Dining Concepts

Dining Concepts Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8056

BY WAY OF PLACING

Sole Sponsor

Quam CAPITAL 華富嘉洛企業融資

Sole Bookrunner and Sole Lead Manager

Quam Securities & Futures 華富嘉洛證券期貨

IMPORTANT

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

Dining Concepts

DINING CONCEPTS HOLDINGS LIMITED
飲食概念控股有限公司

(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 PLACING

Number of Placing Shares	:	200,000,000 Placing Shares (comprising 140,990,000 New Shares and 59,010,000 Sale Shares, and subject to the Offer Size Adjustment Option)
Placing Price	:	Not more than HK$0.60 and not less than HK$0.40 per Placing Share (payable in full on application in Hong Kong dollars) plus brokerage fee of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%, subject to refund
Nominal value	:	US$0.01 per Share
Stock code	:	8056

Sole Sponsor

Quam CAPITAL 華富嘉洛企業融資

Sole Bookrunner and Sole Lead Manager

Quam Securities & Futures 華富嘉洛證券期貨

Co-Managers

AmCap Ample Orient Capital Limited　中投证券(香港) CHINA INVESTMENT SECURITIES (HK)　財華證券有限公司 Finet Securities Limited　GREAT ROC CAPITAL SECURITIES LIMITED 鴻鵬資本證券有限公司

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" in Appendix V to this prospectus, has been registered by the Registrar of Companies in Hong Kong as required by section 342C of the Companies (WUMP) Ordinance. The Securities and Futures Commission 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 Placing Price is expected to be fixed by agreement between our Company (for itself and on behalf of the Selling Shareholder) and the Sole Lead Manager (for itself and on behalf of the Underwriters) on the Price Determination Date, which is expected to be on or around Friday, 29 July 2016 or such later date as may be agreed between our Company (for itself and on behalf of the Selling Shareholder) and the Sole Lead Manager (for itself and on behalf of the Underwriters). The Placing Price will not be more than HK$0.60 per Placing Share and is expected to be not less than HK$0.40 per Placing Share. If our Company (for itself and on behalf of the Selling Shareholder) and the Sole Lead Manager (for itself and on behalf of the Underwriters) are unable to reach an agreement on the Placing Price by the Price Determination Date, the Placing will not become unconditional and will lapse.

The Sole Lead Manager (for itself and on behalf of the Underwriters) may, with the consent of our Company (for itself and on behalf of the Selling Shareholder), reduce the Placing Price range below to that stated in this prospectus at any time prior to the Price Determination Date. If this occurs, notice of reduction of the indicative Placing Price range will be published on the Stock Exchange's website at www.hkexnews.hk and the website of our Company at www.diningconcepts.com.

Please refer to the section headed "Risk factors" for a discussion of certain risks that you should consider in connection with an investment in the Shares.

The obligations of the Underwriters under the Underwriting Agreement in respect of the Placing Shares, are subject to termination by the Sole Lead Manager (for itself and on behalf of the Underwriters) if certain circumstances arise prior to 8:00 a.m. on the Listing Date. Such circumstances are set out in the section headed "Underwriting — Underwriting arrangements and expenses — Grounds for termination" in this prospectus. It is important that you carefully read that section for further details.

27 July 2016

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 of the Stock Exchange 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 newspapers. Accordingly, prospective investors should note that they need to have access to the website of the Stock Exchange at *www.hkexnews.hk* in order to obtain up-to-date information on GEM listed issuers.

	(Note 1)
Expected Price Determination Date *(Note 2)* at 5:00 p.m. on or around . .	Friday, 29 July 2016
Announcement of the determination of the Placing Price and the indication of level of interest in the Placing to be published on the website of the Stock Exchange at ***www.hkexnews.hk*** and our Company's website at ***www.diningconcepts.com*** on or before *(Note 3)*	Thursday, 4 August 2016
Allotment of Placing Shares to placees (or their designated person(s)) on or before	Thursday, 4 August 2016
Deposit of share certificates into CCASS on or before *(Note 4)*	Thursday, 4 August 2016
Dealings in Shares on GEM to commence at 9:00 a.m. on	Friday, 5 August 2016

Notes:

1. Unless the context otherwise requires, all times and dates refer to Hong Kong local times and dates.

2. Please note that the Price Determination Date is expected to be on or around Friday, 29 July 2016. If, for any reason, the Placing Price is not agreed between our Company (for itself and on behalf of the Selling Shareholder) and the Sole Lead Manager (for itself and on behalf of the Underwriters) on or around Friday, 29 July 2016, the Placing will not proceed and will lapse.

3. None of our Company's website or any of the information contained in our Company's website forms part of this prospectus.

4. Share certificates for the Placing Shares to be distributed via CCASS are expected to be issued in the name of HKSCC Nominees. Share certificates for the Placing Shares to be distributed via CCASS will be deposited directly into CCASS on or before Thursday, 4 August 2016 for credit to the respective CCASS Participant's stock accounts or CCASS Investor Participants' stock accounts designated by the Underwriters, the placing agents, the placees or their agents, as the case may be. Our Company will not issue any temporary documents or evidence of title.

5. If there is any change to the above expected timetable, our Company will make separate announcements on the website of the Stock Exchange and our Company's website to inform investors accordingly.

6. All share certificates will only become valid certificates of title when the Placing has become unconditional in all respects and the Underwriting Agreement has not been terminated in accordance with its terms prior to 8:00 a.m. (Hong Kong time) on the Listing Date.

Details of the structure of the Placing, including its conditions and grounds for termination thereto, are set out in the section headed "Structure and conditions of the Placing" in this prospectus.

