/A	151	13,481	—	—	13,632	13,632
Amounts due to related companies	N/A	12,169	325	—	—	12,494	12,494
Amount due to a controlling shareholder	N/A	1,003	—	—	—	1,003	1,003
Amounts due to non-controlling shareholders of subsidiaries	N/A	32,668	—	—	—	32,668	32,668
		45,991	13,806	—	—	59,797	59,797
As at 31 December 2015							
Non-derivative financial liabilities							
Trade and other payables and accrued charges	N/A	523	24,454	—	—	24,977	24,977
Amounts due to related companies	N/A	—	164	—	—	164	164
Amounts due to non-controlling shareholders of subsidiaries	N/A	2,015	—	—	—	2,015	2,015
		2,538	24,618	—	—	27,156	27,156

	Weighted average effective interest rate	Repayable on demand	Less than 3 months	Between 3 months to 1 year	Between 1 to 5 years	Total undiscounted cash flows	Total carrying amount
	%	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
As at 31 December 2016							
Non-derivative financial liabilities							
Trade and other payables and accrued charges	N/A	4,265	16,940	—	—	21,205	21,205
Amounts due to related companies	N/A	54	152	—	—	206	206
Amount due to a controlling shareholder	N/A	3	—	—	—	3	3
Amounts due to non-controlling shareholders of subsidiaries	N/A	2,590	—	—	—	2,590	2,590
Bank borrowings -floating rate	3.0	6,000	683	2,025	5,821	14,529	14,125
Bank overdraft	13.0	16	—	—	—	16	16
		12,928	17,775	2,025	5,821	38,549	38,145
As at 31 July 2017							
Non-derivative financial liabilities							
Trade and other payables and accrued charges	N/A	3,320	15,394	—	—	18,714	18,714
Amounts due to related companies	N/A	487	109	—	—	596	596
Bank borrowings -floating rate	2.9	—	1,757	3,463	13,288	18,508	17,667
		3,807	17,260	3,463	13,288	37,818	36,977

The amounts included above for variable interest rate non-derivative financial liabilities are subject to changes if changes in variable interest rates differ to those estimates of interest rates determined at the end of each reporting period.

As at 31 December 2016, the carrying amount of a bank borrowing with repayment on demand clause amounting to HK$6,000,000 is included in "Repayable on demand" time band in the above maturity analysis. The management of the Group does not believe that it is probable that the bank will exercise its discretionary rights to demand immediate repayment. The management of the Group believes that such bank borrowing will be paid in accordance with the scheduled repayment date set out in the loan agreement.

For the purpose of managing liquidity risk, the management of the Group reviews the expected cash flow information of the Group's bank borrowing based on the scheduled repayment date set out in the agreement as set out in the table below:

	Effective interest rate	Within 3 months	3 months to 1 year	1 year to 5 years	Total undiscounted cash flows	Carrying amount at the end of the reporting period
	%	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
As at 31 December 2016						
Bank borrowing	2.9	44	6,024	—	6,068	6,000

The Company

	Weighted average effective interest rate	Repayable on demand	Less than 3 months	Total undiscounted cash flows	Total carrying amount
	%	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
As at 31 December 2015					
Non-derivative financial liabilities					
Trade and other payables and accrued charges	N/A	—	6,227	6,227	6,227
Amounts due to subsidiaries	N/A	7,044	—	7,044	7,044
		7,044	6,227	13,271	13,271

	Weighted average effective interest rate	Repayable on demand	Less than 3 months	Total undiscounted cash flows	Total carrying amount
	%	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
As at 31 December 2016					
Non-derivative financial liabilities					
Trade and other payables and accrued charges	N/A	—	1,599	1,599	1,599
Amounts due to subsidiaries	N/A	14,780	—	14,780	14,780
		14,780	1,599	16,379	16,379
As at 31 July 2017					
Non-derivative financial liabilities					
Trade and other payables and accrued charges	N/A	—	5,279	5,279	5,279
Amounts due to subsidiaries	N/A	20,653	—	20,653	20,653
		20,653	5,279	25,932	25,932

(c) **Fair value of the Group's and the Company's financial assets and financial liabilities that are measured at amortised cost**

The management of the Group and the Company estimate the fair value of the financial assets and financial liabilities measured at amortised cost using discounted cash flows analysis. The management of the Group and the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the Historical Financial Information approximate their fair values.

34. MAJOR NON-CASH TRANSACTIONS

Other than those disclosed elsewhere in the Historical Financial Information, the Group had the following major non-cash transactions.

During the year ended 31 December 2015, the Group acquired a business from a non-controlling shareholder of a subsidiary and the cash consideration was HK$5,510,000. The consideration was settled through current accounts with Ms. PY Wong and a non-controlling shareholder of a subsidiary of HK$2,810,000 and HK$2,700,000 respectively.

During the year ended 31 December 2015, as part of the Group Reorganisation, shareholders' loans of respective subsidiaries due to Ms. PY Wong, non-controlling shareholders and related companies (these related companies being the then immediate holding companies of the respective subsidiaries which were controlled by Ms. PY Wong before the completion of the Group Reorganisation) of approximately HK$1,945,000, HK$33,606,000 and HK$12,779,000, respectively were assigned to Big Team in exchange of the shares issued by Big Team to Ms. PY Wong, non-controlling shareholders and related companies.

During the year ended 31 December 2015, Ms. PY Wong and a non-controlling shareholder of subsidiaries waived amounts due to them by the Group of HK$889,000 and HK$2,700,000 respectively.

35. RESERVE OF THE COMPANY

Movement in the Company's reserve

	Accumulated losses
	HK$'000
At 21 August 2015 (date of incorporation)	—
Loss and total comprehensive expense for the period	(9,810)
At 31 December 2015	(9,810)
Loss and total comprehensive expense for the year	(4,606)
At 31 December 2016	(14,416)
Loss and total comprehensive expenses for the period	(7,268)
At 31 July 2017	(21,684)

36. PRE-ACQUISITION FINANCIAL INFORMATION OF THE ACQUIRED BUSINESS

As stated in note 26, on 1 July 2015, the Group acquired the assets and liabilities as well as the business of one restaurant in Singapore.

The financial information of the acquired business for the year ended 31 December 2014 and six months ended 30 June 2015 (the "Pre-Acquisition Financial Information") has been prepared by the director of Hidden Glory in accordance with the accounting policies set out in note 4, which conform to HKFRSs.

The acquired business had no bank account nor cash transactions during the relevant year/period as all of its transactions involving cash flows were settled through J C Tapas, its then holding company, which is also the non-controlling shareholder of Hidden Glory, nor did it have any cash or cash equivalent at any time throughout the year ended 31 December 2014 and six months ended 30 June 2015. Therefore, no statement of cash flows is presented.

The functional currency of the acquired business is Singapore dollar. The Pre-Acquisition Financial Information is presented in HK$ for the purpose of incorporation in this accountants' report.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	NOTES	**Year ended 31 December 2014** *HK$'000*	**Six months ended 30 June 2015** *HK$'000*
Revenue	(i)	19,179	6,842
Raw materials and consumables used		(4,848)	(1,827)
Staff costs		(6,830)	(2,640)
Depreciation		(859)	(404)
Property rentals and related expenses		(998)	(534)
Utility expenses		(475)	(171)
Advertising and promotion expenses		(38)	(11)
Other operating expenses		(2,178)	(897)
Profit before taxation	(ii)	2,953	358
Income tax expense	(iii)	(214)	(29)
Profit for the year/period		2,739	329
Other comprehensive expense:			
- Item that will not be reclassified to profit or loss:			
- Exchange differences arising on translation to presentation currency		(235)	(92)
Total comprehensive income for the year/period		2,504	237

STATEMENTS OF FINANCIAL POSITION

	NOTES	**As at 31 December 2014** *HK$'000*	**As at 30 June 2015** *HK$'000*
Non-current assets			
Property, plant and equipment	(iv)	1,588	1,191
Deposits	(v)	231	227
		1,819	1,418
Current assets			
Inventories	(vi)	79	76
Trade and other receivables, deposits and prepayments	(v)	154	378
		233	454
Current liabilities			
Trade and other payables and accrued charges	(viii)	1,294	1,027
Net current liabilities		(1,061)	(573)
Total assets less current liabilities		758	845
Non-current liability			
Provision	(ix)	235	231
Net assets		523	614
Reserves (note)			
Translation reserve		(298)	(390)
Retained profits		5,430	5,759
Other reserve	(vii)	(4,609)	(4,755)
		523	614

Note: Movements in reserves

	Translation reserve HK$'000	Retained profit HK$'000	Other reserve HK$'000	Total HK$'000
At 1 January 2014	(63)	2,691	(2,896)	(268)
Profit for the year	—	2,739	—	2,739
Exchange differences arising on translation to presentation currency	(235)	—	—	(235)
Total comprehensive (expense) income for the year	(235)	2,739	—	2,504
Net working capital of the business retained by J C Tapas (note vii)	—	—	(1,713)	(1,713)
At 31 December 2014	(298)	5,430	(4,609)	523
Profit for the period	—	329	—	329
Exchange differences arising on translation to presentation currency	(92)	—	—	(92)
Total comprehensive income for the year	(92)	329	—	237
Net working capital of the business retained by J C Tapas (note vii)	—	—	(146)	(146)
At 30 June 2015	(390)	5,759	(4,755)	614

(i) REVENUE AND SEGMENTAL INFORMATION

Revenue represents the amounts received and receivable from a restaurant operation representing income from catering services (net of discount) during the year ended 31 December 2014 and the six months ended 30 June 2015.

The restaurant operation in Singapore represents the single operating segment of the acquired business. For the purpose of resources allocation and performance assessment, the management of the acquired business before acquisition by the Group reviews the overall results and financial position of the restaurant operation as a whole. Accordingly, no further analysis of this single segment is presented.

All revenue and non-current assets of the acquired business are derived from or located in Singapore based on the operation of the acquired business.

(ii) PROFIT BEFORE TAXATION

	Year ended 31 December 2014	**Six months ended 30 June 2015**
	HK$'000	*HK$'000*
Profit before taxation has been arrived at after charging:		
Auditor's remuneration	—	—
Staff costs		
Salaries and other benefits	6,255	2,380
Retirement benefits scheme contributions	575	260
Total staff costs	6,830	2,640
Minimum lease payments under operating leases in respect of land and buildings	998	447

(iii) INCOME TAX EXPENSE

The amount represent the current tax of the Singapore Income Tax for the year ended 31 December 2014 and six months ended 30 June 2015.

Singapore Income Tax is calculated at 17% of the estimated assessable profit for the year ended 31 December 2014 and six months ended 30 June 2015.

(iv) PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements	Furniture and fixtures	Equipment and tools	Computers	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
COST					
At 1 January 2014	2,256	695	1,133	119	4,203
Additions	—	51	—	16	67
Exchange realignment	(103)	(31)	(53)	(5)	(192)
At 31 December 2014	2,153	715	1,080	130	4,078
Additions	—	—	9	28	37
Exchange realignment	(39)	(13)	(20)	(2)	(74)
At 30 June 2015	2,114	702	1,069	156	4,041
DEPRECIATION					
At 1 January 2014	842	299	535	70	1,746
Provided for the year	449	149	226	35	859
Exchange realignment	(57)	(19)	(35)	(4)	(115)
At 31 December 2014	1,234	429	726	101	2,490
Provided for the period	211	70	107	16	404
Exchange realignment	(22)	(8)	(13)	(1)	(44)
At 30 June 2015	1,423	491	820	116	2,850
CARRYING AMOUNTS					
At 31 December 2014	919	286	354	29	1,588
At 30 June 2015	691	211	249	40	1,191

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Leasehold improvements	Over the term of the lease
Furniture and fixtures	20%
Equipment and tools	20%
Computers	33⅓%

(v) TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENT

	As at 31 December 2014	As at 30 June 2015
	HK$'000	*HK$'000*
Trade receivables from restaurant operation	76	260
Rental deposits	231	227
Other deposits	68	71
Prepayments	10	14
Other receivables	—	33
Total trade and other receivables	385	605
Analysed as:		
Current	154	378
Non-current	231	227
	385	605

There was no credit period for the restaurant operation. The trading terms with its customers are mainly by cash and credit card settlement. The settlement terms of credit card companies are usually 7 days after the service rendered date.

As at 31 December 2014 and 30 June 2015, trade receivables from restaurant operation are all aged within 30 days based on the invoice date, which approximated the service rendered date and are neither past due nor impaired. The management of the acquired business before acquisition by the Group considers that the amounts are recoverable because of the good repayment records by the counterparties.

(vi) INVENTORIES

The amount represents food, beverage and other consumables.

(vii) DEEMED DISTRIBUTION TO A SHAREHOLDER

The amounts represent the net working capital of the acquired business retained by J C Tapas, which will be formally transferred back to the acquired business from J C Tapas upon completion of the Acquisition (see note 26 for details).

(viii) TRADE AND OTHER PAYABLES AND ACCRUED CHARGES

	As at 31 December 2014	As at 30 June 2015
	HK$'000	*HK$'000*
Trade payables	941	749
Other payables:		
Accrued staff related costs	253	181
Other payables and other accrued charges	100	97
	1,294	1,027

The credit period on purchases of goods is 30 days. The following is an ageing analysis of trade payables presented based on the invoice date at the end of each reporting period:

	As at 31 December 2014	As at 30 June 2015
	HK$'000	*HK$'000*
0 - 30 days	518	408
31 - 60 days	339	291
61 - 90 days	75	50
Over 90 days	9	—
	941	749

(ix) PROVISION

	Reinstatement works
	HK$'000
At 1 January 2014	246
Exchange realignment	(11)
At 31 December 2014	235
Exchange realignment	(4)
At 30 June 2015	231

The provision for reinstatement works related to the estimated cost of reinstating the rented premises to be carried out at the end of the lease period. The amount has not been discounted for the purpose of measuring the provision for reinstatement works as the effect is not significant.

37. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's combined statements of cash flows as cash flows from financing activities.

	Non-trade nature amounts due to related companies	Amount due to a controlling shareholder	Amounts due to non-controlling shareholders of subsidiaries	Bank borrowings	Dividend payable	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2014	5,320	36	31,201	—	—	36,557
Financing cash flows (Note)	6,849	967	1,467	—	—	9,283
At 31 December 2014	12,169	1,003	32,668	—	—	45,840
Financing cash flows (Note)	610	(979)	2,953	—	(625)	1,959
Declare of dividend (note 12)	—	—	—	—	625	625
Acquisition of business (note 34)	—	2,810	2,700	—	—	5,510
Group reorganisation (note 34)	(12,779)	(1,945)	(33,606)	—	—	(48,330)
Waiver of amounts due to shareholders (note 34)	—	(889)	(2,700)	—	—	(3,589)
At 31 December 2015	—	—	2,015	—	—	2,015
Financing cash flows (Note)	53	3	575	13,812	—	14,443
Finance costs	—	—	—	313	—	313
At 31 December 2016	53	3	2,590	14,125	—	16,771
Financing cash flows (Note)	434	(3)	—	3,268	(200)	3,499
Declare of dividend (note 12)	—	—	—	—	200	200
Disposal of subsidiaries (note 29(b))	—	—	(2,590)	—	—	(2,590)
Finance costs	—	—	—	274	—	274
At 31 July 2017	487	—	—	17,667	—	18,154
At 1 January 2016	—	—	2,015	—	—	2,015
Financing cash flows (Note)	69	—	—	9,012	—	9,081
Finance costs	—	—	—	155	—	155
At 31 July 2016 (unaudited)	69	—	2,015	9,167	—	11,251

Note: The cash flow in relation to amounts due to a related companies, a controlling shareholder, non-controlling shareholders, bank borrowings and dividend payable make up the net amount of proceeds and repayments in the combined statements of cash flows.