IMPORTANT NOTICE TO INVESTORS

This prospectus is used by our Company solely in connection with the Placing and does not constitute an offer to sell or a solicitation of an offer to buy any security other than the Placing Shares offered by this prospectus pursuant to the Placing. This prospectus may not be used for the purpose of, and does not constitute, an offer to sell 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. We 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 us, the Sole Sponsor, the Sole Bookrunner, the Sole Lead Manager and the Underwriters, any of our or their respective directors, employees or advisers, or any other person or party involved in the Placing. Information contained in our website, located at ***www.diningconcepts.com****, does not form part of this prospectus.*

	Page
CHARACTERISTICS OF GEM	i
EXPECTED TIMETABLE	ii
TABLE OF CONTENTS	iii
SUMMARY AND HIGHLIGHTS	1
DEFINITIONS AND GLOSSARY	17
RISK FACTORS	39
FORWARD-LOOKING STATEMENTS	55
INFORMATION ABOUT THIS PROSPECTUS AND THE PLACING	57
DIRECTORS AND PARTIES INVOLVED IN THE PLACING	61
CORPORATE INFORMATION	64
WAIVERS FROM STRICT COMPLIANCE WITH THE GEM LISTING RULES	66
INDUSTRY OVERVIEW	67
REGULATORY OVERVIEW	80
HISTORY, DEVELOPMENT AND REORGANISATION	88
BUSINESS	131
RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS	210
CONNECTED TRANSACTIONS	218
DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES	223
SUBSTANTIAL SHAREHOLDERS	231

		Page
SHARE CAPITAL		233
FINANCIAL INFORMATION		235
FUTURE PLANS AND USE OF PROCEEDS		280
SOLE SPONSOR'S INTEREST		286
UNDERWRITING		287
STRUCTURE AND CONDITIONS OF THE PLACING		295
APPENDIX I	— ACCOUNTANTS' REPORT	I-1
APPENDIX II	— UNAUDITED PRO FORMA FINANCIAL INFORMATION	II-1
APPENDIX III	— SUMMARY OF THE CONSTITUTION OF OUR COMPANY AND CAYMAN ISLANDS COMPANY LAW	III-1
APPENDIX IV	— STATUTORY AND GENERAL INFORMATION	IV-1
APPENDIX V	— DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES AND AVAILABLE FOR INSPECTION	V-1

This summary and highlights aim at giving you an overview of the information contained in this prospectus. Because this is a summary, it does not contain all the information that may be important to you. You should read the whole prospectus before you decide to invest in the Placing Shares.

There are risks associated with any investment. Some of the particular risks in investing in the Placing 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 the Placing Shares.

OVERVIEW

We are a restaurant group in Hong Kong serving a variety of cuisines, mainly Asian, Western and Italian, targeting different customer segments with mid to high spending power. Since the opening of the first restaurant, Bombay Dreams, in December 2002, we have been expanding our restaurant network in Hong Kong through our multi-brand business model. As at the Latest Practicable Date, we owned and operated restaurants (including 21 full-service restaurants, one clubhouse restaurant and one bakery restaurant) and one takeaway outlet under 21 brands, of which nine full-service restaurants and one bakery restaurant were under franchised or licensed brands such as Bread Street Kitchen, BLT Steak, BLT Burger, Lupa, Mamasan, Le Pain Quotidien and London House. The remaining 12 full-service restaurants, one clubhouse restaurant and one takeaway outlet were under our self-owned brands such as Bombay Dreams, Bistecca and Tango. For details of the terms and conditions of the franchising agreements and licence agreements, please refer to the section headed "Business — Overview of restaurant operations and management — Franchising agreements and licence agreements" in this prospectus.

As at 31 March 2014, 2015 and 2016, we were operating 20, 24 and 22 restaurants, of which two, four and two restaurants were newly established during each of the three years ended 31 March 2016, respectively and three closed and one disposed of for the year ended 31 March 2016. The following table summarises the movement of number of our restaurants (excluding the takeaway outlet) during the Track Record Period and up to the Latest Practicable Date:

	Number of restaurants operated under our own brands	Number of restaurants operated under franchised or licensed brands	Total number of restaurants
As at 1 April 2013	11	7	18
Commencement of operation during the year	1	1	2
Change of brand during the year	(1)	1	—
As at 31 March 2014	**11**	**9**	**20**
Commencement of operation during the year	—	4	4
Change of brand during the year	1	(1)	—
As at 31 March 2015	**12**	**12**	**24**
Commencement of operation during the year	—	2	2
Change of brand during the year	1	(1)	—
Closure/disposal of restaurants during the year	(2)	(2)	(4)
As at 31 March 2016	**11**	**11**	**22**
Commencement of operation during the period	1	—	1
Change of brand during the period	1	(1)	—
As at the Latest Practicable Date	**13**	**10**	**23**

All of our restaurants are strategically located in prime areas in Hong Kong including Soho, Wyndham Street, Lan Kwai Fong, Causeway Bay, Wan Chai and Tsim Sha Tsui and major shopping malls in Hong Kong such as Elements, Times Square and Harbour City. As at the Latest Practicable Date, we did not own any property. Except for one store room which was leased from Total Commitment (HK), as at the Latest Practicable Date, we leased all of our restaurants, takeaway outlet, office premises, store rooms and dormitories from Independent Third Parties. As at 31 March 2014, 31 March 2015 and 31 March 2016, the total gross floor area of our restaurants (including full-service restaurants, clubhouse restaurant and bakery restaurant) were approximately 4,080 sq. m., 5,250 sq. m. and 4,650 sq. m., respectively. For details of the properties leased by our Group as at the Latest Practicable Date, please refer to the section headed “Business — Properties” in this prospectus. In addition to the provision of dine-in services, we provide event hosting services in our restaurants and outdoor catering services. For details of the operating data of each of our restaurants during the Track Record Period, please refer to the section headed “Business — Overview of restaurant operations and management — Operating data of our restaurants” in this prospectus.

Being committed to our core value, “Value for Money”, we strive to provide our customers with a boutique dining experience of quality dishes, attentive service and a relaxing environment. Our success is proven by many accolades including being recently voted as one of Hong Kong’s most valuable companies in 2014 and 2015 by MediaZone Hong Kong. Moreover, 12 of our restaurants have been awarded as Hong Kong’s Best Restaurants by HK Tatler Publication in 2016. Four of our restaurants have been selected as Bib Gourmand restaurants by the Michelin Guide Hong Kong Macau in 2015.

Leveraging our experience in the restaurant industry, we aim to further expand our footprint in Hong Kong. We intend to open approximately four new restaurants with a planned capital expenditure of approximately HK$38.1 million in the year ending 31 March 2017; four new restaurants with a planned capital expenditure of approximately HK$13.8 million in the year ending 31 March 2018; and four new restaurants with a planned capital expenditure of approximately HK$30.4 million in the year ending 31 March 2019 in Hong Kong. For details, please refer to the section headed “Business — Expansion plans and site selection development — Expansion plans in Hong Kong” in this prospectus.

OUR CUSTOMERS AND SUPPLIERS

During the Track Record Period, our customers were mainly retail customers and we were not dependent on any single customer.

During the Track Record Period, our suppliers mainly included food ingredient suppliers, beverage suppliers and ancillary equipment and utensil suppliers. We have also engaged licensing consultants, renovation service providers, repair and maintenance service providers, cleaning companies and pest control companies on a regular basis. For the years ended 31 March 2014, 31 March 2015 and 31 March 2016, the total purchases from our five largest suppliers in aggregate amounted to approximately 36.2%, 31.0% and 30.3%, respectively, and the purchases from our largest supplier amounted to approximately 14.8%, 11.5% and 10.8%, respectively, of our total purchases.

COMPETITIVE STRENGTHS

We believe that our success is attributable to, among other things, the following major competitive strengths:

- Specialty restaurants offering boutique dining experience of quality dishes, attentive service and relaxing environment
- Cooperation with well-recognised chefs and brands
- Diversification of our customer base through our multi-brand business model

- Strategic locations and clustering effect of our restaurants
- Experienced management team and well-trained employees

For details, please refer to the section headed "Business — Competitive strengths" in this prospectus.

BUSINESS STRATEGIES

We intend to implement the following business strategies to expand our market share in Hong Kong and enhance our brand recognition, service and cuisine quality:

- Continue to expand our restaurant network
- Further enhance our brand recognition in Hong Kong
- Enhance overall profitability of our restaurants

For details, please refer to the section headed "Business — Business strategies" in this prospectus.

RISK FACTORS

Our business faces risks including those set out in the section headed "Risk factors" in this prospectus. As different investors may have different interpretations and criteria when determining the significance of a risk, you should read the section headed "Risk factors" in this prospectus in its entirety before you decide to invest in the Placing Shares. Some of our major risks include:

- The scarcity of commercially attractive locations, the increase in rental expenses and failure to renew existing leases of the leased properties may adversely affect our results of operations
- Our new restaurant concepts may not be successful and our financial performance may be adversely affected
- We operate our business under different brands and we may not be able to manage them properly
- We are susceptible to the popularity of our franchised/licensed brands
- We recorded a significant decline in profit attributable to owners of our Company and our sustainability is dependent upon the spending power of our target customers (including tourists and business travellers) and a decline of such spending power (as a result of economic downturn, unstable political or social conditions of Hong Kong) may adversely affect our business
- The prices of food ingredients are subject to continuing fluctuation
- Incidents of food poisoning, customer complaints and any other negative publicity associated with our restaurants or on food safety in general could adversely affect our reputation and our business
- Our success depends on our ability to attract, motivate and retain a sufficient number of qualified employees

- We have not registered some of our leased properties which may be encumbered and may face vacation
- Our financial performance and results of operations will be affected by our non-recurring Listing expenses, the options to be granted under the Pre-IPO Share Option Scheme and the Offer Size Adjustment Option
- We experienced net current liabilities during the Track Record Period
- Our "cluster" management strategy may dilute the business of our restaurants in the same district
- Opening new restaurants may result in fluctuations in our financial performance

LEASE AGREEMENTS

The following table sets forth the summary of the lease agreements we leased from Independent Third Parties as at the Latest Practicable Date which will expire in each of the three years ending 31 March 2019 and beyond:

For the year ending 31 March 2017

	Number of leased properties	Approximate aggregate annual rental payable	Approximate aggregate floor area
Use of property as restaurant	5	HK$17,661,400	1,280 sq. m.
Other use of property	6	HK$ 1,953,100	370 sq. m.
Total	11	HK$19,614,500	1,650 sq. m.

For the year ending 31 March 2018

	Number of leased properties	Approximate aggregate annual rental payable	Approximate aggregate floor area
Use of property as restaurant	7	HK$16,553,800	1,040 sq. m.
Other use of property	5	HK$ 1,168,600	430 sq. m.
Total	12	HK$17,722,400	1,470 sq. m.

For the year ending 31 March 2019

	Number of leased properties	Approximate aggregate annual rental payable	Approximate aggregate floor area
Use of property as restaurant	9	HK$22,381,500	1,880 sq. m.
Other use of property	3	HK$ 615,600	180 sq. m.
Total	12	HK$22,997,100	2,060 sq. m.

For the years after 31 March 2019

	Number of leased properties	Approximate aggregate annual rental payable	Approximate aggregate floor area
Use of property as restaurant	7	HK$21,213,400	1,570 sq. m.
Other use of property	—	—	— sq. m.
Total	7	HK$21,213,400	1,570 sq. m.

SUMMARY OF FINANCIAL INFORMATION

The following is a summary of our Group's consolidated results during the Track Record Period, which has been extracted from the Accountants' Report set out in Appendix I to this prospectus.

Highlights of consolidated statements of profit or loss and other comprehensive income

	Year ended 31 March		
	2014	2015	2016
	(HK$'000)	*(HK$'000)*	*(HK$'000)*
Revenue	389,793	468,241	462,921
Cost of inventories consumed	(97,339)	(117,631)	(118,092)
Staff costs	(90,351)	(121,878)	(125,749)
Rental and related expenses	(61,899)	(80,805)	(90,364)
Listing expenses	—	(8,599)	(5,610)
Profit before taxation	52,695	33,334	25,713
Profit and total comprehensive income for the year attributable to owners of our Company	39,555	23,378	18,120

The increase in revenue for the year ended 31 March 2015 as compared to the year ended 31 March 2014 was mainly due to the opening of four new restaurants for the year ended 31 March 2015 as compared to the opening of two new restaurants for the year ended 31 March 2014. During the year ended 31 March 2016, our revenue slightly decreased by approximately 1.1% as compared to that for the year ended 31 March 2015 as a result of (i) the decrease in the number of new restaurants since we only opened two new restaurants during the year ended 31 March 2016; (ii) the closure of three restaurants and the disposal of our subsidiary, Golden Rock, which operated the restaurant Gaucho; and (iii) the decrease in revenue generated from some of our restaurants. The average revenue per restaurant were approximately HK$19.5 million, HK$19.5 million and HK$21.0 million during the three years ended 31 March 2014, 2015 and 2016, respectively. For the performance of each restaurant, please refer to "Business — Overview of restaurant operations and management — Operating data of our restaurants" in this prospectus for details. Despite the increase in our revenue during the Track Record Period, our profit attributable to owners of our Company was declining.