38. PARTICULARS OF SUBSIDIARIES

As at the date of this report, the Company has the following subsidiaries comprising the Group:

Name of subsidiary	Place and date of incorporation	Place of operation	Issued and fully paid share capital as at date of this report	Proportion of share capital held by the Group as at 31 December 2014	31 December 2015	31 December 2016	31 July 2017	date of this report	Principal activities	Notes
Big Team	BVI 18 June 2015	Hong Kong	US$50,000	N/A	100%	100%	100%	100%	Investment holding	(a)
Brightsome	BVI 14 July 2015	Hong Kong	US$1	N/A	100%	100%	100%	100%	Restaurant operation	(b)
Capital Creative	Hong Kong 12 September 2014	Hong Kong	HK$100	100%	100%	100%	100%	100%	Restaurant operation	(a)
Duddell's Hong Kong Limited	Hong Kong 18 April 2013	Hong Kong	HK$100	100%	100%	100%	100%	100%	Club membership services for one of the Group's restaurants	(a)
Fair Dollar	BVI 12 August 2015	Hong Kong	US$1	N/A	100%	100%	100%	100%	Investment holding	(b)
Fit Asia	Hong Kong 20 February 2013	Hong Kong	HK$1,000	90%	100%	100%	100%	100%	Trademark holder	(a)
Gain Long	Hong Kong 9 May 2013	Hong Kong	HK$1,000	40%	75%	75%	75%	75%	Restaurant operation	(a), (c)
Hidden Glory	BVI 15 September 2011	Republic of Singapore	US$100	100%	100%	100%	100%	100%	Restaurant operation	(b)
Ideal Profit	Hong Kong 14 May 2012	Hong Kong	HK$50,000	40%	75%	75%	75%	75%	Restaurant operation	(a), (c)
Kingswide	Hong Kong 2 May 2013	Hong Kong	HK$100	100%	100%	100%	100%	100%	Restaurant operation	(a)
Luck Wealthy	Hong Kong 27 March 2009	Hong Kong	HK$100	100%	100%	100%	100%	100%	Restaurant operation	(a)
More Earn	Hong Kong 1 April 2015	Hong Kong	HK$1,000	N/A	60%	60%	—	—	Restaurant operation	(a)
Oman International	Hong Kong 12 March 2012	Hong Kong	HK$3	66.67%	100%	100%	100%	100%	Trademark holder	(a)
Profit Holder	Hong Kong 16 August 2013	Hong Kong	HK$1,000	40%	75%	75%	75%	75%	Restaurant operation	(a), (c)
Rising Mark	BVI 2 January 2013	Hong Kong	US$10,000	50%	100%	100%	100%	100%	Investment holding	(b), (c)

Name of subsidiary	Place and date of incorporation	Place of operation	Issued and fully paid share capital as at date of this report	Proportion of share capital held by the Group as at 31 December 2014	31 December 2015	31 December 2016	31 July 2017	date of this report	Principal activities	Notes
Springlike	BVI 27 March 2015	Hong Kong	US$1	N/A	100%	100%	100%	100%	Investment holding	(b)
Top Glorification Limited	BVI 16 October 2012	Hong Kong	US$100	100%	100%	100%	100%	100%	Restaurant operation	(a)
Victory Rich	BVI 3 September 2012	Hong Kong	US$10,000	41.25%	100%	100%	100%	100%	Investment holding	(b), (c)
Concept Wise	BVI 12 February 2015	Hong Kong	US$1	N/A	100%	100%	—	—	Investment holding	(b)
Dazzle Long	BVI 15 June 2015	Hong Kong	US$1	N/A	100%	100%	100%	100%	Investment holding	(b)
Maxmount	BVI 16 July 2015	Hong Kong	US$1	N/A	100%	100%	100%	100%	Provision of consultancy services in connection with the restaurant operations	(b)
Season Luck	BVI 8 July 2015	Hong Kong	US$1	N/A	100%	100%	100%	100%	Investment holding	(b)
Pure Love	BVI 17 November 2015	Hong Kong	US$100	N/A	100%	85%	85%	85%	Restaurant operation	(b)
Ultra Wealthy Limited	Hong Kong 5 February 2016	Hong Kong	HK$1	N/A	N/A	100%	100%	100%	To carry out restaurant operation	(a)
Fine Wisdom Holdings Limited ("Fine Wisdom")	BVI 18 February 2016	Hong Kong	US$1	N/A	N/A	100%	100%	100%	Investment holding	(b)
Vantage Luck Limited ("Vantage Luck")	BVI 18 February 2016	Hong Kong	US$1	N/A	N/A	100%	100%	100%	Investment holding	(b)
King Access Corporation Limited	Hong Kong 19 February 2016	Hong Kong	HK$1	N/A	N/A	100%	100%	100%	Restaurant operation	(a)

Big Team is directly held by the Company. All other subsidiaries are indirectly held by the Company. All subsidiaries now comprising the Group are limited liability companies and have adopted 31 December as their financial year end date.

Notes:

(a) The financial statements of these companies for each of the years ended 31 December 2014, 2015 and 2016 or since their respective dates of incorporation, where there is a shorter period, were prepared in accordance with HKFRSs issued by the HKICPA and were audited by us.

(b) No audited financial statements have been prepared for the Company, Brightsome, Concept Wise, Dazzle Long, Fair Dollar, Fine Wisdom, Hidden Glory, Maxmount, Pure Love, Rising Mark, Season Luck, Springlike, Vantage Luck and Victory Rich since their respective dates of incorporation as they were incorporated in jurisdictions where there are no statutory audit requirements.

(c) During part of the Track Record Period, the Group was sometimes holding 50% or less equity interest in certain subsidiaries. However, the directors of the Company considered that Ms. PY Wong is able to exercise control over Gain Long, Ideal Profit, Profit Holder, Rising Mark and Victory Rich, directly or indirectly during such period given certain other shareholders in these group companies who then held 15%, 15%, 15%, 50% and 51.25% of the equity interest individually or in aggregate, respectively, have historically agreed to follow unanimously all casting of votes of Ms. PY Wong in all resolutions in all board and shareholders' meetings and follow unanimously all her decisions in relation to, all management affairs and the arrival and/or execution of all commercial decisions, including but not limited to business, financial and operational matters since the date of incorporation of these group companies.

39. SUBSEQUENT EVENTS

Save as disclosed elsewhere in the Historical Financial Information, subsequent events of the Group are detailed as below.

(a) Group Reorganisation

On 23 January 2018, the Group Reorganisation set out in note 2 was completed.

(b) Increase of authorised and issued share capital

On 23 January 2018, the authorised share capital of the Company was increased from HK$380,000 to HK$50,000,000 by the creation of an additional 4,962,000,000 shares of HK$0.01 each.

Pursuant to the written resolution passed by the shareholders of the Company on 23 January 2018 conditional upon the share premium account of the Company being credited as a result of the share offer and listing of the Company's shares on the Stock Exchange, the directors of the Company were authorised to capitalise the amount of HK$6,915,000 from the amount standing to the credit of the share premium account of the Company to pay up in full at par of 691,500,000 shares for allotment and issue to the persons whose names appeared on the register of members of the Company at the closed of business on the same date, pro-rata to their then existing shareholdings in the Company without involving fractions.

(c) **Disposal of a subsidiary**

On 11 September 2017, Big Team disposed of the entire issued share capital in Fair Dollar (which holds the AFS investment) and assigned the relevant shareholder's loan between Big Team and Fair Dollar to an independent third party at an aggregate cash consideration of HK$3,011,000. The financial impact in relation to the disposal of a subsidiary is immaterial to the Group.

(d) **Share option scheme**

The Company has conditionally adopted a share option scheme on 23 January 2018, the principal terms of which are set out in the paragraph headed "D. Share Option Scheme" in Appendix V to the Prospectus.

40. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, any of its subsidiaries or the Group in respect of any period subsequent to 31 July 2017.

The information set out in this Appendix does not form part of the accountants' report on the historical financial information of the Group for each of the three years ended 31 December 2016 and the seven months ended 31 July 2017 prepared by Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, our Company's reporting accountants, as set out in Appendix I to this prospectus (the "Accountants' Report"), and is included herein for information only. The unaudited pro forma financial information should be read in conjunction with the section headed "Financial information" in this prospectus and the Accountants' Report set out in Appendix I to this prospectus.

A. STATEMENT OF UNAUDITED PRO FORMA ADJUSTED COMBINED NET TANGIBLE ASSETS

The statement of unaudited pro forma adjusted combined net tangible assets of the Group attributable to the owners of the Company prepared in accordance with Rule 7.31 of the GEM Listing Rules is set out below to illustrate the effect of the Share Offer on the audited combined net tangible assets of the Group attributable to the owners of the Company as if the Share Offer had taken place on 31 July 2017.

The statement of unaudited pro forma adjusted combined net tangible assets of the Group attributable to the owners of the Company has been prepared for illustrative purposes only and, because of its hypothetical nature, may not give a true picture of the financial position of the Group as at 31 July 2017 or any future dates following the Share Offer.

The following statement of unaudited pro forma adjusted combined net tangible assets of the Group attributable to the owners of the Company is based on the audited combined net tangible assets of the Group attributable to the owners of the Company as at 31 July 2017 as shown in the Accountants' Report, the text of which is set out in Appendix I to this prospectus, and adjusted as follows:

	Audited combined net tangible assets of the Group attributable to the owners of the Company as at 31 July 2017	**Estimated net proceeds from the Share Offer**	**Unaudited pro forma adjusted combined net tangible assets of the Group attributable to the owners of the Company**	**Unaudited pro forma adjusted combined net tangible assets of the Group attributable to the owners of the Company per Share**
	HK$'000	*HK$'000*	*HK$'000*	*HK$*
	(Note 1)	*(Note 2)*		*(Note 3)*
Based on Offer Price of HK$0.30 per Share	36,611	35,149	71,760	0.08

Notes:

(l) The audited combined net tangible assets of the Group attributable to the owners of the Company as at 31 July 2017 is extracted from the Accountants' Report set out in Appendix I to this prospectus.

(2) The estimated net proceeds from the issue of the Offer Shares pursuant to the Share Offer are based on 168,450,000 new Shares at the Offer Price of HK$0.30 per Share after deduction of the underwriting commissions for the Share Offer of 168,450,000 new Shares and fees and other related expenses incurred and to be incurred by the Company since 1 August 2017.

The calculation of such estimated net proceeds does not take into account of any Shares which may be allotted and issued pursuant to the exercise of options which may be granted under the Share Option Scheme or any Shares which may be issued or repurchased by the Company pursuant to the general mandates granted to the Directors to issue or repurchase Shares referred to in the section headed "General Mandate to Issue Shares" or the section headed "General Mandate to Repurchase Shares".

(3) The unaudited pro forma adjusted combined net tangible assets of the Group attributable to the owners of the Company per Share is calculated based on 860,000,000 Shares in issue immediately following the completion of the Share Offer and the Capitalisation Issue. It does not take into account of any Shares which may be allotted and issued pursuant to the exercise of options which may be granted under the Share Option Scheme or any Shares which may be issued or repurchased by the Company pursuant to the general mandates granted to the Directors to issue or repurchase Shares referred to in the section headed "General Mandate to Issue Shares" or the section headed "General Mandate to Repurchase Shares".

(4) No adjustment has been made to the unaudited pro forma adjusted combined net tangible assets of the Group attributable to the owners of the Company to reflect any trading results or other transactions of the Group entered into subsequent to 31 July 2017.

B. UNAUDITED PRO FORMA ESTIMATED LOSS PER SHARE

The following unaudited pro forma estimated loss per Share for the year ended 31 December 2017 has been prepared in accordance with Rule 7.31 of the GEM Listing Rules on the basis set out in the notes below to illustrate the effect of the Share Offer, as if it had taken place on 1 January 2017. The unaudited pro forma estimated loss per Share has been prepared for illustrative purposes only and, because of its hypothetical nature, may not give a true picture of the financial results of the Group following the Share Offer.

Estimated combined loss of the Group attributable to the owners of the Company for the year ended 31 December 2017*(Note 1)*	not more than HK$5.6 million
Unaudited pro forma estimated loss per Share for the year ended 31 December 2017*(Note 2)*	not more than HK$0.01

Notes:

(1) The estimated combined loss attributable to the owners of the Company for the year ended 31 December 2017 is extracted from the section headed "Financial information—Loss estimate for the year ended 31 December 2017". The bases on which the above loss estimate has been prepared are summarised in Appendix III.

(2) The calculation of the unaudited pro forma estimated loss per Share is based on the estimated combined loss of the Group attributable to the owners of the Company for the year ended 31 December 2017 and on the assumptions that the Company has been listed since 1 January 2017 and that a total number of 860,000,000 Shares were in issue throughout the year ended 31 December 2017, without taking into account of any Shares which may be allotted and issued pursuant to the exercise of options which may be granted under the Share Option Scheme or any Shares which may be issued or repurchased by the Company pursuant to the general mandates granted to the Directors to issue or repurchase Shares referred to in the section headed "General Mandate to Issue Shares" or the section headed "General Mandate to Repurchase Shares". The estimated combined loss of the Group attributable to the owners of the Company for the year ended 31 December 2017 has not taken into account any interest income that would have been earned if the proceeds from the Share Offer had been received by the Company on 1 January 2017.

C. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF THE UNAUDITED PRO FORMA FINANCIAL INFORMATION INCLUDED IN A PROSPECTUS

The following is the text of the independent reporting accountants' assurance report received from Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the reporting accountants of our Company, in respect of the Group's unaudited pro forma financial information prepared for the purpose of incorporation in this prospectus.

Deloitte. 德勤

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Directors of Jia Group Holdings Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Jia Group Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the statement of unaudited pro forma adjusted combined net tangible assets of the Group attributable to the owners of the Company as at 31 July 2017 and the unaudited pro forma estimated loss per share for the year ended 31 December 2017 and related notes as set out on pages II-1 to II-3 of Appendix II to the prospectus issued by the Company dated 29 January 2018 (the "Prospectus"). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages II-1 to II-3 of Appendix II to the Prospectus.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed share offer of the Company (the "Share Offer") on the Group's financial position as at 31 July 2017 and the Group's estimated loss per share for the year ended 31 December 2017 as if the Share Offer had taken place at 31 July 2017 and 1 January 2017, respectively. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's historical financial information for each of the three years ended 31 December 2016 and the seven months ended 31 July 2017, on which an accountants' report set out in Appendix I to the Prospectus has been published and information about the estimate of the combined loss of the Group attributable to the owners of the Company for the year ended 31 December 2017 on which no auditor's report or review report has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Rules") and with reference to Accounting Guideline 7 Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 7.31(7) of the GEM Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 7.31 of the GEM Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 July 2017 or 1 January 2017 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and

- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the unaudited pro forma financial information of the Group has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purpose of the unaudited pro forma financial information as disclosed pursuant to paragraph 7.31(1) of the GEM Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
29 January 2018

The estimate of the combined loss of our Group attributable to the owners of our Company for the year ended 31 December 2017 is set out in the section headed "Financial information — Loss estimate for the year ended 31 December 2017" in this prospectus.

A. BASES

The estimate of the combined loss of our Group attributable to the owners of our Company for the year ended 31 December 2017 prepared by our Directors is based on (i) the audited combined results of our Group for the seven months ended 31 July 2017; and (ii) the unaudited combined results based on the management accounts of our Group for the five months ended 31 December 2017. The estimate has been prepared on the basis of the accounting policies consistent in all material respects with those currently adopted by our Group as summarised in the accountants' report set out in Appendix I to this prospectus.

Loss estimate of the Group

Estimated combined loss of our Group attributable to the owners of our Company for the year ended 31 December 2017	not more than HK$5.6 million
Unaudited pro forma estimated loss per Share for the year ended 31 December 2017[note]	not more than HK$0.01

Note: The calculation of the unaudited pro forma estimated loss per Share is based on the estimated combined loss of our Group attributable to the owners of our Company for the year ended 31 December 2017, assuming a total of 860,000,000 Shares in issue during the entire year without taking into account any Shares which may be issued upon the exercise of the any options which may be granted under the Share Option Scheme or any Shares which may be issued or repurchased by our Company pursuant to the general mandates granted to our Directors to issue or repurchase Shares referred to in the section headed "General Mandate to Issue Shares" or the section headed "General Mandate to Repurchase Shares".

B. LETTER FROM THE REPORTING ACCOUNTANTS ON THE LOSS ESTIMATE

The following is the text of a letter, prepared for inclusion in this prospectus, received by the directors of the Company and the Sole Sponsor from the Company's reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, in connection with the estimate of the combined loss of the Group attributable to the owners of the Company for the year ended 31 December 2017.

Deloitte. 德勤

Deloitte Touche Tohmatsu
35/F One Pacific Place
88 Queensway
Hong Kong

29 January 2018

The Board of Directors
Jia Group Holdings Limited
Office No. 5 on 22nd Floor
Universal Trade Centre
No. 3 Arbuthnot Road
Central
Hong Kong

Innovax Capital Limited
Room 2002, 20/F
Chinachem Century Tower
178 Gloucester Road
Wanchai
Hong Kong

Dear Sirs,

Jia Group Holdings Limited (the "Company")

Loss Estimate for Year Ended 31 December 2017

We refer to the estimate of the combined loss of the Company and its subsidiaries (collectively referred to as the "Group") attributable to the owners of the Company for the year ended 31 December 2017 (the "Loss Estimate") set forth in the section headed "Financial information—Loss estimate for the year ended 31 December 2017" in the prospectus of the Company dated 29 January 2018 (the "Prospectus").

Directors' Responsibilities

The Loss Estimate has been prepared by the directors of the Company based on the audited combined results of the Group for the seven months ended 31 July 2017 and the unaudited combined results based on the management accounts of the Group for the five months ended 31 December 2017.

The Company's directors are solely responsible for the Loss Estimate.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion on the accounting policies and calculations of the Loss Estimate based on our procedures.

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 500 "Reporting on Profit Forecasts, Statements of Sufficiency of Working Capital and Statements of Indebtedness" and with reference to Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the HKICPA. Those standards require that we plan and perform our work to obtain reasonable assurance as to whether, so far as the accounting policies and calculations are concerned, the Company's directors have properly compiled the Loss Estimate in accordance with the bases adopted by the Company's directors and as to whether the Loss Estimate is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

Opinion

In our opinion, so far as the accounting policies and calculations are concerned, the Loss Estimate has been properly compiled in accordance with the bases adopted by the Company's directors as set out in Appendix III of the Prospectus and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in our accountants' report dated 29 January 2018, the text of which is set out in Appendix I to the Prospectus.

Yours faithfully,

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

C. LETTER FROM THE SPONSOR

The following is the text of a letter, prepared for inclusion in this prospectus, received by our Directors from the Sole Sponsor, in connection with the estimate of our combined loss for the year ended 31 December 2017.

Innovax Capital Limited
Room 2002, 20/F
Chinachem Century Tower,
178 Gloucester Road,
Wanchai, Hong Kong

The Board of Directors
Jia Group Holdings Limited
Office No.5 on 22nd Floor, Universal Trade Centre
No.3 Arbuthnot Road
Central
Hong Kong

29 January 2018

Dear Sirs,

We refer to the estimate of the combined loss of Jia Group Holdings Limited (the "**Company**", together with its subsidiaries, herein collectively referred to as the "**Group**") attributable to the owners of the Company for the year ended 31 December 2017 (the "**Loss Estimate**"), as set out in the Loss Estimate section of prospectus dated 29 January 2018 issued by the Company (the "**Prospectus**").

The Loss Estimate, for which you as the directors of the Company ("**Directors**") are solely responsible, has been prepared by the Directors based on the audited combined results of the Group for the seven months ended 31 July 2017 as set out in Appendix I to the Prospectus and the unaudited combined results based on the management accounts of the Group for the five months ended 31 December 2017.

We have discussed with you the bases and assumptions made by the Directors as set forth in Appendix III to the Prospectus upon which the Loss Estimate has been made. We have also considered the letter dated 29 January 2018 addressed to you and us from the Company' reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, regarding the accounting policies and calculations upon which the Loss Estimate has been made.

On the basis of the foregoing and on the bases and assumptions made by you and the accounting policies and calculations adopted by you and reviewed by Deloitte Touche Tohmatsu, Certified Public Accountants, we are of the opinion that the Loss Estimate, for which you as Directors are solely responsible, has been made after due and careful enquiry.