The decline in profit attributable to owners of our Company for the year ended 31 March 2015 as compared to that for the year ended 31 March 2014 was mainly due to (i) three out of four new restaurants incurring losses during the year ended 31 March 2015 as new restaurants generally generate lower profits or losses due to lower revenue and higher start-up operating costs at the initial stage and require a period of time to achieve target revenue and therefore incurred negligible revenue and recorded substantial loss at the initial stage of operation; (ii) the decrease in profit before taxation for comparable restaurants as mentioned in the paragraph headed "Comparable Restaurants" in this section; and (iii) the non-recurring Listing expenses. The adjusted profit attributable to owners of our Company (excluding the non-recurring Listing expenses) was approximately HK$32.0 million for the year ended 31 March 2015, which represented a decrease of approximately 19.2%, or approximately HK$7.6 million as compared with that for the year ended 31 March 2014.

The decrease in profit attributable to owners of our Company for the year ended 31 March 2016 as compared with that for the year ended 31 March 2015 was mainly due to (i) the decrease in profit before taxation for comparable restaurants as mentioned in the paragraph headed "Comparable Restaurants" in this section; (ii) the comparatively lower revenue generated by the new restaurants; (iii) the decrease in revenue generated from Cecconi's Italian and The BellBrook due to the cessation of operation during the renovation period as a result of the change of restaurant concepts and relocation of Cecconi's Italian and the relevant expenses incurred for the change of restaurant concepts and relocation of Cecconi's Italian; (iv) the loss on disposals of property, plant and equipment due to the closure of Cecconi's Italian in January 2016; (v) the start-up operating costs of approximately HK$2.0 million incurred for the five new restaurants to be opened subsequent to 31 March 2016 (four and one new restaurant(s) to be opened during the years ending 31 March 2017 and 2018, respectively), which had no revenue generated during the year ended 31 March 2016 while there were four restaurants which incurred start-up operating costs of approximately HK$0.2 million during the year ended 31 March 2015; and (vi) the expenses incurred for the close down of Topclean Bakery on 30 April 2015. The decrease in profit attributable to owners of our Company was partly offset by the gain on disposal of Golden Rock of approximately HK$10.5 million for the year ended 31 March 2016.

As a result of the factors discussed above, profit attributable to owners of our Company decreased by approximately 22.6% or approximately HK$5.3 million, from approximately HK$23.4 million for the year ended 31 March 2015 to approximately HK$18.1 million for the year ended 31 March 2016. In respect of the Listing expenses, we incurred approximately HK$8.6 million and HK$5.6 million for the year ended 31 March 2015 and 2016, respectively. For illustration purpose only, the adjusted profit attributable to owners of our Company (excluding the non-recurring Listing expenses) will be approximately HK$32.0 million and HK$23.7 million for the year ended 31 March 2015 and 2016, respectively, which represented a decrease of approximately 25.9%, or approximately HK$8.3 million.

Revenue of restaurants operated under franchised/licensed brands

During the Track Record Period, we owned and operated a number of restaurants in Hong Kong through the entering into of franchising/licence agreements. As at 31 March 2014, 31 March 2015 and 31 March 2016, we operated nine, 12 and 10 full-service restaurants and one bakery restaurant under franchised/licensed brands, respectively. The following table sets forth the breakdown of our revenue generated from operation of restaurants (including clubhouse restaurant and bakery restaurant) and takeaway outlet during the Track Record Period attributable to restaurants operated under franchised/licensed brands and restaurants operated under our own brands:

	Year ended 31 March					
	2014		2015		2016	
	Revenue	**% of total revenue**	**Revenue**	**% of total revenue**	**Revenue**	**% of total revenue**
	(HK$'000)	*(%)*	*(HK$'000)*	*(%)*	*(HK$'000)*	*(%)*
Restaurants operated under franchised/ licensed brands	211,576	54.4	310,143	66.3	297,824	64.3
Restaurants operated under own brands	177,660	45.6	157,786	33.7	165,057	35.7
Total	389,236	100.0	467,929	100.0	462,881	100.0

Comparable Restaurants

As a new restaurant generally requires a period of time to achieve target revenue, only negligible revenue can be generated at the initial stage. Our result of operations is therefore affected by the opening of restaurants. In order to demonstrate the performance of our restaurants, our Group defined comparable restaurants as restaurants which were operating throughout the full year of each of the financial year under comparison. For example, the comparable restaurants for the years ended 31 March 2014 and 31 March 2015 are restaurants which were operating throughout both the year ended 31 March 2014 and the year ended 31 March 2015. The comparable restaurants exclude (i) the newly opened restaurants which were not operating throughout the full period of each of the financial periods; (ii) the restaurants which had changed restaurant concepts and ceased operation in a period of time due to relocation; and (iii) the restaurants which had ceased operation during the financial period. The table below sets forth the financial information of our comparable restaurants[(1)] over the Track Record Period:

	Year ended 31 March		Year ended 31 March	
	2014	**2015**	**2015**	**2016**
Number of comparable restaurants				
Western style	8[(2)]	8[(2)]	8[(5)]	8[(5)]
Italian style	5[(3)]	5[(3)]	4[(6)]	4[(6)]
Asian style	4[(4)]	4[(4)]	4[(7)]	4[(7)]
Total number	17	17	16	16
Revenue of comparable restaurants *(HK$'000)*	365,267	348,834	354,692	317,733
Profit before taxation for comparable restaurants *(HK$'000)*	55,045	43,776	46,818	36,467
Percentage change of profit before taxation for comparable restaurants		(20.5%)		(22.1%)

Notes:

1. *The financial information of the comparable restaurants is based on the unaudited management accounts of our subsidiaries for each of the financial years under comparison*

2. *This includes BLT Burger (Harbour City), BLT Steak, Bouchon, Craftsteak, Taco Loco, Laris/The Bellbrook, Tango (Central) and BLT Burger (Times Square)*

3. *This includes Bistecca, Lupa, Manzo, Al Molo and Cecconi's Italian*

4. *This includes Bombay Dreams, Soho Spice, Nahm and Olive*

5. *This includes BLT Burger (Harbour City), BLT Steak, Bouchon, Craftsteak, Taco Loco, Tango (Central), BLT Burger (Times Square) and Toro*

6. *This includes Bistecca, Lupa, Al Molo and La Locanda*

7. *This includes Bombay Dreams, Soho Spice, Nahm and Olive*

Based on the above financial information of the comparable restaurants, our overall result of operations is mainly affected by the following:

- the comparatively lower profits or losses generated by the new restaurants;

- some of the new restaurants which incurred the start-up operating costs had no revenue generated during the financial periods as they were opened subsequent to the respective period end;

- the new restaurants incurred significant depreciation expenses as our Group depreciates the property, plant and equipment over their estimated useful lives, using straight-line method, at the rates ranging from 20% to 25% per annum or shorter of the remaining lease term or five years (for details of the accounting policy for the depreciation of property, plant and equipment, please refer to the section headed "Financial information — Critical accounting policies and estimates — Property, plant and equipment and depreciation"); and

- some of the restaurants ceased operation for a period of time for relocation or renovation and therefore no revenue were generated during such period.

For further details regarding the comparable restaurants, please refer to the section headed "Financial Information — Principal factors affecting our results of operations — Opening of new restaurants" in this prospectus.

Highlights of consolidated statements of financial position

	As at 31 March		
	2014	**2015**	**2016**
	(HK$'000)	*(HK$'000)*	*(HK$'000)*
Non-current assets	81,482	96,464	104,366
Current assets	62,108	92,197	66,733
Current liabilities	(103,008)	(88,584)	(52,902)
Net current (liabilities)/assets	(40,900)	3,613	13,831
Net assets	40,582	100,077	118,197

Prospective investors should note that, as at 31 March 2014, we recorded net current liabilities of approximately HK$40.9 million, and relatively thin net current assets of approximately HK$3.6 million and HK$13.8 million as at 31 March 2015 and 31 March 2016, respectively. This was mainly attributable to the non-interest bearing advances provided by related parties to our Group in meeting our capital expenditures during the Track Record Period. Our net current liabilities position as at 31 March 2014 turned into a net current assets position as at 31 March 2015. This was mainly due to the receipts of the proceeds from the First Pre-IPO Investment in December 2014, which have been partially utilised by our Group for, among others, repaying part of the outstanding amounts due to related parties and as our general working capital.

Our net current assets position further improved from approximately HK$3.6 million as at 31 March 2015 to approximately HK$13.8 million as at 31 March 2016 which was mainly attributable to (i) our amount due to Controlling Shareholders decreased from approximately HK$25.4 million as at 31 March 2015 to nil as at 31 March 2016; and (ii) our trade and other payables decreased from approximately HK$59.1 million as at 31 March 2015 to HK$50.3 million as at 31 March 2016. Such amount was partly offset by the decrease in our bank balances and cash from approximately HK$57.4 million as at 31 March 2015 to approximately HK$25.7 million as at 31 March 2016. At the request of CIS Strategic, the Second Exchangeable Bond was redeemed fully by Dining Concepts (International) in September 2015 at the redemption price of approximately HK$32.6 million, being the principal amount of the Second Exchangeable Bond together with the return at an internal rate of 13%. The repayment of the redemption of approximately HK$32.6 million was funded by our Company on behalf of Dining Concepts (International). For the repayment of such amount to our Company, Dining Concepts (International) has undertaken to (i) take up all the amounts due to Controlling Shareholders of approximately HK$25.1 million as at the date of redemption; and (ii) repay the remaining amount by settlement of the amount due from Controlling Shareholders as at 31 March 2016 of approximately HK$7.5 million before Listing. Please refer to "History, development and Reorganisation — Pre-IPO Investments — Second Pre-IPO Investment" in this prospectus for details.

Going forward, we expect to fund our working capital requirements and the planned capital expenditure from a combination of various sources, including but not limited to cash generated from our operations and the net proceeds from the Placing, as well as other possible equity and debt financings as and when appropriate. Our Directors have confirmed that as at the Latest Practicable Date, our Group did not have any plan to raise any material debt financing shortly after Listing.

Key financial ratios

The following table sets forth a summary of the key financial ratios of our Group as at the end of each reporting date during the Track Record Period:

	As at 31 March		
	2014	2015	2016
Current ratio	0.6	1.0	1.3
Quick ratio	0.6	1.0	1.2
Gearing ratio (%)	122.9	28.1	2.1
Debt-to-equity ratio (%)	48.2	N/A	N/A

Prospective investors should note that, as at 31 March 2014, 31 March 2015 and 31 March 2016, we recorded a gearing ratio of approximately 122.9%, 28.1% and 2.1%, respectively. Our gearing ratio significantly decreased to approximately 28.1% as at 31 March 2015 primarily as a result of the receipts of the Pre-IPO Investments during the year ended 31 March 2015, which have been partially utilised by our Group for, among others, repaying part of the outstanding amounts due to related parties. Our gearing ratio further improved from approximately 28.1% as at 31 March 2015 to approximately 2.1% as at 31 March 2016 mainly due to the repayment of part of the outstanding amounts due to related parties.

	Year ended 31 March		
	2014	2015	2016
Net profit margin before interest and tax (%)	13.5	7.4	5.5
Net profit margin (%)	10.1	5.0	3.9
Return on equity (%)	97.5	23.4	15.3
Return on total assets (%)	27.5	12.4	10.6
Interest coverage (times)	N/A	27.8	N/A

Prospective investors should note that, for each for the years ended 31 March 2014, 2015 and 2016, we recorded net profit margins of approximately 10.1%, 5.0% and 3.9%, respectively. The decline of our net profit margin was mainly attributable to the decrease in revenue of the comparable restaurants during the Track Record Period resulting in the increase in our staff costs, rental and related expenses and other expenses in proportion to our total revenue, as well as the impact of financial results of the new restaurants as mentioned in the paragraph headed "Comparable Restaurants" in this section and the recognition of non-recurring Listing expenses for the year ended 31 March 2015 and 2016. Our net profit margin was affected by the same factors affecting our profit attributable to owners of our Company. For details, please refer to the section headed "Financial Information — Description and analysis of principal components in the consolidated statements of profit or loss and other comprehensive income — Profit attributable to owners of our Company" in this prospectus.