Yours faithfully,
For and on behalf of
Innovax Capital Limited

Alvin Kam
Managing Director

Set out below is a summary of certain provisions of the Memorandum and Articles of Association of the Company and of certain aspects of Cayman Islands company law.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 21 August 2015 under the Cayman Companies Law. The Company's constitutional documents consist of its Amended and Restated Memorandum of Association (the "**Memorandum**") and its Amended and Restated Articles of Association (the "**Articles**").

1. MEMORANDUM OF ASSOCIATION

1.1 The Memorandum provides, *inter alia*, that the liability of members of the Company is limited and that the objects for which the Company is established are unrestricted (and therefore include acting as an investment company), and that the Company shall have and be capable of exercising any and all of the powers at any time or from time to time exercisable by a natural person or body corporate whether as principal, agent, contractor or otherwise and, since the Company is an exempted company, that the Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands.

1.2 By special resolution the Company may alter the Memorandum with respect to any objects, powers or other matters specified in it.

2. ARTICLES OF ASSOCIATION

The Articles were conditionally adopted on 23 January 2018 and with effect from the Listing Date. A summary of certain provisions of the Articles is set out below.

2.1 Shares

2.1.1 *Classes of shares*

The share capital of the Company consists of ordinary shares.

2.1.2 *Variation of rights of existing shares or classes of shares*

Subject to the Cayman Companies Law, if at any time the share capital of the Company is divided into different classes of shares, all or any of the special rights attached to any class of shares may (unless otherwise provided for by the terms of issue of the shares of that class) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. The provisions of the Articles relating to general meetings shall mutatis mutandis apply to every such separate general meeting, but so that the necessary quorum (other than at an adjourned meeting) shall be not less than two persons together holding (or, in the case of a shareholder being a corporation, by its duly authorized representative) or representing by proxy not less than one-third in nominal value of the issued shares of that class. Every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him, and any holder of shares of the class present in person or by proxy may demand a poll.

Any special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

2.1.3 ***Alteration of capital***

The Company may, by an ordinary resolution of its members: (a) increase its share capital by the creation of new shares of such amount as it thinks expedient; (b) consolidate or divide all or any of its share capital into shares of larger or smaller amount than its existing shares; (c) divide its unissued shares into several classes and attach to such shares any preferential, deferred, qualified or special rights, privileges or conditions; (d) subdivide its shares or any of them into shares of an amount smaller than that fixed by the Memorandum; (e) cancel any shares which, at the date of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled; (f) make provision for the allotment and issue of shares which do not carry any voting rights; and (g) change the currency of denomination of its share capital.

2.1.4 ***Transfer of shares***

Subject to the Cayman Companies Law and the requirements of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), all transfers of shares shall be effected by an instrument of transfer in the usual or common form or in such other form as the Board may approve and may be under hand or, if the transferor or transferee is a Clearing House or its nominee(s), under hand or by machine imprinted signature, or by such other manner of execution as the Board may approve from time to time.

Execution of the instrument of transfer shall be by or on behalf of the transferor and the transferee, provided that the Board may dispense with the execution of the instrument of transfer by the transferor or transferee or accept mechanically executed transfers. The transferor shall be deemed to remain the holder of a share until the name of the transferee is entered in the register of members of the Company in respect of that share.

The Board may, in its absolute discretion, at any time and from time to time remove any share on the principal register to any branch register or any share on any branch register to the principal register or any other branch register. Unless the Board otherwise agrees, no shares on the principal register shall be removed to any branch register nor shall shares on any branch register be removed to the principal register or any other branch register. All removals and other documents of title shall be lodged for registration and registered, in the case of shares on any branch register, at the relevant registration office and, in the case of shares on the principal register, at the place at which the principal register is located.

The Board may, in its absolute discretion, decline to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve or on which the Company has a lien. It may also decline to register a transfer of any share issued under any share option scheme upon which a restriction on transfer subsists or a transfer of any share to more than four joint holders.

The Board may decline to recognise any instrument of transfer unless a certain fee, up to such maximum sum as the Stock Exchange may determine to be payable, is paid to the Company, the instrument of transfer is properly stamped (if applicable), is in respect of only one class of share and is lodged at the relevant registration office or the place at which the principal register is located accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require is provided to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).

The register of members may, subject to the GEM Listing Rules, be closed at such time or for such period not exceeding in the whole 30 days in each year as the Board may determine.

Fully paid shares shall be free from any restriction on transfer (except when permitted by the Stock Exchange) and shall also be free from all liens.

2.1.5 ***Power of the Company to purchase its own shares***

The Company may purchase its own shares subject to certain restrictions and the Board may only exercise this power on behalf of the Company subject to any applicable requirement imposed from time to time by the Articles or any, code, rules or regulations issued from time to time by the Stock Exchange and/or the Securities and Futures Commission of Hong Kong.

Where the Company purchases for redemption a redeemable Share, purchases not made through the market or by tender shall be limited to a maximum price and, if purchases are by tender, tenders shall be available to all members alike.

2.1.6 ***Power of any subsidiary of the Company to own shares in the Company***

There are no provisions in the Articles relating to the ownership of shares in the Company by a subsidiary.

2.1.7 ***Calls on shares and forfeiture of shares***

The Board may, from time to time, make such calls as it thinks fit upon the members in respect of any monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment of such shares made payable at fixed times. A call may be made payable either in one sum or by instalments. If the sum payable in respect of any call or instalment is not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding 20% per annum as the Board shall fix from the day appointed for payment to the time of actual payment, but the Board may waive payment of such interest wholly or in part. The Board may, if it thinks fit, receive from any member willing to advance the same, either in money or money's worth, all or any part of the money uncalled and unpaid or instalments payable upon any shares held by him, and in respect of all or any of the monies so advanced the Company may pay interest at such rate (if any) not exceeding 20% per annum as the Board may decide.

If a member fails to pay any call or instalment of a call on the day appointed for payment, the Board may, for so long as any part of the call or instalment remains unpaid, serve not less than 14 days' notice on the member requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment. The notice shall name a further day (not earlier than the expiration of 14 days from the date of the notice) on or before which the payment required by the notice is to be made, and shall also name the place where payment is to be made. The notice shall also state that, in the event of non-payment at or before the appointed time, the shares in respect of which the call was made will be liable to be forfeited.

If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture will include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture.

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, nevertheless, remain liable to pay to the Company all monies which, at the date of forfeiture, were payable by him to the Company in respect of the shares together with (if the Board shall in its discretion so require) interest thereon from the date of forfeiture until payment at such rate not exceeding 20% per annum as the Board may prescribe.

2.2 **Directors**

2.2.1 ***Appointment, retirement and removal***

At any time or from time to time, the Board shall have the power to appoint any person as a Director either to fill a casual vacancy on the Board or as an additional Director to the existing Board subject to any maximum number of Directors, if any, as may be determined by the members in general meeting. Any Director so appointed to fill a casual vacancy shall hold office only until the first general meeting of the Company after his appointment and be subject to re-election at such meeting. Any Director so appointed as an addition to the existing Board shall hold office only until the first annual general meeting of the Company after his appointment and be eligible for re-election at such meeting. Any Director so appointed by the Board shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at an annual general meeting.

At each annual general meeting, one third of the Directors for the time being shall retire from office by rotation. However, if the number of Directors is not a multiple of three, then the number nearest to but not less than one third shall be the number of retiring Directors. The Directors to retire in each year shall be those who have been in office longest since their last re-election or appointment but, as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

No person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected has been lodged at the head office or at the registration office of the Company. The period for lodgment of such notices shall commence no earlier than the day after despatch of the notice of the relevant meeting and end no later than seven days before the date of such meeting and the minimum length of the period during which such notices may be lodged must be at least seven days.

A Director is not required to hold any shares in the Company by way of qualification nor is there any specified upper or lower age limit for Directors either for accession to or retirement from the Board.

A Director may be removed by an ordinary resolution of the Company before the expiration of his term of office (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) and the Company may by ordinary resolution appoint another in his place. Any Director so appointed shall be subject to the "retirement by rotation" provisions. The number of Directors shall not be less than two.

The office of a Director shall be vacated if he:

(a) resign;

(b) dies;

(c) is declared to be of unsound mind and the Board resolves that his office be vacated;

(d) becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally;

(e) he is prohibited from being or ceases to be a director by operation of law;

(f) without special leave, is absent from meetings of the Board for six consecutive months, and the Board resolves that his office is vacated;

(g) has been required by the stock exchange of the Relevant Territory (as defined in the Articles) to cease to be a Director; or

(h) is removed from office by the requisite majority of the Directors or otherwise pursuant to the Articles.

From time to time the Board may appoint one or more of its body to be managing director, joint managing director or deputy managing director or to hold any other employment or executive office with the Company for such period and upon such terms as the Board may determine, and the Board may revoke or terminate any of such appointments. The Board may also delegate any of its powers to committees consisting of such Director(s) or other person(s) as the Board thinks fit, and from time to time it may also revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, but every committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed upon it by the Board.

2.2.2 ***Power to allot and issue shares and warrants***

Subject to the provisions of the Cayman Companies Law, the Memorandum and Articles and without prejudice to any special rights conferred on the holders of any shares or class of shares, any share may be issued with or have attached to it such rights, or such restrictions, whether with regard to dividend, voting, return of capital or otherwise, as the Company may by ordinary resolution determine (or, in the absence of any such determination or so far as the same may not make specific provision, as the Board may determine). Any share may be issued on terms that, upon the happening of a specified event or upon a given date and either at the option of the Company or the holder of the share, it is liable to be redeemed.

The Board may issue warrants to subscribe for any class of shares or other securities of the Company on such terms as it may from time to time determine.

Where warrants are issued to bearer, no certificate in respect of such warrants shall be issued to replace one that has been lost unless the Board is satisfied beyond reasonable doubt that the original certificate has been destroyed and the Company has received an indemnity in such form as the Board thinks fit with regard to the issue of any such replacement certificate.

Subject to the provisions of the Cayman Companies Law, the Articles and, where applicable, the rules of any stock exchange of the Relevant Territory (as defined in the Articles) and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, all unissued shares in the Company shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and on such terms and conditions as it in its absolute discretion thinks fit, but so that no shares shall be issued at a discount.

Neither the Company nor the Board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to members or others whose registered addresses are in any particular territory or territories where, in the absence of a registration statement or other special formalities, this is or may, in the opinion of the Board, be unlawful or impracticable. However, no member affected as a result of the foregoing shall be, or be deemed to be, a separate class of members for any purpose whatsoever.

2.2.3 ***Power to dispose of the assets of the Company or any of its subsidiaries***

While there are no specific provisions in the Articles relating to the disposal of the assets of the Company or any of its subsidiaries, the Board may exercise all powers and do all acts and things which may be exercised or done or approved by the Company and which are not required by the Articles or the Cayman Companies Law to be exercised or done by the Company in general meeting, but if such power or act is regulated by the Company in general meeting, such regulation shall not invalidate any prior act of the Board which would have been valid if such regulation had not been made.

2.2.4 ***Borrowing powers***

The Board may exercise all the powers of the Company to raise or borrow money, to mortgage or charge all or any part of the undertaking, property and uncalled capital of the Company and, subject to the Cayman Companies Law, to issue debentures, debenture stock, bonds and other securities of the Company, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

2.2.5 ***Remuneration***

The Directors shall be entitled to receive, as ordinary remuneration for their services, such sums as shall from time to time be determined by the Board or the Company in general meeting, as the case may be, such sum (unless otherwise directed by the resolution by which it is determined) to be divided among the Directors in such proportions and in such manner as they may agree or, failing agreement, either equally or, in the case of any Director holding office for only a portion of the period in respect of which the remuneration is payable, pro rata. The Directors shall also be entitled to be repaid all expenses reasonably incurred by them in attending any Board meetings, committee meetings or general meetings or otherwise in connection with the discharge of their duties as Directors. Such remuneration shall be in addition to any other remuneration to which a Director who holds any salaried employment or office in the Company may be entitled by reason of such employment or office.

Any Director who, at the request of the Company, performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such special or extra remuneration as the Board may determine, in addition to or in substitution for any ordinary remuneration as a Director. An executive Director appointed to be a managing director, joint managing director, deputy managing director or other executive officer shall receive such remuneration and such other benefits and allowances as the Board may from time to time decide. Such remuneration shall be in addition to his ordinary remuneration as a Director.

The Board may establish, either on its own or jointly in concurrence or agreement with subsidiaries of the Company or companies with which the Company is associated in business, or may make contributions out of the Company's monies to, any schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following paragraph shall include any Director or former Director who may hold or have held any executive office or any office of profit with the Company or any of its subsidiaries) and former employees of the Company and their dependents or any class or classes of such persons.

The Board may also pay, enter into agreements to pay or make grants of revocable or irrevocable, whether or not subject to any terms or conditions, pensions or other benefits to employees and former employees and their dependents, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or former employees or their dependents are or may become entitled under any such scheme or fund as mentioned above. Such pension or benefit may, if deemed desirable by the Board, be granted to an employee either before and in anticipation of, or upon or at any time after, his actual retirement.

2.2.6 ***Compensation or payments for loss of office***

Payments to any present Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually or statutorily entitled) must be approved by the Company in general meeting.

2.2.7 ***Loans and provision of security for loans to Directors***

The Company shall not directly or indirectly make a loan to a Director or a director of any holding company of the Company or any of their respective close associates, enter into any guarantee or provide any security in connection with a loan made by any person to a Director or a director of any holding company of the Company or any of their respective close associates, or, if any one or more of the Directors hold(s) (jointly or severally or directly or indirectly) a controlling interest in another company, make a loan to that other company or enter into any guarantee or provide any security in connection with a loan made by any person to that other company.

2.2.8 ***Disclosure of interest in contracts with the Company or any of its subsidiaries***

With the exception of the office of auditor of the Company, a Director may hold any other office or place of profit with the Company in conjunction with his office of Director for such period and upon such terms as the Board may determine, and may be paid such extra remuneration for that other office or place of profit, in whatever form, in addition to any remuneration provided for by or pursuant to any other Articles. A Director may be or become a director, officer or member of any other company in which the Company may be interested, and shall not be liable to account to the Company or the members for any remuneration or other benefits received by him as a director, officer or member of such other company. The Board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company.

No Director or intended Director shall be disqualified by his office from contracting with the Company, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director holding that office or the fiduciary relationship established by it. A Director who is, in any way, materially interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the earliest meeting of the Board at which he may practically do so.

There is no power to freeze or otherwise impair any of the rights attaching to any share by reason that the person or persons who are interested directly or indirectly in that share have failed to disclose their interests to the Company.

A Director shall not vote or be counted in the quorum on any resolution of the Board in respect of any contract or arrangement or proposal in which he or any of his close associate(s) has/have a material interest, and if he shall do so his vote shall not be counted nor shall he be counted in the quorum for that resolution, but this prohibition shall not apply to any of the following matters:

(a) the giving of any security or indemnity to the Director or his close associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries;

(b) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) has/have himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;

(c) any proposal concerning an offer of shares, debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

(d) any proposal or arrangement concerning the benefit of employees of the Company or any of its subsidiaries, including the adoption, modification or operation of either: (i) any employees' share scheme or any share incentive or share option scheme under which the Director or his close associate(s) may benefit; or (ii) any of a pension fund or retirement, death or disability benefits scheme which relates to Directors, their close associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or his close associate(s) any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and

(e) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of shares, debentures or other securities of the Company by virtue only of his/their interest in those shares, debentures or other securities.

2.2.9 *Proceedings of the Board*

The Board may meet anywhere in the world for the despatch of business and may adjourn and otherwise regulate its meetings as it thinks fit. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

2.3 Alterations to the constitutional documents and the Company's name

To the extent that the same is permissible under Cayman Islands law and subject to the Articles, the Memorandum and Articles of the Company may only be altered or amended, and the name of the Company may only be changed, with the sanction of a special resolution of the Company.

2.4 Meetings of member

2.4.1 *Special and ordinary resolutions*

A special resolution of the Company must be passed by a majority of not less than three-fourths of the votes cast by such members as, being entitled so to do, vote in person or by proxy or, in the case of members which are corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given.

Under Cayman Companies Law, a copy of any special resolution must be forwarded to the Registrar of Companies in the Cayman Islands within 15 days of being passed.

An "ordinary resolution", by contrast, is a resolution passed by a simple majority of the votes of such members of the Company as, being entitled to do so, vote in person or, in the case of members which are corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given.

A resolution in writing signed by or on behalf of all members shall be treated as an ordinary resolution duly passed at a general meeting of the Company duly convened and held, and where relevant as a special resolution so passed.

2.4.2 *Voting rights and right to demand a poll*

Subject to any special rights, restrictions or privileges as to voting for the time being attached to any class or classes of shares at any general meeting: (a) on a poll every member present in person or by proxy or, in the case of a member being a corporation, by its duly authorised representative shall have one vote for every share which is fully paid or credited as fully paid registered in his name in the register of members of the

Company but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for this purpose as paid up on the share; and (b) on a show of hands every member who is present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy shall have one vote. Where more than one proxy is appointed by a member which is a Clearing House (as defined in the Articles) or its nominee(s), each such proxy shall have one vote on a show of hands. On a poll, a member entitled to more than one vote need not use all his votes or cast all the votes he does use in the same way.

At any general meeting a resolution put to the vote of the meeting is to be decided by poll save that the chairman of the meeting may, pursuant to the GEM Listing Rules, allow a resolution to be voted on by a show of hands. Where a show of hands is allowed, before or on the declaration of the result of the show of hands, a poll may be demanded by (in each case by members present in person or by proxy or by a duly authorised corporate representative):

(a) at least two members;

(b) any member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or

(c) a member or members holding shares in the Company conferring a right to vote at the meeting on which an aggregate sum has been paid equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Should a Clearing House or its nominee(s) be a member of the Company, such person or persons may be authorised as it thinks fit to act as its representative(s) at any meeting of the Company or at any meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person authorised in accordance with this provision shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the Clearing House or its nominee(s) as if such person were an individual member including the right to vote individually on a show of hands.