For details of the calculation basis of the abovementioned key financial ratios, please refer to the section headed "Financial information — Analysis of other key financial ratios" in this prospectus.

SHAREHOLDING INFORMATION

Upon completion of the Capitalisation Issue and the Placing (without taking into account the Shares to be allotted and issued upon the exercise of the Offer Size Adjustment Option or options granted or to be granted under the Share Option Schemes), Dining Concepts (International), Total Commitment, Mr. Sekhri, Minrish, Mr. Mirpuri, Mrs. Mirpuri, Mr. Uttamchandani, Ideal Winner, Ms. Dayaram, Indo Gold, Mr. P. W. Uttamchandani, Mrs. D. P. Uttamchandani and Mr. M. Uttamchandani, respectively, being our Controlling Shareholders, will together be beneficially interested in approximately 64.89% of the issued share capital of our Company. None of our Controlling Shareholders is interested in any business which is, whether directly or indirectly, in competition with our business in Hong Kong. For details, please refer to the section headed "Relationship with our Controlling Shareholders" in this prospectus.

We have entered into, and expect to continue after the Listing, certain transactions which will constitute continuing connected transactions of our Company under the GEM Listing Rules after Listing. These transactions include (i) a tenancy agreement in respect of a store room in Hong Kong; (ii) a master agreement in respect of the procurement of food delivery services rendered by Cuisine Courier and Waiters on Wheels; and (iii) a master agreement in respect of the supply of utensils and kitchen equipment by Global Hotelware. Transactions (i) and (ii) constitute exempt continuing connected transactions while transaction (iii) constitutes a non-exempt continuing connected transaction under the GEM Listing Rules. For details, please refer to the section headed "Connected transactions" in this prospectus.

PRE-IPO INVESTMENTS

There have been two rounds of pre-IPO investments in our Company. The First Pre-IPO Investment Agreement, which was entered into with Prometheus Capital and was effective on 25 November 2014, was later completed on 4 December 2014. The Second Pre-IPO Investment Agreement was entered into with CIS Strategic and was effective on 24 December 2014. The Second Exchangeable Bond was later redeemed fully pursuant to the terms and conditions thereof on 2 September 2015.

Pursuant to the First Pre-IPO Investment Agreement, Dining Concepts (International) (i) issued the First Exchangeable Bond in the principal amount of US$4,000,000 (equivalent to approximately HK$31,120,000) to Prometheus Capital on 4 December 2014; and (ii) granted a security interest in 15,000 Shares, representing 15% of the then entire issued share capital of our Company, to Prometheus Capital pursuant to the First Share Charge Deed, which was entered into on 4 December 2014 to secure the obligations, restrictions and covenants undertaken by the covenantors of the First Pre-IPO Investment Agreement.

The First Exchangeable Bond shall be automatically exchanged for our Shares on the first business day preceding the Listing Date whereby Dining Concepts (International) shall transfer 13,480 Shares to Prometheus Capital. Immediately upon completion of the Capitalisation Issue and the Placing, Prometheus Capital will directly hold approximately 10.11% of the entire issued share capital of our Company (without taking into account the Shares to be allotted and issued upon the exercise of the Offer Size Adjustment Option or options granted or to be granted under the Share Option Schemes).

On 31 March 2015, Mr. Sekhri, our Company and parties to the First Pre-IPO Investment Agreement entered into the Deed of Novation, pursuant to which our Company, with the consent of the other parties to the First Pre-IPO Investment Agreement, assigned and novated to Mr. Sekhri, and Mr. Sekhri irrevocably assumed and undertook to perform all the rights and obligations of our Company under the First Pre-IPO Investment Agreement.

Pursuant to the Second Pre-IPO Investment Agreement, Dining Concepts (International) (i) issued the Second Exchangeable Bond in the principal amount of HK$30,000,000 to Convoy Investment held for and on behalf of CIS Strategic on 29 December 2014; and (ii) granted a security interest in 9,000 Shares, representing 9% of the then entire issued share capital of our Company, to CIS Strategic pursuant to the Second Share Charge Deed which was entered into on 29 December 2014 to secure the obligations, restrictions and covenants undertaken by the covenantors of the Second Pre-IPO Investment Agreement.

On 2 September 2015, Dining Concepts (International) received a redemption notice in respect of the whole of the Second Exchangeable Bond from Convoy Investment. On the same date, the Second Exchangeable Bond was redeemed fully by Dining Concepts (International) at the redemption price of HK$32,649,863, being the principal amount of the Second Exchangeable Bond together with the return at an internal rate of 13%, by way of a cheque to CIS Strategic, pursuant to the terms and conditions of the Second Exchangeable Bond.

On 2 September 2015, Dining Concepts (International) and CIS Strategic entered into the Deed of Release, pursuant to which CIS Strategic confirmed that, with effect from the date thereof, upon the receipt of the redemption price, the entire repayment obligations owed by Dining Concepts (International) to CIS Strategic and/or Convoy Investment under the Second Exchangeable Bond and the Second Share Charge Deed have been released and discharged fully and absolutely.

On 11 May 2016, Mr. Sekhri, our Company and parties to the First Pre-IPO Investment Agreement entered into the third side letter agreement to the First Pre-IPO Investment Agreement, pursuant to which the term of the First Exchangeable Bond was extended for a further six months to 3 December 2016.

SELLING SHAREHOLDER

Dining Concepts (International) is the Selling Shareholder which will hold 260,598,000 Shares, representing approximately 32.57% of the total issued share capital of our Company immediately upon completion of the Capitalisation Issue and the Placing (without taking into account the Shares to be allotted and issued upon the exercise of the Offer Size Adjustment Option or options granted or to be granted under the Share Option Schemes). As part of the Placing, the Selling Shareholder will offer Sale Shares (of 59,010,000 Shares) at the Placing Price, representing approximately 7.38% of the total issued share capital of our Company (without taking into account the Shares to be allotted and issued upon the exercise of the Offer Size Adjustment Option or options granted or to be granted under the Share Option Schemes), which shall be regarded as part of the public float for the purposes of the GEM Listing Rules.

SHARE OPTION SCHEMES

We have conditionally adopted the Pre-IPO Share Option Scheme on 14 July 2016 as further described in the section headed ''Share Option Schemes — Pre-IPO Share Option Scheme'' in Appendix IV to this prospectus to grant options thereunder to six grantees. The total number of Shares subject to the options to be granted under the Pre-IPO Share Option Scheme is 51,000,000, representing approximately 6.38% of the issued share capital of our Company as at the Listing Date (without taking into account the Shares to be allotted and issued upon the exercise of the Offer Size Adjustment Option or options granted or to be granted under the Share Option Schemes). If all options are fully exercised (without taking into account the Shares to be allotted and issued upon the exercise of the Offer Size Adjustment Option or options to be granted under the Post-IPO Share Option Scheme), this would have a dilutive effect of approximately 5.99% each on the Shareholders and on earnings per Share.

In addition, we have conditionally adopted the Post-IPO Share Option Scheme. For a summary of the principal terms under the Post-IPO Share Option Scheme, please refer to the section headed ''Share Option Schemes — Post-IPO Share Option Scheme'' in Appendix IV to this prospectus.

NON-COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, we had the following non-compliance incidents: (i) failure to apply for the water pollution control licences for most of our restaurants, central bakery and takeaway outlet; (ii) operation of the restaurant business of some of our restaurants without the valid general restaurant licences and liquor licences for a specific period; (iii) usage of outside seating accommodation of some of our restaurants contrary to the Food Business Regulation; (iv) serving of restricted food of some of our restaurants contrary to the Food Business Regulation; (v) obstruction of means of escape contrary to the Fire Services (Fire Hazard Abatement) Regulations; (vi) unauthorised installation or alteration of furnace or chimney contrary to the Air Pollution Control Regulations; (vii) certain breaches of conditions of the Certificate of Compliance contrary to the Clubs (Safety of Premises) Ordinance; and (viii) late filing of non-resident persons profit tax returns of some of our subsidiaries. For details of our non-compliances, please refer to the section headed “Business — Legal proceedings and compliance” in this prospectus.

PLACING STATISTICS

Number of Placing Shares	: 200,000,000 Placing Shares (comprising 140,990,000 New Shares and 59,010,000 Sale Shares)
Offer Size Adjustment Option	: 30,000,000 new Shares
Placing Price range	: HK$0.40 to HK$0.60 per Placing Share
Board lot	: 5,000

	Based on the minimum indicative Placing Price of HK$0.40	**Based on the maximum indicative Placing Price of HK$0.60**
Market capitalisation	HK$320 million	HK$480 million
Unaudited pro forma adjusted net tangible assets attributable to the Shareholders per Share(Note)	HK$0.17	HK$0.21

Note: Please refer to the section headed “Unaudited pro forma financial information” in Appendix II to this prospectus for details regarding the assumptions and the calculation method used.

DIVIDEND POLICY

Certain of our subsidiaries declared and paid dividends amounting to approximately HK$36,215,000 and HK$28,950,000 for the years ended 31 March 2014 and 31 March 2015, respectively. No dividend was declared for the year ended 31 March 2016. On 14 July 2016, our Company declared dividends of approximately HK$7.3 million to our then shareholders and the amount was settled on 18 July 2016 with internal resources. Save as disclosed above, no dividends have been paid or declared by our Company since its incorporation and no dividends have been declared and paid by the companies now comprising our Group to their then respective shareholders during the Track Record Period and up to the Latest Practicable Date.

Our Board has absolute discretion as to whether to declare any dividend for any year end and if any, the amount of dividend and the means of payment. Such discretion is subject to any applicable laws and regulations including the Companies Law, and our Articles which require also the approval of our Shareholders. The amount of any dividend to be declared and paid in the future will depend on, among other things, our dividend policy, results of operations, cash flows and financial condition, operating and capital requirements and other relevant factors. Currently, we do not have any predetermined dividend distribution ratio. There will be no assurance that our Company will be able to declare or distribute any dividend in the amount set out in any plan of our Board or at all. The dividend distribution record in the past may not be used as a reference or basis to determine the level of dividends that may be declared or paid by our Board in the future.

LISTING EXPENSES

Assuming the Offer Size Adjustment Option is not exercised and assuming the Placing Price is HK$0.50 per Placing Share, being the mid-point of the indicative Placing Price range stated in this prospectus, the aggregate amount of Listing expenses (including the underwriting commissions attributable to the New Shares and excluding the underwriting commissions attributable to the Sale Shares) is estimated to be approximately HK$37.6 million. The Listing expenses (excluding the underwriting commissions attributable to the Sale Shares) are solely borne by our Company and non-recurrent in nature.

It is expected that:

- approximately HK$12.0 million to be accounted for as a deduction from equity upon Listing;
- approximately HK$25.6 million to be charged to our Group's consolidated statements of profit or loss and other comprehensive income:
  (i) approximately HK$8.6 million have been recognised by our Group for the year ended 31 March 2015;
  (ii) approximately HK$5.6 million have been recognised by our Group for the year ended 31 March 2016; and
  (iii) approximately HK$11.4 million is expected to be further recognised for the year ending 31 March 2017.

Our Directors would like to emphasise that the Listing expenses stated above are a current estimation for reference purpose and the actual amount to be recognised is subject to adjustments based on audit and possible changes in variables and assumptions.

USE OF PROCEEDS

The aggregate net proceeds from the Placing will be approximately HK$61.1 million, of which (i) our Company will receive approximately HK$32.8 million from the sale of the New Shares (after deducting underwriting fees and estimated expenses in connection with the Placing payable by our Company, and assuming a Placing Price of HK$0.50 per Placing Share, being the mid-point of the indicative Placing Price range of HK$0.40 to HK$0.60 per Placing Share, and the Offer Size Adjustment Option is not exercised); and (ii) the Selling Shareholder will receive approximately HK$28.3 million from the sale of the Sale Shares (after deducting the underwriting commissions excluding the brokerage fee, SFC transaction levy and Stock Exchange trading fee payable by the Selling Shareholder in connection with the Placing). The net proceeds of approximately HK$28.3 million to be received by the Selling Shareholder from the sale of the Sale Shares will not be available to our Group.