Where the Company has knowledge that any member is, under the GEM Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

2.4.3 ***Annual general meetings***

The Company must hold an annual general meeting each year other than the year of the Company's adoption of the Articles. Such meeting must be held not more than 15 months after the holding of the last preceding annual general meeting, or such longer period as may be authorised by the Stock Exchange at such time and place as may be determined by the Board.

2.4.4 ***Notices of meetings and business to be conducted***

An annual general meeting of the Company shall be called by at least 21 days' notice in writing, and any other general meeting of the Company shall be called by at least 14 days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and must specify the time, place and agenda of the meeting and particulars of the resolution(s) to be considered at that meeting and, in the case of special business, the general nature of that business.

Except where otherwise expressly stated, any notice or document (including a share certificate) to be given or issued under the Articles shall be in writing, and may be served by the Company on any member personally, by post to such member's registered address or (in the case of a notice) by advertisement in the newspapers. Any member whose registered address is outside Hong Kong may notify the Company in writing of an address in Hong Kong which shall be deemed to be his registered address for this purpose. Subject to the Cayman Companies Law and the GEM Listing Rules, a notice or document may also be served or delivered by the Company to any member by electronic means.

Although a meeting of the Company may be called by shorter notice than as specified above, such meeting may be deemed to have been duly called if it is so agreed:

(a) in the case of an annual general meeting, by all members of the Company entitled to attend and vote thereat; and

(b) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting holding not less than 95% of the total voting rights in the Company.

All business transacted at an extraordinary general meeting shall be deemed special business. All business shall also be deemed special business where it is transacted at an annual general meeting, with the exception of certain routine matters which shall be deemed ordinary business.

2.4.5 *Quorum for meetings and separate class meetings*

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, and continues to be present until the conclusion of the meeting.

The quorum for a general meeting shall be two members present in person (or in the case of a member being a corporation, by its duly authorised representative) or by proxy and entitled to vote. In respect of a separate class meeting (other than an adjourned meeting) convened to sanction the modification of class rights the necessary quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class.

2.4.6 *Proxies*

Any member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member of the Company and shall be entitled to exercise the same powers on behalf of a member who is an individual and for whom he acts as proxy as such member could exercise. In addition, a proxy shall be entitled to exercise the same powers on behalf of a member which is a corporation and for which he acts as proxy as such member could exercise if it were an individual member. On a poll or on a show of hands, votes may be given either personally (or, in the case of a member being a corporation, by its duly authorized representative) or by proxy.

The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of a duly authorised officer or attorney. Every instrument of proxy, whether for a specified meeting or otherwise, shall be in such form as the Board may from time to time approve, provided that it shall not preclude the use of the two-way form. Any form issued to a member for appointing a proxy to attend and vote at an extraordinary general meeting or at an annual general meeting at which any business is to be transacted shall be such as to enable the member, according to his intentions, to instruct the proxy to vote in favour of or against (or, in default of instructions, to exercise his discretion in respect of) each resolution dealing with any such business.

2.5 Accounts and audit

The Board shall cause proper books of account to be kept of the sums of money received and expended by the Company, and of the assets and liabilities of the Company and of all other matters required by the Cayman Companies Law (which include all sales and purchases of goods by the company) necessary to give a true and fair view of the state of the Company's affairs and to show and explain its transactions.

The books of accounts of the Company shall be kept at the head office of the Company or at such other place or places as the Board decides and shall always be open to inspection by any Director. No member (other than a Director) shall have any right to inspect any account, book or document of the Company except as conferred by the Cayman Companies Law or ordered by a court of competent jurisdiction or authorised by the Board or the Company in general meeting.

The Board shall from time to time cause to be prepared and laid before the Company at its annual general meeting balance sheets and profit and loss accounts (including every document required by law to be annexed thereto), together with a copy of the Directors' report and a copy of the auditors' report, not less than 21 days before the date of the annual general meeting. Copies of these documents shall be sent to every person entitled to receive notices of general meetings of the Company under the provisions of the Articles together with the notice of annual general meeting, not less than 21 days before the date of the meeting.

Subject to the rules of the stock exchange of the Relevant Territory (as defined in the Articles), the Company may send summarized financial statements to shareholders who have, in accordance with the rules of the stock exchange of the Relevant Territory, consented and elected to receive summarized financial statements instead of the full financial statements. The summarized financial statements must be accompanied by any other documents as may be required under the rules of the stock exchange of the Relevant Territory, and must be sent to those shareholders that have consented and elected to receive the summarised financial statements not less than 21 days before the general meeting.

The Company shall appoint auditor(s) to hold office until the conclusion of the next annual general meeting on such terms and with such duties as may be agreed with the Board. The auditors' remuneration shall be fixed by the Company in general meeting or by the Board if authority is so delegated by the members.

The auditors shall audit the financial statements of the Company in accordance with generally accepted accounting principles of Hong Kong, the International Accounting Standards or such other standards as may be permitted by the Stock Exchange.

2.6 **Dividends and other methods of distribution**

The Company in general meeting may declare dividends in any currency to be paid to the members but no dividend shall be declared in excess of the amount recommended by the Board.

Except in so far as the rights attaching to, or the terms of issue of, any share may otherwise provide:

2.6.1 all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, although no amount paid up on a share in advance of calls shall for this purpose be treated as paid up on the share;

2.6.2 all dividends shall be apportioned and paid pro rata in accordance with the amount paid up on the shares during any portion(s) of the period in respect of which the dividend is paid; and

2.6.3 the Board may deduct from any dividend or other monies payable to any member all sums of money (if any) presently payable by him to the Company on account of calls, instalments or otherwise.

Where the Board or the Company in general meeting has resolved that a dividend should be paid or declared, the Board may resolve:

(a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the members entitled to such dividend will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment; or

(b) that the members entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Board may think fit.

Upon the recommendation of the Board, the Company may by ordinary resolution in respect of any one particular dividend of the Company determine that it may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to members to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, bonus or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent and shall be sent at the holder's or joint holders' risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company. Any one of two or more joint holders may give effectual receipts for any dividends or other monies payable or property distributable in respect of the shares held by such joint holders.

Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared, the Board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind.

The Board may, if it thinks fit, receive from any member willing to advance the same, and either in money or money's worth, all or any part of the money uncalled and unpaid or instalments payable upon any shares held by him, and in respect of all or any of the monies so advanced may pay interest at such rate (if any) not exceeding 20% per annum, as the Board may decide, but a payment in advance of a call shall not entitle the member to receive any dividend or to exercise any other rights or privileges as a member in respect of the share or the due portion of the shares upon which payment has been advanced by such member before it is called up.

All dividends, bonuses or other distributions unclaimed for one year after having been declared may be invested or otherwise used by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends, bonuses or other distributions unclaimed for six years after having been declared may be forfeited by the Board and, upon such forfeiture, shall revert to the Company.

No dividend or other monies payable by the Company on or in respect of any share shall bear interest against the Company.

The Company may exercise the power to cease sending cheques for dividend entitlements or dividend warrants by post if such cheques or warrants remain uncashed on two consecutive occasions or after the first occasion on which such a cheque or warrant is returned undelivered.

2.7 Inspection of corporate records

For so long as any part of the share capital of the Company is listed on the Stock Exchange, any member may inspect any register of members of the Company maintained in Hong Kong (except when the register of members is closed) without charge and require the provision to him of copies or extracts of such register in all respects as if the Company were incorporated under and were subject to the Hong Kong Companies Ordinance.

2.8 Rights of minorities in relation to fraud or oppression

There are no provisions in the Articles concerning the rights of minority members in relation to fraud or oppression. However, certain remedies may be available to members of the Company under Cayman Islands law, as summarised in paragraph 3.6 of this Appendix.

2.9 Procedures on liquidation

A resolution that the Company be wound up by the court or be wound up voluntarily shall be a special resolution.

Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of shares:

2.9.1 if the Company is wound up, the surplus assets remaining after payment to all creditors shall be divided among the members in proportion to the capital paid up on the shares held by them respectively; and

2.9.2 if the Company is wound up and the surplus assets available for distribution among the members are insufficient to repay the whole of the paid-up capital, such assets shall be distributed, subject to the rights of any shares which may be issued on special terms and conditions, so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up on the shares held by them, respectively.

If the Company is wound up (whether the liquidation is voluntary or compelled by the court), the liquidator may, with the sanction of a special resolution and any other sanction required by the Cayman Companies Law, divide among the members in specie or kind the whole or any part of the assets of the Company, whether the assets consist of property of one kind or different kinds, and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be so divided and may determine how such division shall be carried out as between the members or different classes of members and the members within each class. The liquidator may, with the like sanction, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator thinks fit, but so that no member shall be compelled to accept any shares or other property upon which there is a liability.

2.10 Subscription rights reserve

Provided that it is not prohibited by and is otherwise in compliance with the Cayman Companies Law, if warrants to subscribe for shares have been issued by the Company and the Company does any act or engages in any transaction which would result in the subscription price of such warrants being reduced below the par value of the shares to be issued on the exercise of such warrants, a subscription rights reserve shall be established and applied in paying up the difference between the subscription price and the par value of such shares.

3 CAYMAN ISLANDS COMPANY LAW

The Company was incorporated in the Cayman Islands as an exempted company on 21 August 2015 subject to the Cayman Companies Law. Certain provisions of Cayman Islands company law are set out below but this section does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of the Cayman Companies Law and taxation, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar.

3.1 Company operations

An exempted company such as the Company must conduct its operations mainly outside the Cayman Islands. An exempted company is also required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the amount of its authorised share capital.

3.2 Share capital

Under Cayman Companies Law, a Cayman Islands company may issue ordinary, preference or redeemable shares or any combination thereof. Where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premiums on those shares shall be transferred to an account, to be called the "share premium account". At the option of a company, these provisions may not apply to premiums on shares of that company allotted pursuant to any arrangements in consideration of the acquisition or cancellation of shares in any other company and issued at a premium. The share premium account may be applied by the company subject to the provisions, if any, of its memorandum and articles of association, in such manner as the company may from time to time determine including, but without limitation, the following:

3.2.1 paying distributions or dividends to members;

3.2.2 paying up unissued shares of the company to be issued to members as fully paid bonus shares;

3.2.3 any manner provided in section 37 of the Cayman Companies Law;

3.2.4 writing-off the preliminary expenses of the company; and

3.2.5 writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company.

Notwithstanding the foregoing, no distribution or dividend may be paid to members out of the share premium account unless, immediately following the date on which the distribution or dividend is proposed to be paid, the company will be able to pay its debts as they fall due in the ordinary course of business.

Subject to confirmation by the court, a company limited by shares or a company limited by guarantee and having a share capital may, if authorised to do so by its articles of association, by special resolution reduce its share capital in any way.

3.3 Financial assistance to purchase shares of a company or its holding company

There are no statutory prohibitions in the Cayman Islands on the granting of financial assistance by a company to another person for the purchase of, or subscription for, its own, its holding company's or a subsidiary's shares. Therefore, a company may provide financial assistance provided the directors of the company, when proposing to grant such financial assistance, discharge their duties of care and act in good faith, for a proper purpose and in the interests of the company. Such assistance should be on an arm's-length basis.

3.4 **Purchase of shares and warrants by a company and its subsidiaries**

A company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a member and, for the avoidance of doubt, it shall be lawful for the rights attaching to any shares to be varied, subject to the provisions of the company's articles of association, so as to provide that such shares are to be or are liable to be so redeemed. In addition, such a company may, if authorised to do so by its articles of association, purchase its own shares, including any redeemable shares; an ordinary resolution of the company approving the manner and terms of the purchase will be required if the articles of association do not authorise the manner and terms of such purchase. A company may not redeem or purchase its shares unless they are fully paid. Furthermore, a company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any issued shares of the company other than shares held as treasury shares. In addition, a payment out of capital by a company for the redemption or purchase of its own shares is not lawful unless, immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

Shares that have been purchased or redeemed by a company or surrendered to the company shall not be treated as cancelled but shall be classified as treasury shares if held in compliance with the requirements of Section 37A(1) of the Cayman Companies Law. Any such shares shall continue to be classified as treasury shares until such shares are either cancelled or transferred pursuant to the Cayman Companies Law.

A Cayman Islands company may be able to purchase its own warrants subject to and in accordance with the terms and conditions of the relevant warrant instrument or certificate. Thus there is no requirement under Cayman Islands law that a company's memorandum or articles of association contain a specific provision enabling such purchases. The directors of a company may under the general power contained in its memorandum of association be able to buy, sell and deal in personal property of all kinds.

A subsidiary may hold shares in its holding company and, in certain circumstances, may acquire such shares.

3.5 **Dividends and distributions**

Subject to a solvency test, as prescribed in the Cayman Companies Law, and the provisions, if any, of the company's memorandum and articles of association, a company may pay dividends and distributions out of its share premium account. In addition, based upon English case law which is likely to be persuasive in the Cayman Islands, dividends may be paid out of profits.

For so long as a company holds treasury shares, no dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the company's assets (including any distribution of assets to members on a winding up) may be made, in respect of a treasury share.

3.6 Protection of minorities and shareholders' suits

It can be expected that the Cayman Islands courts will ordinarily follow English case law precedents (particularly the rule in the case of Foss v. Harbottle and the exceptions to that rule) which permit a minority member to commence a representative action against or derivative actions in the name of the company to challenge acts which are ultra vires, illegal, fraudulent (and performed by those in control of the Company) against the minority, or represent an irregularity in the passing of a resolution which requires a qualified (or special) majority which has not been obtained.

Where a company (not being a bank) is one which has a share capital divided into shares, the court may, on the application of members holding not less than one-fifth of the shares of the company in issue, appoint an inspector to examine the affairs of the company and, at the direction of the court, to report on such affairs. In addition, any member of a company may petition the court, which may make a winding up order if the court is of the opinion that it is just and equitable that the company should be wound up.

In general, claims against a company by its members must be based on the general laws of contract or tort applicable in the Cayman Islands or be based on potential violation of their individual rights as members as established by a company's memorandum and articles of association.

3.7 Disposal of assets

There are no specific restrictions on the power of directors to dispose of assets of a company, however, the directors are expected to exercise certain duties of care, diligence and skill to the standard that a reasonably prudent person would exercise in comparable circumstances, in addition to fiduciary duties to act in good faith, for proper purpose and in the best interests of the company under English common law (which the Cayman Islands courts will ordinarily follow).

3.8 Accounting and auditing requirements

A company must cause proper records of accounts to be kept with respect to: (i) all sums of money received and expended by it; (ii) all sales and purchases of goods by it and (iii) its assets and liabilities.

Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions.

If a company keeps its books of account at any place other than at its registered office or any other place within the Cayman Islands, it shall, upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Law (2013 Revision) of the Cayman Islands, make available, in electronic form or any other medium, at its registered office copies of its books of account, or any part or parts thereof, as are specified in such order or notice.

3.9 **Exchange control**

There are no exchange control regulations or currency restrictions in effect in the Cayman Islands.

3.10 **Taxation**

Pursuant to section 6 of the Tax Concessions Law (2011 Revision) of the Cayman Islands, the Company has obtained an undertaking from the Governor-in-Cabinet that:

3.10.1 no law which is enacted in the Cayman Islands imposing any tax to be levied on profits or income or gains or appreciation shall apply to the Company or its operations; and

3.10.2 no tax be levied on profits, income gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable by the Company:

(a) on or in respect of the shares, debentures or other obligations of the Company; or

(b) by way of withholding in whole or in part of any relevant payment as defined in section 6(3) of the Tax Concessions Law (2011 Revision).

The undertaking for the Company is for a period of 20 years from 8 September 2015.

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to the Company levied by the Government of the Cayman Islands save for certain stamp duties which may be applicable, from time to time, on certain instruments.

3.11 **Stamp duty on transfers**

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies save for those which hold interests in land in the Cayman Islands.

3.12 **Loans to directors**

There is no express provision prohibiting the making of loans by a company to any of its directors. However, the company's articles of association may provide for the prohibition of such loans under specific circumstances.

3.13 **Inspection of corporate records**

The members of a company have no general right to inspect or obtain copies of the register of members or corporate records of the company. They will, however, have such rights as may be set out in the company's articles of association.

3.14 **Register of members**

A Cayman Islands exempted company may maintain its principal register of members and any branch registers in any country or territory, whether within or outside the Cayman Islands, as the company may determine from time to time. There is no requirement for an exempted company to make any returns of members to the Registrar of Companies in the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection. However, an exempted company shall make available at its registered office, in electronic form or any other medium, such register of members, including any branch register of member, as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Law (2013 Revision) of the Cayman Islands.

3.15 **Register of Directors and officers**

Pursuant to the Cayman Companies Law, the Company is required to maintain at its registered office a register of directors, alternate directors and officers which is not available for inspection by the public. A copy of such register must be filed with the Registrar of Companies in the Cayman Islands and any change must be notified to the Registrar within 60 days of any change in such directors or officers, including a change of the name of such directors or officers.

3.16 **Winding up**

A Cayman Islands company may be wound up by: (i) an order of the court; (ii) voluntarily by its members; or (iii) under the supervision of the court.

The court has authority to order winding up in a number of specified circumstances including where, in the opinion of the court, it is just and equitable that such company be so wound up.

A voluntary winding up of a company (other than a limited duration company, for which specific rules apply) occurs where the company resolves by special resolution that it be wound up voluntarily or where the company in general meeting resolves that it be wound up voluntarily because it is unable to pay its debt as they fall due. In the case of a voluntary winding up, the company is obliged to cease to carry on its business from the commencement of its winding up except so far as it may be beneficial for its winding up. Upon appointment of a voluntary liquidator, all the powers of the directors cease, except so far as the company in general meeting or the liquidator sanctions their continuance.

In the case of a members' voluntary winding up of a company, one or more liquidators are appointed for the purpose of winding up the affairs of the company and distributing its assets.

As soon as the affairs of a company are fully wound up, the liquidator must make a report and an account of the winding up, showing how the winding up has been conducted and the property of the company disposed of, and call a general meeting of the company for the purposes of laying before it the account and giving an explanation of that account.

When a resolution has been passed by a company to wind up voluntarily, the liquidator or any contributory or creditor may apply to the court for an order for the continuation of the winding up under the supervision of the court, on the grounds that: (i) the company is or is likely to become insolvent; or (ii) the supervision of the court will facilitate a more effective, economic or expeditious liquidation of the company in the interests of the contributories and creditors. A supervision order takes effect for all purposes as if it was an order that the company be wound up by the court except that a commenced voluntary winding up and the prior actions of the voluntary liquidator shall be valid and binding upon the company and its official liquidator.

For the purpose of conducting the proceedings in winding up a company and assisting the court, one or more persons may be appointed to be called an official liquidator(s).The court may appoint to such office such person or persons, either provisionally or otherwise, as it thinks fit, and if more than one person is appointed to such office, the court shall declare whether any act required or authorized to be done by the official liquidator is to be done by all or any one or more of such persons. The court may also determine whether any and what security is to be given by an official liquidator on his appointment; if no official liquidator is appointed, or during any vacancy in such office, all the property of the company shall be in the custody of the court.

3.17 Reconstructions

Reconstructions and amalgamations may be approved by a majority in number representing 75% in value of the members or creditors, depending on the circumstances, as are present at a meeting called for such purpose and thereafter sanctioned by the courts. Whilst a dissenting member has the right to express to the court his view that the transaction for which approval is being sought would not provide the members with a fair value for their shares, the courts are unlikely to disapprove the transaction on that ground alone in the absence of evidence of fraud or bad faith on behalf of management, and if the transaction were approved and consummated the dissenting member would have no rights comparable to the appraisal rights (i.e. the right to receive payment in cash for the judicially determined value of their shares) ordinarily available, for example, to dissenting members of a United States corporation.

3.18 Take-overs

Where an offer is made by a company for the shares of another company and, within four months of the offer, the holders of not less than 90% of the shares which are the subject of the offer accept, the offeror may, at any time within two months after the expiration of that four-month period, by notice require the dissenting members to transfer their shares on the terms of the offer. A dissenting member may apply to the Cayman Islands courts within one month of the notice objecting to the transfer. The burden is on the dissenting member to show that the court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority members.

3.19 Indemnification

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, save to the extent any such provision may be held by the court to be contrary to public policy, for example, where a provision purports to provide indemnification against the consequences of committing a crime.

4 GENERAL

Appleby, the Company's legal adviser on Cayman Islands law, has sent to the Company a letter of advice which summarises certain aspects of the Cayman Islands company law. This letter, together with a copy of the Cayman Companies Law, is available for inspection as referred to in the paragraph headed "Documents delivered to the Registrar of Companies and available for inspection" in Appendix VI. Any person wishing to have a detailed summary of Cayman Islands company law or advice on the differences between it and the laws of any jurisdiction with which he is more familiar is recommended to seek independent legal advice.

A. FURTHER INFORMATION ABOUT OUR COMPANY

1. Incorporation of our Company

Our Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 21 August 2015. Our Company was registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on 9 October 2015. We have established our principal place of business in Hong Kong at Office No. 5 on 22nd Floor, Universal Trade Centre, No. 3 Arbuthnot Road, Hong Kong. Ms. Wan Suet Yee Cherry of Office No. 5 on 22nd Floor, Universal Trade Centre, No. 3 Arbuthnot Road, Hong Kong and Ms. Yim Sau Ping of Office No. 5 on 22nd Floor, Universal Trade Centre, No. 3 Arbuthnot Road, Hong Kong have been appointed as the authorised representatives of our Company for acceptance of service of process and notices in Hong Kong.

As our Company was incorporated in the Cayman Islands, we operate subject to the relevant laws of the Cayman Islands and our constitution which comprises the Memorandum of Association and the Articles of Association. A summary of the relevant aspects of the Cayman Companies Law and certain provisions of the Memorandum of Association and the Articles of Association is set out in Appendix IV to this prospectus.

2. Changes in share capital of our Company

(a) As at the date of incorporation, our Company had an authorised share capital of HK$380,000 divided into 38,000,000 Shares of HK$0.01 each.

(b) On 21 August 2015, one Share, credited as fully paid, was allotted and issued to the subscriber, an Independent Third Party, which was later transferred to Giant Mind on the same day.

(c) On 23 January 2018, the authorised share capital of our Company was increased from HK$380,000 divided into 38,000,000 Shares to HK$50,000,000 divided into 5,000,000,000 Shares by the creation of an additional 4,962,000,000 Shares.

(d) On 23 January 2018, as part of the Reorganisation, our Company allotted and issued 32,987, 3,763, 3,291, 2,468, 151, 151, 151, 1,591, 796, 796, 1,193, 796, 1,193 and 672 Shares, credited as fully paid, to Giant Mind, Ms. PY Wong, J C Tapas, Yellow Remnant, Ms. Yeow Yin Peh, Lynn, Mr. Hong Ching Seng, Ms. Loi Yan Yi, Mr. Pong Kin Yee, Mr. Darrin Woo, Mr. Chu Lawrence Sheng Yu, Resto Holdings, Mr. Zhao Lingyong, Mr. Sun Tao Hung Stanley and Ka Ka International, respectively.

(e) Immediately following completion of the Share Offer but not taking into account of any Shares which may be issued pursuant to the exercise any options which have been granted under the Share Option Scheme, the authorised share capital of our Company will be HK$50,000,000 divided into 5,000,000,000 Shares, of which 860,000,000 Shares will be issued and credited as fully paid and 4,140,000,000 Shares will remain unissued.

Save as disclosed herein, there has been no alteration in the share capital of our Company since its incorporation.

3. **Written resolutions**

Pursuant to the written resolutions passed by our existing Shareholders on 23 January 2018 pursuant to which, among other things:

(a) our Company approved and adopted the Memorandum of Association and the Articles of Association conditional upon and with effect from the Listing;

(b) the authorised share capital of our Company was increased from HK$380,000 divided into 38,000,000 Shares to HK$50,000,000 divided into 5,000,000,000 Shares by the creation of additional 4,962,000,000 new Shares which shall, when issued and paid, rank *pari passu* in all respects with the existing issued Shares;

(c) conditional upon the conditions stated in the section headed "Structure and conditions of the Share Offer — Conditions of the Public Offer" in this prospectus being fulfilled or waived (as the case may be):

  (i) the Share Offer was approved and our Directors were authorised to allot and issue the New Shares pursuant to the Share Offer;

  (ii) the rules of the Share Option Scheme (the principal terms of which are set out in the sub-section headed "D — Share Option Scheme" of this appendix) were approved and adopted and our Directors were authorised, at their absolute discretion, to grant options to subscribe for the Shares thereunder and to allot, issue and deal with the Shares pursuant to the exercise of options which may be granted under the Share Option Scheme and to do such acts and things as they may consider necessary or expedient to implement the Share Option Scheme;

  (iii) conditional on the share premium account of our Company having sufficient surplus, or otherwise being credited as a result of the allotment and issue of the New Shares under the Share Offer, the Directors were authorised to capitalise HK$6,915,000 standing to the credit of the share premium account of our Company by applying such sum in paying up in full at par 691,500,000 Shares for allotment and issue to holders of Shares (the "**Capitalisation Issue**"), whose name appeared on the register of members of our Company at the close of business on the date of these resolutions (or any other date as the Directors may direct) in proportion as nearly as may be to their respective shareholding in our Company without involving fractions and that the Shares to be allotted and issued pursuant to this resolution shall rank pari passu in all respects with the then existing issued Shares and our Directors were authorised to give effect to the Capitalisation Issue;

(iv) a general unconditional mandate (the "**Issue Mandate**") was given to the Directors to exercise all powers of our Company to allot, issue and deal with, otherwise than by way of rights issue, scrip dividend schemes or similar arrangements providing for allotment of Shares in lieu of the whole or in part of any dividend in accordance with the Articles of Association, or pursuant to the exercise of any options granted or to be granted under the Share Option Scheme, or under the Capitalization Issue or the Share Offer, Shares with an aggregate nominal amount of not exceeding the sum of (aa) 20% of the aggregate nominal amount of the share capital of our Company in issue immediately following completion of the Capitalisation Issue and the Share Offer but excluding any Shares which may be issued pursuant to the exercise of any option granted or to be granted under the Share Option Scheme, and (bb) the aggregate nominal amount of the share capital of the Company which may be purchased by our Company pursuant to the authority granted to the Directors as referred to in sub-paragraph (v) below, until the conclusion of the next annual general meeting of our Company, or the date by which the next annual general meeting of our Company is required by the Articles of Association or any applicable law to be held, or the passing of an ordinary resolution by the Shareholders revoking or varying the authority given to the Directors, whichever occurs first;

(v) a general unconditional mandate (the "**Repurchase Mandate**") was given to the Directors to exercise all powers of our Company to purchase or repurchase Shares on the Stock Exchange or other stock exchange on which the securities of our Company may be listed and recognised by the SFC and the Stock Exchange for this purpose, with an aggregate nominal amount of not exceeding 10% of the aggregate nominal amount of the share capital of our Company in issue immediately following the completion of the Capitalisation Issue and the Share Offer but excluding any Shares which may be issued pursuant to the exercise of any option granted or to be granted under the Share Option Scheme, until the conclusion of the next annual general meeting of our Company, or the date by which the next annual general meeting of our Company is required by the Articles of Association or any applicable law to be held, or the passing of an ordinary resolution by the Shareholders revoking or varying the authority given to the Directors, whichever occurs first; and

(vi) the extension of the general mandate to allot, issue and deal with Shares pursuant to paragraph (iv) above to include the nominal amount of Shares which may be purchased or repurchased pursuant to paragraph (v) above.

4. **Corporate Reorganisation**

The companies comprising our Group have undergone the Reorganisation to rationalise our Group's structure in preparation for the Listing, pursuant to which our Company became the holding company of our Group. The Reorganisation included the following major steps:

(a) Giant Mind was incorporated in the BVI on 15 June 2015 and was authorised to issue a maximum of 50,000 shares of a single class each with a par value of US$1.00. Upon its incorporation, one ordinary share was issued and allotted to Ms. PY Wong for US$1.00.

(b) Big Team, the intermediate holding company of the Group, was incorporated in the BVI on 18 June 2015 and is authorised to issue a maximum of 50,000 shares of a single class each with a par value of US$1.00. Upon its incorporation, one share was issued and allotted to Giant Mind for US$1.00.

(c) Our Company was incorporated in the Cayman Islands on 21 August 2015 with an authorised share capital of HK$380,000 divided into 38,000,000 Shares of HK$0.01 each. Upon its incorporation, one Share, credited as fully paid, was allotted and issued to the subscriber, an Independent Third Party, for HK$0.01, which was later transferred to Giant Mind.

(d) On 30 July 2015, Big Team acquired 3,000, 2,125, 1,875, 500, 500, 750, 500 and 750 ordinary shares in Victory Rich (in aggregate representing the entire issued share capital of Victory Rich), together with the respective shareholders' loans, from Oman International, Ms. Lo Kit Yee Grace, Ms. PY Wong, Mr. Darrin Woo, Mr. Chu Lawrence Sheng Yu, Resto Holdings, Mr. Zhao Lingyong and Mr. Sun Tao Hung Stanley, respectively. In consideration thereof, Big Team issued and allotted 6,160, 1,590, 3,381, 796, 796, 1,193, 796 and 1,193 ordinary shares, credited as fully paid, to Giant Mind (as directed by Oman International and Ms. PY Wong), Mr. Pong Kin Yee (as directed by Oman International), Ms. Lo Kit Yee Grace, Mr. Darrin Woo, Mr. Chu Lawrence Sheng Yu, Resto Holdings, Mr. Zhao Lingyong and Mr. Sun Tao Hung Stanley, respectively.

(e) On 31 July 2015, Big Team acquired 7,666, 778, 778 and 778 ordinary shares in Rising Mark (in aggregate representing the entire issued share capital of Rising Mark), together with the respective shareholders' loans, from Incredible Resources, Ms. Yeow Yin Peh, Lynn, Mr. Hong Ching Seng and Ms. Loi Yan Yi, respectively. In consideration thereof, Big Team issued and allotted 1,497, 151, 151 and 151 ordinary shares, credited as fully paid, to Giant Mind (as directed by Incredible Resources), Ms. Yeow Yin Peh, Lynn, Mr. Hong Ching Seng and Ms. Loi Yan Yi, respectively.

(f) On 31 July 2015, Big Team acquired one ordinary share in Springlike (representing the entire issued share capital of Springlike) from Ms. PY Wong. In consideration thereof, Big Team issued and allotted 10,627 ordinary shares, credited as fully paid, to Giant Mind (as directed by Ms. PY Wong).

(g) On 31 July 2015, Big Team acquired 55 and 45 ordinary shares in Capital Creative (in aggregate representing the entire issued share capital of Capital Creative), together with the respective shareholders' loans, from Next Forward and Ka Ka International, respectively. In consideration thereof, Big Team issued and allotted 821 and 672 ordinary shares, credited as fully paid, to Giant Mind (as directed by Next Forward) and Ka Ka International, respectively.

(h) On 31 July 2015, Big Team acquired 400, 200 and 150 ordinary shares in Gain Long (in aggregate representing 75% of the entire issued share capital of Gain Long), together with the respective shareholders' loans, from Many Good, J C Tapas and Yellow Remnant, respectively. In consideration thereof, Big Team issued and allotted 1,187, 594 and 445 ordinary shares, credited as fully paid, to Giant Mind (as directed by Many Good), J C Tapas and Yellow Remnant, respectively.

(i) On 31 July 2015, Big Team acquired 400, 200 and 150 ordinary shares in Profit Holder (in aggregate representing 75% of the entire issued share capital of Profit Holder), together with the respective shareholders' loans, from Many Good, J C Tapas and Yellow Remnant, respectively. In consideration thereof, Big Team issued and allotted 3,208, 1,604 and 1,203 ordinary shares, credited as fully paid, to Giant Mind (as directed by Many Good), J C Tapas and Yellow Remnant, respectively.

(j) On 31 July 2015, Big Team acquired 20,000, 10,000 and 7,500 ordinary shares in Ideal Profit (in aggregate representing 75% of the entire issued share capital of Ideal Profit), together with the respective shareholders' loans, from Many Good, J C Tapas and Yellow Remnant, respectively. In consideration thereof, Big Team issued and allotted 2,186, 1,093 and 820 ordinary shares, credited as fully paid, to Giant Mind (as directed by Many Good), J C Tapas and Yellow Remnant, respectively.

(k) On 31 July 2015, Big Team acquired 51 and 49 ordinary shares in Hidden Glory (in aggregate representing the entire issued share capital of Hidden Glory) from Ms. PY Wong and J C Tapas, respectively. In consideration thereof, Big Team issued and allotted 3,917 and 3,763 ordinary shares, credited as fully paid, to Giant Mind (as directed by Ms. PY Wong) and J C Tapas, respectively.

(l) On 31 July 2015, Big Team acquired 100 ordinary shares in Kingswide (in aggregate representing the entire issued share capital of Kingswide) from Ms. PY Wong. In consideration thereof, Big Team issued and allotted one ordinary share, credited as fully paid, to Giant Mind (as directed by Ms. PY Wong).

(m) On 31 July 2015, Big Team acquired two and one ordinary shares in Oman International (in aggregate representing the entire issued share capital of Oman International) from Ms. PY Wong and Mr. Pong Kin Yee, respectively. In consideration thereof, Big Team issued and allotted two and one ordinary shares, credited as fully paid, to Giant Mind (as directed by Ms. PY Wong) and Mr. Pong Kin Yee, respectively.

(n) On 4 August 2015, one ordinary share in Maxmount was issued and allotted to Big Team for US$1.00.

(o) On 18 September 2015, Big Team acquired one ordinary share in Brightsome (representing the entire issued share capital of Brightsome) from Ms. PY Wong at a consideration of US$1.00.

(p) On 22 September 2015, Big Team acquired one ordinary share in Concept Wise (representing the entire issued share capital of Concept Wise) from Ms. PY Wong at a consideration of US$1.00.

(q) On 25 September 2015, Big Team acquired one ordinary share in Season Luck (representing the entire issued share capital of Season Luck) from Ms. PY Wong at a consideration of US$1.00.

(r) On 7 October 2015, Concept Wise acquired one ordinary share in More Earn from Ms. PY Wong at a consideration of HK$1.00.

(s) On 7 October 2015, 599, 250 and 150 shares in More Earn were issued and allotted to Concept Wise, Mr. Sun Tao Hung Stanley and 168 Limited at a consideration of HK$599, HK$250 and HK$150, respectively.

(t) On 15 October 2015, Big Team acquired one ordinary share in Fair Dollar (representing the entire issued share capital of Fair Dollar) from Ms. PY Wong at a consideration of US$1.00.

(u) On 15 October 2015, Ms. Lo Kit Yee Grace transferred her 3,381 ordinary shares in Big Team (representing approximately 6.76% of the entire issued share capital of Big Team) to Giant Mind. In consideration thereof, Giant Mind issued and allotted 102 ordinary shares, credited as fully paid, to Ms. Lo Kit Yee Grace. On the same date, Ms. PY Wong subscribed by cash at par, and Giant Mind issued and allotted, 897 ordinary shares, credited as fully paid, to Ms. PY Wong.

(v) On 17 November 2015, one ordinary share in Pure Love was issued and allotted to Dazzle Long for US$1.00.

(w) On 27 November 2015, Big Team acquired one ordinary share in Dazzle Long (representing the entire issued share capital of Dazzle Long) from Ms. PY Wong at a consideration of US$1.00.

(x) On 10 December 2015, Rising Mark acquired 100 ordinary shares in Fit Asia (representing 10% of the entire issued share capital of Fit Asia) from Mr. Adam Lee Cliff at a consideration of HK$300,000.

(y) With effect from 31 December 2016, Hidden Glory disposed of the business and assets of Esquina Tapas Bar at a cash consideration of HK$6,450,000.

(z) On 31 December 2016, J C Tapas transferred 3,763 ordinary shares in Big Team (representing 7.53% of the entire issued share capital of Big Team) to Ms. PY Wong at a consideration of HK$6,450,000.

(aa) On 31 March 2017, Big Team disposed of the entire issued share capital in Concept Wise (which has 60% shareholding in More Earn, operator of Fishschool Restaurant) to an Independent Third Party at a consideration of HK$513,153.

(bb) On 11 September 2017, Big Team disposed of the entire issued share capital in Fair Dollar (which owned 25.57% interest in Maggie & Rose Group) and the relevant shareholder's loan to Li, Levina for a total consideration of HK$3,011,000;

(cc) Pursuant to the Share Swap Agreement, our Company acquired, in aggregate, 50,000 shares of US$1 each in Big Team from Giant Mind, J C Tapas, Yellow Remnant, Resto Holdings, Ka Ka International, Ms. PY Wong, Mr. Pong Kin Yee, Mr. Sun Tao Hung Stanley, Mr. Chu Lawrence Sheng Yu, Mr. Zhao Lingyong, Mr. Darrin Woo, Ms. Yeow Yin Peh, Lynn, Mr. Hong Ching Seng and Ms. Loi Yan Yi, and in consideration thereof the Company issued and allotted 32,987, 3,291, 2,468, 1,193, 672, 3,763, 1,591, 1,193, 796, 796, 796, 151, 151, 151 Shares to Giant Mind, J C Tapas, Yellow Remnant, Resto Holdings, Ka Ka International, Ms. PY Wong, Mr. Pong Kin Yee, Mr. Sun Tao Hung Stanley, Mr. Chu Lawrence Sheng Yu, Mr. Zhao Lingyong, Mr. Darrin Woo, Ms. Yeow Yin Peh, Lynn, Mr. Hong Ching Seng and Ms. Loi Yan Yi respectively. Immediately after the completion of the share transfer, our Company then became the holding company of our Group.

(dd) On 23 January 2018, our Company increased its authorised share capital from HK$380,000 to HK$50,000,000 by creation of an additional 4,962,000,000 Shares, each ranking *pari passu* with our Shares then in issue in all respects.

(ee) Conditional on the share premium account of our Company having sufficient surplus, or otherwise being credited as a result of the allotment and issue of the New Shares under the Share Offer, the Company will undertake the Capitalisation Issue. Immediately after the Share Offer and the Capitalisation Issue (without taking into account any Shares to be allotted and issued pursuant to the exercise of any options which may be granted under the Share Option Scheme), Giant Mind, Ms. PY Wong, the Relevant Minority Shareholders (other than Ms. Lo Kit Yee Grace), J C Tapas, Ka Ka International and the other public shareholders of Shares will hold approximately 47.64%, 6.05%, 14.93%, 5.30%, 1.08% and 25.00%, respectively, of the enlarged issued share capital of the Company.

5. **Changes in share capital of the subsidiaries**

The subsidiaries of our Company are listed in the Accountants' Report, the text of which is set out in Appendix I to this prospectus.

Save as set out above and as mentioned in the section headed "History, reorganisation and group structure — Our operating subsidiaries" in this prospectus and the paragraph headed "A. Further information about our Company — 4. Corporate reorganisation" in this Appendix V, there has been no alteration in the share capital of any of the subsidiaries of our Company within the two years immediately preceding the date of this prospectus.

6. **Repurchase of the Shares by our Company**

This section includes the information required by the Stock Exchange to be included in this prospectus concerning the repurchase of the Shares by our Company.

(a) ***Provisions of the GEM Listing Rules***

The GEM Listing Rules permit companies whose primary listing is on the GEM to repurchase their securities on the Stock Exchange subject to certain restrictions, the most important of which are summarised below:

(i) *Shareholders' approval*

All proposed repurchase of securities (which must be fully paid up in the case of shares) by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution in a general meeting, either by way of general mandate or by specific approval in relation to a particular transaction.

Note: Pursuant to the written resolutions of our existing Shareholders passed on 23 January 2018, the Repurchase Mandate was given to our Directors to exercise all powers of our Company to repurchase on the GEM or on any other stock exchange on which the securities of our Company may be listed and which is recognised by the SFC and the Stock Exchange, of up to 10% of the total number of issued Shares immediately after completion of the Capitalisation Issue and the Share Offer (excluding any Shares which may be issued pursuant to the exercise of options granted under the Share Option Scheme), such mandate to expire at the earliest of: (a) the conclusion of the next annual general meeting of our Company; or (b) the date by which the next annual general meeting of our Company is required by the Articles of Association and applicable laws to be held; or (c) the passing of an ordinary resolution of Shareholders in general meeting revoking or varying the authority given to the Directors. Details of which have been described above in the paragraph headed "A. Further information about our Company — 3. Written resolutions" in this appendix.

(ii) *Sources of Funds*

Any repurchases must be financed out of funds legally available for the purpose in accordance with the Memorandum of Association and Articles of Association and any applicable laws of the Cayman Islands.

(iii) *Trading restrictions*

A company may not issue or announce a proposed issue of new securities of the type that have been repurchased for a period of 30 days immediately following a repurchase of securities whether on the GEM or otherwise (except pursuant to the exercise of warrants, share option or similar instruments requiring that company to issue securities which were outstanding prior to the repurchase) without the prior approval of the Stock Exchange. A company is also prohibited from making securities repurchase on the GEM if the result of the repurchases would be that the number of the listed securities in hands of the public would be below the relevant prescribed minimum percentage for that company as required and determined by the Stock Exchange. A company shall not purchase its shares on the GEM if the purchase price is higher by 5% or more than the average closing market price for the 5 preceding trading days on which its shares were traded on the GEM.

(iv) *Status of repurchased Shares*

All repurchased Shares will be cancelled and the certificates for those Shares must be cancelled and destroyed. Under the Cayman Islands law, a company's repurchased shares shall be treated as cancelled and the amount of our Company's issued share capital shall be reduced by the aggregate nominal value of the repurchased Shares accordingly although the authorised share capital of our Company will not be reduced.

(v) *Suspension of repurchase*

Repurchase of Shares is prohibited after inside information has come to our knowledge until such time as the inside information has been made publicly available. In particular, during the period of one month immediately preceding the earlier of (i) the date of the board meeting for the approval of the Company's annual, semi-annual or quarterly results or (ii) the deadline for the Company to announce its annual, semi-annual or quarterly results, a company may not purchase its shares on the GEM unless the circumstances are exceptional.

(iv) *Reporting requirements*

Repurchases of Shares on the GEM or otherwise must be reported to the Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the following business day. In addition, a company's annual report and accounts are required to include a monthly breakdown of securities repurchases made during the financial year under review, showing the number of Shares repurchased each month (whether on the GEM or otherwise), the purchase price per Share or the highest and lowest prices paid for all such repurchases and the total prices paid. Our Directors' report is also required to contain reference to the purchases made during the year and our directors' reasons for making such purchases. Our Company shall make arrangements with its broker who effects the purchase to provide our Company in a timely fashion the necessary information in relation to the purchase made on behalf of our Company to enable our Company to report to the Stock Exchange.

(vii) *Core connected parties*

Under the GEM Listing Rules, a company shall not knowingly repurchase Shares from a core connected person (as defined in the GEM Listing Rules) and a core connected person shall not knowingly sell his Shares to our Company.

(b) ***Exercise of the Repurchase Mandate***

Exercise in full of the Repurchase Mandate, on the basis of 860,000,000 Shares in issue immediately after the Listing, could accordingly result in up to 86,000,000 Shares being repurchased by our Company during the period in which the Repurchase Mandate remains in force.

On the basis of the current financial position of our Group as disclosed in this prospectus and taking into account the current working capital position of our Group, our Directors consider that, if the Repurchase Mandate were to be exercised in full, there might be a material adverse impact on the working capital and/or gearing position of our Group (as compared with the position disclosed in this prospectus). However, our Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of our Group or the gearing levels which in the opinion of our Directors are from time to time appropriate for our Group.

(c) ***Reasons for repurchases***

Repurchases of Shares will only be made when our Directors believe that such a repurchase will benefit our Company and Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value and/or earnings per Share.

(d) ***Funding of repurchase***

In repurchasing Shares, our Company may only apply funds legally available for such purpose in accordance with the Articles of Association and the applicable laws and regulations of the Cayman Islands.

A listed company is prohibited from repurchasing its own Shares on the GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

Under the Cayman Islands law, any repurchases by our Company may be made out of profits, out of sums standing to the credits of the share premium account, or out of the proceeds of a fresh issue of share made for the purpose of the repurchase or, if authorised by the Articles of Association and subject to the Companies Law, out of capital and, in case of any premium payable on the repurchase, out of profits or from sums standing to the credit of the share premium account of our Company, or if authorised by the Articles of Association and subject to the Companies Law, out of capital.

(e) ***General***

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates (as defined in the GEM Listing Rules) currently intends to sell any Shares to our Company.

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the GEM Listing Rules, the Memorandum and the Articles of Association and the applicable laws of the Cayman Islands.

No core connected person (as defined in the GEM Listing Rules) of our Company has notified our Company that he or she has a present intention to sell Shares to our Company, or has undertaken not to do so, in the event that the Repurchase Mandate is exercised.

If as a result of a repurchase of Shares, a shareholder's proportionate interest in the voting rights of our Company is increased, such increase will be treated as an acquisition for the purpose of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert, depending on the level of increase in the Shareholder's interest, could obtain or consolidate control of our Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, our Directors are not aware of any consequence which would arise under the Takeovers Code as a consequence of any repurchase made pursuant to the Repurchase Mandate immediately after the Listing.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of material contracts

The following contracts (not being contracts in the ordinary course of business) have been entered into by members of our Group within the two years preceding the date of this prospectus and are or may be material:

(a) the RHODA Shareholders Agreement;

(b) the heads of terms dated 31 December 2016 entered into between Hidden Glory (as seller) and J C Tapas (as buyer), pursuant to which J C Tapas acquired, with effect from 31 December 2016, the assets and business of Esquina Tapas Bar from Hidden Glory at a consideration of HK$6,450,000;

(c) the supplemental agreement dated 27 January 2017 entered into between Hidden Glory (as seller) and J C Tapas (as buyer) supplementing the heads of terms dated 31 December 2016 referred to in (b) above;

(d) the agreement dated 31 March 2017 entered into between Big Team (as vendor) and Profit Bloom Investments Limited (as purchaser) pursuant to which Big Team disposed of the entire issued share capital of Concept Wise for a consideration of HK$513,153;

(e) the agreement dated 11 September 2017 entered into between Big Team (as vendor) and Li, Levina (as purchaser) pursuant to which Big Team disposed of the entire issued share capital of Fair Dollar and assigned the shareholder's loan owed by Fair Dollar to Big Team for a total consideration of HK$3,011,000;

(f) the Share Swap Agreement pursuant to which in consideration of the issue and allotment by the Company of an aggregate 49,999 Shares, Giant Mind, J C Tapas, Yellow Remnant, Resto Holdings, Ka Ka International, Ms. PY Wong, Mr. Pong Kin Yee, Mr. Sun Tao Hung Stanley, Mr. Chu Lawrence Sheng Yu, Mr. Zhao Lingyong, Mr. Darrin Woo, Ms. Yeow Yin Peh, Lynn, Mr. Hong Ching Seng and Ms. Loi Yan Yi severally sold an aggregate of 50,000 shares of US$1 each in Big Team to the Company;

(g) the Deed of Non-competition;

(h) the Deed of Indemnity; and

(i) the Public Offer Underwriting Agreement.

2. Intellectual property rights

The following intellectual property rights are material to the business of our Group:

(a) ***Trademarks***

As at the Latest Practicable Date, our Group had registered the following trademark:

Trademark	Place of registration	Registration number	Class	Date of registration	Expiry date	Registered owner
DUDDELL'S	United Kingdom	UK00003074811	43	30 September 2014	30 September 2024	Oman International

Trademark	Place of registration	Registration number	Class	Date of registration	Expiry date	Registered owner
chachawan	Hong Kong	303131306	43	11 September 2014	10 September 2024	Kingswide
22 SHIPS	Hong Kong	302776564	33, 43	23 October 2013	22 October 2023	Ideal Profit
DUDDELL'S	Hong Kong	302575549	41, 43	11 April 2013	10 April 2023	Oman International
208 DUECENTO OTTO	Hong Kong	302238444	43	30 April 2012	29 April 2022	Luck Wealthy
meen & rice	Hong Kong	303387763	43	27 April 2015	26 April 2025	Capital Creative
HAM & SHERRY	Hong Kong	303474298	33, 43	16 July 2015	15 July 2025	Gain Long
JIA	Hong Kong	300401291	43	12 April 2005	11 April 2025	Maxmount
MAK MAK	Hong Kong	303640482	33, 43	24 December 2015	23 December 2025	Brightsome
a.S.S.	Hong Kong	303559429	43	9 October 2015	8 October 2025	Profit Holder
RHODA	Hong Kong	303743686	43	14 April 2016	13 April 2026	Pure Love
	Hong Kong	303779731	43	18 May 2016	17 May 2026	Pure Love
COMMISSARY	Hong Kong	304050323	43	17 February 2017	16 February 2027	King Access

(b) ***Domain names***

As at the Latest Practicable Date, our Group had registered the following domain names:

Registrant	Domain Name	Expiry Date
Luck Wealthy	http://www.208.com.hk	8 October 2018
Ideal Profit	http://www.22ships.hk	20 August 2018
Fit Asia	http://www.chachawan.hk	13 June 2018
Gain Long	http://www.hamandsherry.hk	8 October 2018
Profit Holder	http://www.aberdeenstreetsocial.hk	4 December 2018
Capital Creative	http://www.meenandrice.com	3 February 2019
Top Glorification	http://www.duddells.co	27 February 2019
Brightsome	http://www.makmak.hk	20 October 2018
Company	http://www.jiagroup.co	22 January 2019
Pure Love	http://www.rhoda.hk	9 March 2018
King Access	http://www.commissary.hk	12 August 2018

Information contained in the above websites do not form part of this prospectus.

Save as disclosed herein, there are no other trade or service marks, patents and other intellectual property rights which are or may be material to the business of our Group.

C. FURTHER INFORMATION ABOUT OUR DIRECTORS, SUBSTANTIAL SHAREHOLDERS AND EXPERTS

1. Directors

Disclosure of interests — interests and short positions of the Directors and the chief executives of our Company in the shares, underlying shares and debentures of our Company and its associated corporations

Immediately following completion of the Share Offer and the Capitalisation Issue, without taking into account the Shares which may be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme, the interests and short positions of our Directors and chief executives of our Company in the shares, underlying shares and debentures of our Company and our associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have taken under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which will be required to be notified to our Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, once the Shares are listed, will be as follows:

Interests in our Company

Name of Director	**Company/ subsidiary**	**Nature of interest**	**Number and class of securities** (Note 2)	**Approximate percentage of shareholding in the issued share capital of the Company**
Ms. PY Wong	Our Company	Interest of a controlled corporation(Note 1)	409,670,000(L) Shares	47.64%
Ms. PY Wong	Our Company	Beneficial owner	52,040,000(L) Shares	6.05%

Notes:

1. 409,670,000 Shares will be held by Giant Mind, which will be solely owned by Ms. PY Wong upon completion of the Share Offer and the said repurchase by Giant Mind referred to in the section headed "Substantial Shareholders and significant Shareholders — Our substantial Shareholders and significant Shareholders", and 52,040,000 Shares by Ms. PY Wong in her personal capacity.

2. The letter "L" denotes the person's long position in such Shares.

2. Substantial Shareholders

So far as our Directors are aware, immediately following completion of the Share Offer and the Capitalisation Issue without taking into account the Shares which may be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme, the following persons (other than our Directors and chief executives of our Company whose interests are disclosed under the paragraph "C. Further information about our Directors, Substantial Shareholders and experts — 1. Directors" above) will have or be deemed or taken to have interests or short positions in the Shares or underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who are, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group:

Long position in our Shares

Name	Nature of interest	Number of Shares held after the Share Offer	Approximate percentage of shareholding in the issued share capital of the Company after the Share Offer
Mr. Lo Yeung Kit, Alan(Note 1)	Interest of spouse	461,710,000	53.69%
Giant Mind	Beneficial interest	409,670,000	47.64%
J C Tapas	Beneficial interest	45,520,000	5.30%
K.M.C. Holdings(Note 2)	Interest in controlled corporation	45,520,000	5.30%
Ms. Khoo Bee Geok Mavis(Note 2)	Interest in controlled corporation	45,520,000	5.30%
Mr. Eu Yee Kwong Geoffrey(Note 2)	Interest in controlled corporation	45,520,000	5.30%
Mr. Loh Hung Soo(Note 3)	Interest in controlled corporation	45,520,000	5.30%
Ms. Chan Pek Har (alias, Loh Pek Har)(Note 3)	Interest in controlled corporation	45,520,000	5.30%
Ms. Emi Eu(Note 4)	Interest of spouse	45,520,000	5.30%

Notes:

1. Mr. Lo Yeung Kit, Alan, the spouse of Ms. PY Wong, is deemed under the SFO to be interested in these 461,710,000 Shares in which Ms. PY Wong is deemed to be interested upon the Listing.

2. J C Tapas is owned by K.M.C. Holdings, Ms. Khoo Bee Geok Mavis and Mr. Eu Yee Kwong Geoffrey in equal shares, being approximately 33.33% each. Therefore, each of K.M.C. Holdings, Ms. Khoo Bee Geok Mavis and Mr. Eu Yee Kwong Geoffrey is deemed under the SFO to be interested in these 45,520,000 Shares in which J C Tapas is interested upon the Listing.

3. K.M.C. Holdings is owned by Mr. Loh Hung Soo and Ms. Chan Pek Har (alias, Loh Pek Har) in equal shares, being 50% each. Therefore, each of Mr. Loh Hung Soo and Ms. Chan Pek Har is deemed under the SFO to be interested in these 45,520,000 Shares in which K.M.C. Holdings is deemed to be interested upon the Listing. Mr. Loh Hung Soo is the spouse of Ms. Chan Pek Har.

4. Ms. Emi Eu, the spouse of Mr. Eu Yee Kwong Geoffrey, is deemed under the SFO to be interested in these 45,520,000 Shares in which Mr. Eu Yee Kwong Geoffrey is deemed to be interested upon the Listing.

Interests in the issued share capital of our Group members other than the Company

Name of shareholder	Name of Group member	Nature of interest	Number and class of securities (Note 1)	Percentage of shareholding in the relevant Group member
Mr. Jason Atherton	Ideal Profit	Beneficial owner	12,500(L)	25%
Mr. Jason Atherton	Gain Long	Beneficial owner	250(L)	25%
Mr. Jason Atherton	Profit Holder	Beneficial owner	250(L)	25%
Mr. Nathan Daniel Green	Pure Love	Beneficial owner	15(L)	15%

Note:

1. The letter "L" denotes the person's long position in the Shares.

3. **Fees or commission received**

Save as disclosed in the paragraph headed "Commissions and expenses" in the section headed "Underwriting" in this prospectus, none of our Directors or the experts named below in the paragraph headed "E. Other information — 8. Consents of experts" in this appendix had received any agency fee or commissions from our Group within the two years preceding the date of this prospectus.

4. **Service contract/letter of appointment with Directors**

For details of the service contract/letter of appointment that each Director has entered into with our Company and the emoluments paid to our Directors during the Track Record Period, please refer to the section headed "Directors, senior management and staff — Remuneration of Directors and senior management".

5. **Related party transactions**

Save as disclosed in note 28 in the Accountants' Report set out in Appendix I to this prospectus, our Group has not entered into any related party transaction within the three years immediately preceding the date of this prospectus.

6. **Disclaimers**

Save as disclosed in this prospectus:

(a) there are no existing or proposed service contracts (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)) between our Directors and any member of our Group;

(b) none of our Directors or the experts named in the paragraph headed "E. Other information — 8. Consents of experts" in this appendix has any direct or indirect interest in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this prospectus, acquired or disposed of by or leased to, any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;

(c) none of our Directors or the experts named in the paragraph headed "E. Other information — 8. Consents of experts" in this appendix is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group taken as a whole;

(d) and taking no account of Shares which may be taken up or acquired under the Share Offer which may be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme, our Directors are not aware of any person (not being a Director or chief executive of our Company) who will, immediately following completion of the Share Offer, have any interest or short position in the Shares or underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who will be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group;

(e) none of our Directors or chief executive of our Company has any interest or short position in any of the shares, underlying shares or debentures of our Company or any of the associated corporations (within the meaning of the SFO) which, once the Shares are listed on the GEM, will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions which he will be taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to Rules 5.46 to 5.47 or the GEM Listing Rules relating to securities transactions by Directors, to be notified to our Company and the Stock Exchange;

(f) so far as is known to our Directors, none of our Directors, their respective close associates or Shareholders who are interested in more than 5% of the issued share capital of our Company has any interests in the five largest customers or the five largest suppliers of our Group; and

(g) none of the experts named in the paragraph headed "E. Other information — 8. Consents of experts" in this Appendix V to this prospectus is interested legally or beneficially in any shareholding in any member of our Group or has any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

D. SHARE OPTION SCHEME

1. Share Option Scheme

The principal terms of the Share Option Scheme conditionally adopted by our Company on 23 January 2018 are as follows:

(a) ***Purpose***

The purpose of the Share Option Scheme is to attract and retain the best quality personnel for the development of our Group's businesses; to provide additional incentives to the Qualifying Grantees (as defined below); and to promote the long term financial success of our Group by aligning the interests of option holders to Shareholders.

(b) ***Who may join***

On and subject to the terms of the Share Option Scheme and the requirements of the GEM Listing Rules, our Board may offer to grant an option to any Qualifying Grantees as our Board may in its absolute discretion select. "Qualifying Grantee" means:

(i) (1) any employee (whether full-time or part-time employee) of any members of our Group or any Affiliates and any person who is an officer of any members of our Group or any Affiliates ("**Employee**");

(2) any person who is seconded to work for any member of our Group or any Affiliates ("**Secondee**");

(3) any consultant, agent, representative, adviser, customer, contractor of our Group or any Affiliates;

(4) any business partner/ally/alliance, joint venture partner, supplier of goods or services to our Group or any Affiliates or any employee thereof; or

(collectively the "**Eligible Person**")

(ii) any trust for the benefit of an Eligible Person or his immediate family members or any company controlled by an Eligible Person or his immediate family members ("**Related Trust and Company**").

"**Affiliate**" means a company that directly or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, our Company and includes any company which is (a) the holding company of our Company; or (b) a subsidiary of holding company of our Company; or (c) a subsidiary of our Company; or (d) a fellow subsidiary of our Company; or (e) the controlling shareholder of our Company; or (f) a company controlled by the controlling shareholder of our Company; or (g) a company controlled by our Company; or (h) an Associated Company of the holding company of our Company; or (i) an Associated Company of our Company; or (j) Associated Company of controlling shareholder of our Company;

"**Associated Company**" means a company in the equity share capital of which a company, directly or indirectly, has an 20% or greater beneficial interest but excluding the subsidiaries of that company;

"**close associates**" has the meaning set out in the GEM Listing Rules;

"**core connected person**" has the meaning set out in the GEM Listing Rules;

"**immediate family members**" means a spouse or person co-habiting as the spouse of an Eligible Person, and any child or step-child, parent or step-parent, brother, sister, step-brother, step-sister, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law of an Eligible Person;

"**officer**" means company secretary or director (whether executive or non-executive); and

"**subsidiary**" has the meaning set out in the GEM Listing Rules.

(c) ***Administration***

The Share Option Scheme shall be subject to the administration of our Board whose decision shall (save as otherwise provided in the Share Option Scheme) be final and binding. Subject to the provisions of the GEM Listing Rules and applicable law and other regulations from time to time in force, our Board's powers include the authority, in its discretion:

(i) to select Qualifying Grantees to whom options may be granted under the Share Option Scheme;

(ii) to determine, subject to the requirements of the GEM Listing Rules and the law, the time of the grant of options;

(iii) to determine the number of Shares to be covered by each option granted under the Share Option Scheme;

(iv) to approve forms of option agreements;

(v) to determine the terms and conditions, not inconsistent with the terms of the Share Option Scheme, of any option based in each case on such factors as the Board, in its sole discretion, shall determine. Such terms and condition may include, but are not limited to:

- the subscription price;

- the option period, which shall be not greater than the period prescribed by the GEM Listing Rules from time to time (which is, as at the date of adoption of the Share Option Scheme, a period of 10 years from the commencement date);

- the minimum period, if any, for which an option must be held before it vests or becomes exercisable in whole or in part;

- the performance targets, if any, that must be achieved before the option can be exercised;

- the amount, if any, payable on application or acceptance of the option and the period within which payments must be made; and

- the period, if any, during which Shares allotted and issued upon exercise of the option shall be subject to restrictions on dealings, and the terms of such restrictions;

(vi) to construe and interpret the terms of the Share Option Scheme and options granted pursuant to the Share Option Scheme;

(vii) to prescribe, amend and rescind rules and regulations relating to the Share Option Scheme, including rules and regulations relating to sub-schemes established for the purpose of qualifying for preferred treatment under foreign laws and for benefits intended solely for any particular type of Qualifying Grantees; and

(viii) subject to the provisions relating to grant to substantial shareholders and independent non-executive Directors and their respective associates in the Share Option Scheme, to vary the terms and conditions of any option agreement (provided that such variation is not inconsistent with the terms of the GEM Listing Rules and the Share Option Scheme).

(d) ***Grant of options***

On and subject to the terms of the Share Option Scheme and the requirements of the GEM Listing Rules, the Board shall be entitled at any time within 10 years commencing on the GEM Listing Date to make an offer for the grant of an option to any Qualifying Grantee as our Board may in its absolute discretion select.

An offer of the grant of an option shall be deemed to have been made on the date such offer is approved by our Board, notwithstanding that the letter or any other document containing the offer is sent to and received by the Qualifying Grantee on an earlier or a later date.

(e) ***Restriction on time of grant of option***

An offer of the grant of an option may not be made after inside information has come to the knowledge of our Company until the information has been announced in accordance with the GEM Listing Rules. In particular, but only insofar as and for so long as the GEM Listing Rules require, no offer of the option may be made during the period commencing one month immediately preceding the earlier of:

(i) the date of our Board meeting (as such date is first notified to the Stock Exchange) for the approval of our Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the GEM Listing Rules); and

(ii) the deadline for our Company to publish its results for any year or half-year under the GEM Listing Rules, or quarterly or any other interim period (whether or not required under the GEM Listing Rules),

and ending on the date of the results announcement.

(f) ***Acceptance and payment on acceptance of option offer***

An offer shall remain open for acceptance by the Qualifying Grantee concerned for a period of 28 days from the date of the offer (or such period as our Board may specify in writing).

HK$1 is payable by the grantee to our Company on acceptance of the option offer.

(g) ***Subscription price***

The subscription price in respect of any particular option shall be such price as our Board may in its absolute discretion determine at the time of grant of the relevant option but the subscription price shall not be less than whichever is the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of the granting of the option; (ii) the average closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of the granting of the option; and (iii) the nominal value of a Share.

For the purpose of determining the subscription price, if the Shares have been listed for less than five business days immediately preceding the date of the granting of the option, the new issue price per Share under the Share Offer in connection with such listing (excluding brokerage fee, trading fee and transaction levy payable thereon) shall be deemed to be the closing price for any business day falling within the period before such listing.

(h) ***Option period***

The period as the Board may in its absolute discretion determine and specify in relation to any particular option holder in his option agreement during which the option may be exercised (subject to such restriction on exercisability specified therein), which shall be not greater than the period prescribed by the GEM Listing Rules from time to time (which is, as at the date of adoption of the Share Option Scheme, a period of 10 years from the date of the granting of the option).

(i) ***Rights are personal to grantee***

An option shall be personal to the option holder and shall not be assignable or transferable.

(j) ***Rights attaching to Shares allotted***

The Shares to be allotted upon the exercise of an option shall be subject to all the provisions of the Articles of our Company for the time being in force and shall rank pari passu in all respects with the fully paid Shares in issue on the date of issue and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of issue, other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the date of issue.

(k) ***Rights on retirement, death or permanent physical or mental disability***

If an option holder (or, in the case of an option holder which is a Related Trust and Company, the relevant Eligible Person) ceases to be a Qualifying Grantee attributable to the fact that he dies or becomes permanently physically or mentally disabled or in the case of an option holder being an Employee (or, in the case of an option holder which is a Related Trust and Company of an Employee, the relevant Employee), retires, unless otherwise provided in the option agreement, the option may be exercised within such period of time as is specified in the option agreement (but in no event later than the expiration of the term of such option as set forth in the option agreement).

In the absence of a specified time in the option agreement, the option shall, to the extent that has become exercisable on or prior to the relevant Option Holder's or Qualifying Grantee's or Employee's (as the case may be) retirement, death or permanent physical or mental disability, remain exercisable for 12 months (or such longer period as the Board shall decide) following the relevant option holder's or Qualifying Grantee's or Employee's (as the case may be) retirement, death or permanent physical or mental disability. The option may be exercised within that period by the personal representatives of the option holder.

If the option is not so exercised within the time specified, the option shall lapse.

(l) ***Termination for misconduct***

If an option holder being an Employee (or, in the event of an option holder which is a Related Trust and Company of the Employee, the relevant Employee) ceases to be an Employee for his conduct based on which the relevant employer can terminate his contract of employment without notice or payment in lieu, or having been convicted of any criminal offence involving his integrity or honesty, the option shall immediately lapse.

(m) ***Termination for bankruptcy cause***

If an option holder (or, in the event of an option holder which is a Related Trust and Company of an Eligible Person, the relevant Eligible Person) ceases to be a Qualifying Grantee for having committed any act of bankruptcy or having become insolvent or having made any arrangements or composition with his creditors generally, the option shall immediately lapse.

(n) ***Rights on termination other than for retirement, death, permanent disability, termination resulting from misconduct or bankruptcy cause***

If an option holder (or, in the event of an option holder which is a Related Trust and Company of an Eligible Person, the relevant Eligible Person) ceases to be a Qualifying Grantee other than in any of the circumstances described in paragraphs (k), (l) or (m), unless otherwise provided in the option agreement, an option holder may exercise his option within three months of such cessation (or such longer period as the Board shall decide, but in no event later than the expiration of the term of such option as set forth in the option agreement).

If the option is not so exercised within the time specified, the option shall lapse.

(o) ***Rights on takeover***

If a takeover by way of general offer is made to all the holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror), and the general offer becomes or is declared unconditional in all respects, the option holder shall be entitled to exercise the option (to the extent not already exercised) at any time within one month (or such longer period as our Board shall decide) or the expiry of the term of such option as set forth in the option agreement, whichever is earlier, after the date on which the general offer becomes or is declared unconditional.

If the option is not so exercised within the time specified, the option shall lapse.

(p) ***Rights on compromise or arrangement***

If a compromise or arrangement between our Company and its members or creditors is proposed, our Company shall give notice to the option holder on the same date as it despatches the notice to each member or creditor of our Company summoning the meeting to consider such a compromise or arrangement, and thereupon the option holder (or his personal representatives) may until the expiry of the period commencing with such date and ending with the earlier of the date two calendar months thereafter or the date on which such compromise or arrangement is sanctioned by the court exercise any of his options (to the extent not already exercised) whether in full or in part, but the exercise of an option as aforesaid shall be conditional upon such compromise or arrangement being sanctioned by the court and becoming effective, and upon such compromise or arrangement becoming effective, all options shall lapse except insofar as previously exercised under the Share Option Scheme. Our Company may require the option holder to transfer or otherwise deal with the Shares issued as a result of the exercise of options in these circumstances so as to place the option holder in the same position, as nearly as possible, as would have been the case had such Shares been subject to such compromise or arrangement.

If the option is not so exercised within the time specified, the option shall lapse.

(q) ***Rights on voluntary winding-up of our Company***

In the event a notice is given by our Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind up our Company, our Company shall on the same date as or soon after it despatches such notice to each member of our Company give notice thereof to all option holders (together with a notice of the existence of the provisions of the Share Option Scheme relating to this paragraph (q)) and thereupon, each option holder (or his personal representatives) shall be entitled to exercise all or any of his options (to the extent not already exercised) at any time not later than two business days prior to the proposed general meeting of our Company by giving notice in writing to our Company, accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given whereupon our Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the option holder credited as fully paid.

If the option is not so exercised within the time specified, the option shall lapse.

(r) ***Lapse of option***

Subject to the discretion of the Board to extend the option period as referred to in paragraphs (c), (k), (n) and (w), and without prejudice to the authority of our Board to provide for additional situations where an option shall lapse in any option agreement, an option shall lapse and not be exercisable (to the extent not already exercised) on the earliest of: (i) the expiry of the option period; (ii) the expiry of any of the periods referred to in paragraphs (k), (l), (m), (n), (o), (p) and (q); and (iii) the date on which our Board or the two directors of our Company duly authorised by our Board certify that for the reason of a breach of paragraph (i).

(s) ***Cancellation of options***

Options granted but not exercised or lapsed in accordance with the terms of the Share Option Scheme may be cancelled by our Company with the consent of the Qualifying Grantee provided that such consent shall not be required where an option lapses in accordance with paragraph (r) above. Where our Company cancels options and offers to issue new ones to the same Qualifying Grantee, the issue of such new options may only be made under the Share Option Scheme with available unissued options (excluding the cancelled options) within the limits set out in paragraph (t) below.

(t) ***Maximum number of Shares available under the Share Option Scheme***

(i) *Overriding Limit*

The limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other schemes must not exceed 30% of the Shares in issue from time to time. No options may be granted under any schemes of our Company if this will result in the limit being exceeded.

(ii) *Mandate Limit*

In addition to the limit set out in sub-paragraph (t)(i) above and prior to the approval of a Refreshed Mandate Limit as referred to in sub-paragraph (t)(iii) below, the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes of our Company must not in aggregate exceed 10% of the Shares in issue immediately following the completion of the Capitalisation Issue and the Share Offer. Options lapsed in accordance with the terms of the Share Option Scheme or any other schemes will not be counted for the purpose of calculating the 10% limit.

(iii) *Refreshing of Mandate Limit*

Our Company may by ordinary resolutions of the Shareholders refresh the mandate limit provided our Company shall issue a circular containing such information as required by the GEM Listing Rules to Shareholders before such approval is sought. However, the total number of Shares which may be issued upon exercise of all options to be granted under all of the schemes of our Company under the limit as refreshed (the "**Refreshed Mandate Limit**") must not exceed 10% of the Shares in issue as at the date of approval of the Refreshed Mandate Limit. Options previously granted under the schemes (including those outstanding, cancelled, lapsed in accordance with any of the schemes or exercised options) will not be counted for the purpose of calculating the limit as refreshed.

(iv) *Grant to specifically identified Qualifying Grantees*

Specifically identified Qualifying Grantees may be granted options beyond the mandate limit. Our Company may in addition seek separate approval by its Shareholders in general meeting for granting options beyond the mandate limit provided the options in excess of the limit are granted only to Qualifying Grantees specifically identified by our Company and a circular containing such information as required by the GEM Listing Rules is issued to Shareholders before such approval is sought.

(v) *Limit for each Qualifying Grantee*

The total number of Shares issued and to be issued upon exercise of options (whether exercised or outstanding) granted in any 12-month period to each Qualifying Grantee must not exceed 1% of the Shares in issue. Where any further grant of options to a Qualifying Grantee would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue, such further grant shall be subject to separate approval by Shareholders in general meeting with the relevant Qualifying Grantee and his close associates (or his associates if the participant is a connected person) abstaining from voting. Prior to seeking such approval, our Company shall issue a circular containing such information as required by the GEM Listing Rules to Shareholders.

(u) ***Grant of option to core connected persons***

Insofar as and for so long as the GEM Listing Rules require, where any offer of an option is proposed to be made to a Director, chief executive or substantial shareholder of our Company or any of their respective associates, such offer must first be approved by the independent non-executive Directors of our Company (excluding any independent non-executive director who is or whose associate is the Qualifying Grantee to whom the option is proposed to be granted). Insofar and for so long as the GEM Listing Rules so require, no option may be granted to any substantial shareholder or an independent non-executive Director of our Company, or any of their respective associates, which would result in the Shares issued and to be issued upon exercise of all options already granted or to be granted (including options exercised, cancelled and outstanding) to such person under the Share Option Scheme and any other scheme(s) of our Company in the 12-month period up to and including the date of board meeting for proposing such further grant (i) representing in aggregate over 0.1% of the share capital of our Company in issue; and (ii) having an aggregate value, based on the closing price of the Shares at the date of the board meeting for proposing such further grant, in excess of HK$5 million, unless such further grant is approved by Shareholders in general meeting. Prior to seeking such approval, our Company shall issue a circular containing such information as required by the GEM Listing Rules to the Shareholders. At such general meeting, the grant of options to the substantial shareholder or independent non-executive Director of our Company, or any of their respective associates shall, for so long and insofar as the GEM Listing Rules so required, be approved by Shareholders by way of poll with the grantee, his associates and all core connected persons of our Company abstaining from voting, except that any such person may vote against such resolution provided that he has informed our Company of his intention to do so and such intention has been stated in the relevant circular to Shareholders.

(v) ***Effects of reorganisation of capital structure***

In the event of any alteration in the capital structure of our Company whilst any option remains exercisable, whether by way of capitalisation of profits or reserves (other than pursuant to a scrip dividend scheme), rights issue or other general offer of securities made by our Company to holders of its securities, consolidation, subdivision, reduction or similar reorganisation of the share capital of our Company, such corresponding alterations (if any) shall be made to: (a) the number or nominal amount of Shares subject to the option so far as unexercised; and/or (b) the subscription price; and/or (c) the maximum number of Shares subject to the Share Option Scheme, as the auditors or independent financial adviser shall certify in writing to our Board to be in their opinion fair and reasonable (except in the case of a capitalisation issue where no such certification shall be required), provided that: (i) any such alterations shall be made on the basis that the aggregate subscription price payable by an option holder on the full exercise of any option shall remain as nearly as possible the same (but shall not be greater than) as it was before such event; (ii) no such alterations shall be made the effect of which would be to enable a Share to be issued at less than its nominal value; (iii) no such alterations shall be made the effect of which would be to change the proportion of the issued share capital of our Company for which any option holder is entitled to subscribe for pursuant to the options held by him; and (iv) any such adjustments shall be made in compliance with Chapter 23 of the GEM Listing Rules, the supplemental guidance issued by the Stock Exchange dated 5 September 2005 and such other guidelines or supplementary guidance as may be issued by the Stock Exchange from time to time.

For the avoidance of doubt, the issue of securities by our Company as consideration in a transaction shall not be regarded as a circumstance requiring any such alterations.

(w) ***Alteration to the Scheme***

The Share Option Scheme may be altered in any respect by resolution of the Board except that the provisions of the Share Option Scheme relating to matters contained in Rule 23.03 of the GEM Listing Rules shall not be altered to the advantage of option holders or proposed option holders except with the prior sanction of a resolution of our Company in general meeting, provided that no such alteration shall operate to affect adversely the terms of issue of any option granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the option holders as would be required of

Shareholders under the Articles for the time being of our Company for a variation of the rights attached to the Shares. Any alterations to the terms and conditions of the Share Option Scheme, which are of a material nature and any change to the terms of the options granted, shall be approved by Shareholders, except where the alterations take effect automatically under the existing terms of the Share Option Scheme. The amended terms of the Share Option Scheme shall comply with the relevant requirements of Chapter 23 of the GEM Listing Rules from time to time. Any change to the authority of our Board to alter the terms of the Share Option Scheme shall be approved by Shareholders. Subject to the GEM Listing Rules and the terms of the Share Option Scheme, our Board may, at any time and in its absolute discretion, remove, waive or vary the conditions, restrictions or limitations imposed in an option agreement on compassionate or any other grounds.

(x) ***Termination of Share Option Scheme***

Our Company by resolution in general meeting or our Board may at any time terminate the operation of the Share Option Scheme and in such event no further options will be offered after the Share Option Scheme is terminated but in all other respects the provisions of the Share Option Scheme shall remain in full force and effect. All options granted prior to such termination and not then exercised shall remain valid.

(y) ***Conditions of Share Option Scheme***

The Share Option Scheme is conditional on:

(i) the obtaining of our Company of the approval for listing on the Stock Exchange of Shares which may be issued pursuant to the exercise of the options; and

(ii) the commencement of dealings in the Shares on the Stock Exchange.

As at the date of this prospectus, no option has been granted under the Share Option Scheme. Application has been made to the Listing Division of the Stock Exchange for the listing of, and permission to deal in, the Shares which may fall to be issued following the exercise of the options granted under the Share Option Scheme, of which the maximum will not exceed 86,000,000 Shares. Our Directors confirm that the Share Option Scheme is in full compliance with Chapter 23 of the GEM Listing Rules.

E. OTHER INFORMATION

1. Tax indemnity and indemnity relating to compliance matters

Ms. PY Wong and Giant Mind (collectively, the "**Indemnifiers**") have entered into a deed of indemnity with and in favour of our Company (for itself and as trustee for each member of our Group), being a contract referred to in the paragraph headed "B. Further information about our business — 1. Summary of material contracts" of this Appendix V to this prospectus, to provide indemnities on a joint and several basis in respect of, among other things:

(a) tax liabilities (including all fines, penalties, costs, charges, expenses and interests incidental or relating to taxation) which might be payable by any member of our Group in respect of any income, profits, gains, transactions, events, matters or things earned, accrued, received, entered into or occurring on or before the Listing Date, whether alone or in conjunction with any other circumstances whenever occurring and whether or not such tax liabilities are chargeable against or attributable to any other person, firm, company or corporation;

(b) any expenses, payments, sums, outgoings, fees, demands, claims, damages, losses, costs (including but not limited to legal and other professional costs), charges, liabilities, fines, penalties and tax in connection with any failure, delay or defects of corporate or regulatory compliance or errors, discrepancies or missing documents in the statutory records of any member of our Group under, or any breach of any provision of, the Companies Ordinance, Predecessor Companies Ordinance, their respective subsidiary legislation on or before the Listing Date; and

(c) any costs, claims, damages, expenses, losses, penalties, liabilities, actions and proceedings which any member of our Group may suffer from (i) not having obtained all relevant approvals, permits, licences and/or certificates for conducting our Group's businesses in Hong Kong; and (ii) breach of sections 7 and 7AA of the Mandatory Provident Fund Schemes Ordinance.

The Indemnifiers are under no liability under the Deed of Indemnity in respect of any taxation:

(a) to the extent that provision or reserve has been made for such taxation in the audited combined accounts of our Group or the audited accounts of any member of our Group for any accounting period up to 31 July 2017;

(b) to the extent that such taxation or liability falling on any of the members of our Group in respect of any accounting period commencing on or after 1 August 2017 and ending on the Listing Date, where such taxation or liability would not have arisen but for some act or omission of, or transaction voluntarily entered into by, any member of our Group (whether alone or in conjunction with some other act, omission or transaction, whenever occurring) without the prior written consent or agreement of the Indemnifiers, other than any such act, omission or transaction:

    (i) carried out or effected in the ordinary course of business or in the ordinary course of acquiring and disposing of capital assets on or before the Listing Date; or

(ii) carried out, made or entered into pursuant to a legally binding commitment created on or before the Listing Date or pursuant to any statement of intention made in the prospectus; or

(c) to the extent that such taxation claim arise or are incurred as a result of the imposition of taxation as a consequence of any retrospective change in the law, rules and regulations or the interpretation or practice thereof by the Hong Kong Inland Revenue Department, or any other relevant authority (whether in Hong Kong or any other part of the world) coming into force after the date of the Deed of Indemnity or to the extent such claim arises or is increased by an increase in rates of taxation or claim after the date of the Deed of Indemnity with retrospective effect; or

(d) to the extent that any provision or reserve made for taxation in the audited combined account of the Group or the audited accounts of any member of our Group for any accounting period accrued on or before 31 July 2017 which is finally established to be an over-provision or an excessive reserve, in which case the Indemnifiers' liability (if any) in respect of taxation shall be reduced by an amount not exceeding such provision or reserve, provided that the amount of any such provision or reserve applied referred to in this paragraph to reduce the Indemnifiers' liability in respect of taxation shall not be available in respect of any such liability arising thereafter.

We have been advised that no material liability for estate duty is likely to fall on us and that the Cayman Islands currently have no estate duty, inheritance tax or gift tax.

2. **Litigation**

As at the Latest Practicable Date, no member of our Group was engaged in any litigation or arbitration of material importance and no litigation of claim of material importance was known to our Directors to be pending or threatened against any member of our Group.

3. **Address for service of process and notices**

Ms. Wan Suet Yee Cherry and Ms. Yim Sau Ping have been appointed as the authorised representatives of our Company to accept service of process and notices in Hong Kong. The address for service of process and notice is Office No.5 on 22nd Floor, Universal Trade Centre, No.3 Arbuthnot Road, Hong Kong.

4. **Sole Sponsor**

The Sole Sponsor has made an application on behalf of our Company to the Stock Exchange for listing of, and permission to deal in, the Shares in issue and to be issued as mentioned herein (including any Shares to be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme). The Sole Sponsor's fee payable by our Group is HK$2.5 million with a discretionary bonus of HK$500,000.

Save for advisory fee paid and to be paid to Innovax Capital Limited as the Compliance Adviser in connection with the Listing pursuant to the requirements under Rule 6A.19 of the GEM Listing Rules, neither Innovax Capital Limited nor any of its close associates has or may, as a result of the Listing and the Share Offer, have any interest in any class of securities of our Company or any other members of our Group (including options or rights to subscribe for such securities).

No director or employee of Innovax Capital Limited who is involved in providing advice to our Company has or, as a result of the Listing and/or the Share Offer, may have any interest in any class of securities of our Company or any other member of our Group (including options or rights to subscribe for such securities). No director or employee of Innovax Capital Limited has any directorship in our Company or any other member of our Group.

The Sole Sponsor has declared its independence pursuant to Rule 6A.08 of the GEM Listing Rules and confirmed that it satisfies the independence criteria applicable to the Sole Sponsor set out in Rule 6A.07 of the GEM Listing Rules.

5. **Preliminary expenses**

The preliminary expenses in relation to the incorporation of our Company are estimated to be approximately HK$32,000 and are payable by our Company.

6. **Promoter**

(a) Our Company has no promoter for the purpose of the GEM Listing Rules.

(b) Save as disclosed in this prospectus, within the two years immediately preceding the date of this prospectus, no cash, securities or other benefit has been paid, allotted nor are any proposed to be paid, allotted or given to any promoter of our Company.

7. **Qualifications of experts**

The following are the qualifications of the experts who have given opinion or advice which are contained in this prospectus:

Name	**Qualifications**
Innovax Capital Limited	A licensed corporation under the SFO to engage in type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities (as defined under the SFO)
Deloitte Touche Tohmatsu	Certified Public Accountants
Appleby	Legal advisers to our Company as to Cayman Islands law

Chan Chung	Barrister-at-law of Hong Kong
Moore Stephens Advisory Services Limited	An independent internal control adviser
Ipsos Limited	An independent market research and consulting company

8. **Consents of experts**

Each of the experts whose names are set out in the paragraph headed "E. Other information — 7. Qualification of experts" of this appendix has given and has not withdrawn its or his written consent to the issue of this prospectus with the inclusion of its or his reports and/or letter and/or opinion and/or summary thereof and/or reference to its or his name included herein (as the case may be), all of which are dated the date of this prospectus in the form and context in which it is respectively included.

9. **Binding effect**

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding up and Miscellaneous Provisions) Ordinance so far as applicable.

10. **Taxation of holders of Shares**

(a) ***Hong Kong***

Dealings in Shares registered on our Company's Hong Kong branch register of members will be subject to Hong Kong stamp duty.

(b) ***Cayman Islands***

There is no stamp duty payable in the Cayman Islands on transfers of shares of Cayman Islands companies save for those which hold interests in land in the Cayman Islands.

(c) ***Consultation with professional advisers***

Intending holders of the Shares are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in the Shares. It is emphasised that none of our Company, our Directors or other parties involved in the Share Offer accepts responsibility for any tax effect on, or liabilities of holders of Shares resulting from their subscription for, purchase, holding or disposal of or dealing in our Shares or exercise of any rights attaching to them.

11. **No material adverse change**

Our Directors confirm that there has not been any material adverse change in the financial or trading position or prospects of our Group since 31 July 2017 (being the date to which the latest audited combined financial statements of our Group were made up) up to the Latest Practicable Date.

12. **Particulars of the Selling Shareholder**

Name:	Giant Mind
Place of incorporation:	British Virgin Islands
Registered office	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands
Nature of business	Investment Holding
Number of Shares to be sold	46,550,000

13. **Miscellaneous**

(a) Save as disclosed in this prospectus, within the two years immediately preceding the date of this prospectus:

(i) no share or loan capital of our Company or any of our subsidiaries has been issued or agreed to be issued or is proposed to be issued as fully or partly paid either for cash or for a consideration other than cash;

(ii) no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any capital of our Company or any of the subsidiaries;

(iii) no commission has been paid or is payable for subscribing or agreeing to subscribe, or procuring or agreeing to procure the subscription, for any of our Shares or shares of any of our subsidiaries; and

(iv) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option.

(b) Save as disclosed in this prospectus, neither our Company nor any of our subsidiaries has issued or agreed to issue any founders shares, management shares, deferred shares or any debentures.

(c) Save in connection with the Underwriting Agreement, none of the parties listed in the paragraph headed "E. Other information — 8. Consents of experts" in this appendix:

(i) is interested legally or beneficially in any securities in our Company or any of our subsidiaries; or

(ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in our Company or any of our subsidiaries.

(d) The principal register of members of our Company will be maintained in the Cayman Islands by Estera Trust (Cayman) Limited and a branch register of members of our Company will be maintained in Hong Kong by Tricor Investor Services Limited. Unless our Directors otherwise agree, all transfer and other documents of title of Shares must be lodged for registration with and registered by our Hong Kong Branch Share Registrar and may not be lodged in the Cayman Islands. All necessary arrangements have been made to ensure our Shares to be admitted into CCASS for clearing and settlement.

(e) There has not been any interruption in the business of our Group which may have or have had a significant effect on the financial position of our Group in the 12 months immediately preceding the date of this prospectus.

(f) No company within our Group is presently listed on any stock exchange or traded on any trading system.

(g) We have no issued and outstanding convertible debt securities or debentures.

(h) There are no arrangements in existence under which future dividends are to be or agreed to be waived.

(i) Our Directors have been advised that, under Cayman Islands laws, the use of a Chinese name by our Company in conjunction with the English name does not contravene Cayman Islands laws.

(j) The English text of this prospectus shall prevail over the Chinese text.

14. **Bilingual Prospectus**

The English language and Chinese language versions of this prospectus are being published separately, in reliance upon the exemption provided in section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong). In case of any discrepancies between the English language version and the Chinese language version, the English language version will prevail.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this prospectus delivered to the Registrar of Companies in Hong Kong for registration were copies of the Application Forms, the written consents referred to in the paragraph headed "E. Other information — 8. Consents of experts" in Appendix V to this prospectus, copies of the material contracts referred to in the paragraph headed "B. Further information about our business — 1. Summary of material contracts" in Appendix V to this prospectus, the statement of particulars of Giant Mind, being the Selling Shareholder referred to in the paragraph headed "E. Other information — 12. Particulars of the Selling Shareholder" in Appendix V to this prospectus and a statement of adjustment made by Deloitte Touche Tohmatsu in arriving at the figures set out in the Accountants' Report on the historical financial information of our Group set out in Appendix I to this prospectus.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at our office at Office No. 5 on 22nd Floor, Universal Trade Centre, No. 3 Arbuthnot Road, Central, Hong Kong during normal business hours up to and including the date which is 14 days from the date of this prospectus:

(a) the Memorandum of Association and Articles of Association;

(b) the Accountants' Report on historical financial information of our Group for each of the three years ended 31 December 2016 and the seven months ended 31 July 2017, the text of which is set out in Appendix I to this prospectus together with the statement of adjustments;

(c) the audited consolidated financial statements of Big Team Ventures Limited and its subsidiaries for each of the three years ended 31 December 2016 and the seven months ended 31 July 2017;

(d) the independent reporting accountants' assurance report on the compilation of the unaudited pro forma financial information prepared by Deloitte Touche Tohmatsu on the unaudited pro forma financial information of our Group, the text of which is set out in Appendix II to this prospectus;

(e) the letters relating to the loss estimate received from Deloitte Touche Tohmatsu and the Sole Sponsor, the text of which are set out in Appendix III to this prospectus;

(f) the rules of the Share Option Scheme referred to in the paragraph headed "D. Share Option Scheme" in Appendix V to this prospectus;

(g) the letter of advice prepared by Appleby summarising certain aspects of Cayman Islands company law referred to in Appendix IV to this prospectus;

(h) the legal opinion issued by the Legal Counsel dated the date of this prospectus;

(i) the Companies Law;

(j) the internal control expert report in relation to the non-compliance incidents of our Group prepared by Moore Stephens;

(k) the Ipsos Report;

(l) the list containing the particulars of Giant Mind, being the Selling Shareholder as set out in the paragraph headed "E. Other information — 12. Particulars of the Selling Shareholder" in Appendix V to this prospectus;

(m) the material contracts referred to in the paragraph headed "B. Further information about our business — 1. Summary of material contracts" in Appendix V to this prospectus;

(n) the consents of experts referred to in the paragraph headed "E. Other information — 8. Consents of experts" in Appendix V to this prospectus; and

(o) the service contracts and letters of appointment referred to in the section headed "Directors, senior management and staff — Remuneration of Directors and senior management" of this prospectus.

JIA GROUP HOLDINGS LIMITED
佳民集團有限公司