Our Directors intend to apply the net proceeds from the Placing as follows:

- approximately HK$29.2 million, representing approximately 89.0% of the net proceeds will be used for expanding our restaurant network;
- approximately HK$2.0 million, representing approximately 6.1% of the net proceeds will be used for enhancing our brand recognition in Hong Kong;
- approximately HK$0.5 million, representing approximately 1.5% of the net proceeds will be used for enhancing the overall profitability of our restaurants; and

- the remaining balance of approximately HK$1.1 million, representing approximately 3.4% of the net proceeds will be used as our general working capital and for general corporate purposes.

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

RECENT DEVELOPMENTS OF OUR GROUP SUBSEQUENT TO THE TRACK RECORD PERIOD

Financial updates

Based on the unaudited financial information of our Company, our revenue for the two months ended 31 May 2016 was lower than that for the two months ended 31 May 2015, which was mainly due to (i) the decrease in number of our restaurants from 24 as at 31 May 2015 to 23 as at 31 May 2016 (including our new restaurant Ophelia which commenced operation on 11 May 2016); and (ii) the reduction of guest traffic at our restaurants as a result of the continuous slowdown of Hong Kong economy. According to the report released by the Census and Statistics Department of Hong Kong, the value of total restaurant receipts of non-Chinese restaurants in Hong Kong increased by 2.3% from the first quarter of 2015 to the first quarter of 2016, while it increased by 5.6% from the first quarter of 2014 to the first quarter of 2015. The recent deterioration in the performance of restaurant industry has affected our restaurant business. We considered that such impact has been lessened by the closure of our loss-making restaurants during the year ended 31 March 2016.

We currently expect that our financial results for the year 31 March 2017 will be negatively impacted by the non-recurring Listing expenses recognised and to be recognised as expenses in our consolidated statements of comprehensive income. For further details regarding our Listing expenses, please refer to the section headed "Financial information — Description and analysis of principal components in the consolidated statements of profit or loss and other comprehensive income — Listing expenses" in this prospectus.

We also expect our financial results for the year ending 31 March 2017 will be negatively affected by the share-based compensation in respect of the options to be granted before Listing pursuant to the Pre-IPO Share Option Scheme conditionally adopted by our Company on 14 July 2016. The grant of the options under the Pre-IPO Share Option Scheme is an equity-settled transaction and the fair value of the options to be granted under Pre-IPO Share Option Scheme will be recognised as expenses in our consolidated statement of profit or loss and other comprehensive income over the vesting periods by reference to the fair value at the date on which such options are granted. The fair value of the options to be granted under the Pre-IPO Share Option Scheme as at the Latest Practicable Date is estimated by Asset Appraisal Limited, an independent valuer, for illustration purposes only, to be approximately HK$9.3 million (assuming a Placing Price of HK$0.50 per Placing Share, being the mid-point of the indicative Placing Price range). Assuming the Offer Size Adjustment Option is not exercised and all the options granted under the Pre-IPO Share Option Scheme are exercised in full on the Listing Date, this would have a dilutive effect on the shareholdings of our Shareholders and earnings per share of approximately 5.99%. For details of the Pre-IPO Share Option Scheme, please refer to the section headed "Share Option Schemes — Pre-IPO Share Option Scheme" in Appendix IV to this prospectus.

Prospective investors should note that our financial information subsequent to the Track Record Period is unaudited and may not reflect the full year results for the year ending 31 March 2017 and may be subject to adjustments based on the audit.

Prospective investors' attention is also drawn to the following principal factors which are expected to have adverse impact on the future financial performance of our Group:

(i) the decline in the consolidated profit attributable to owners of our Company during the Track Record Period;

(ii) opening of new restaurants incurred higher start-up operating costs at the initial stage which has affected the financial performance of our Group during the Track Record Period;

(iii) the non-recurring Listing expenses to be recognised as expenses in our consolidated statements of comprehensive income for the year ending 31 March 2017;

(iv) the share-based compensation of approximately HK$9.3 million (assuming a Placing Price of HK$0.50 per Placing Share, being the mid-point of the indicative Placing Price range) in respect of the options to be granted before Listing pursuant to the Pre-IPO Share Option Scheme, which is expected to be recognised in our consolidated statements of profit or loss and other comprehensive income over the vesting periods up to one year upon Listing of such options;

(v) the increasing trend of rental and related expenses of our Group during the Track Record Period and the escalation clauses in some of the existing lease agreements entered into by our Group;

(vi) the recent deterioration in the performance of restaurant industry as affected by the slowdown of Hong Kong economy;

(vii) the decreasing trend of our Group's net profit margin (excluding the non-recurring Listing expenses) of approximately 10.1%, 6.8% and 5.1% for each of the years ended 31 March 2014, 2015 and 2016, respectively; and

(viii) Mr. Sekhri has entered into a service agreement with our Company for a fixed term of three years with effect from the Listing Date. Pursuant to the service agreement, the basic annual remuneration payable by our Group to him will be HK$3,000,000. Mr. Sekhri's remuneration for the year ended 31 March 2014, 31 March 2015 and 31 March 2016 was approximately nil, HK$596,000 and HK$624,000, respectively. Furthermore, our Group shall pay a one-off bonus of HK$6,000,000 to Mr. Sekhri upon Listing.

In view of the above, prospective investors should note that the financial results of our Group for the year ending 31 March 2017 will be materially and adversely affected by the above factors. Accordingly, the future financial performance of our Group may not be comparable to the financial performance of our Group in the past, and the net profit and net profit margin of our Group may experience further decline.

Business updates

Subsequent to the Track Record Period, we continued to implement our business strategies to expand our business network in Hong Kong. Since 1 April 2016 and up to the Latest Practicable Date, we had not entered into any new franchising agreements or licence agreements as our bakery restaurant was operating under the area development agreement pending the execution of franchising agreement. For details of the existing franchising agreements and licence agreements entered into by our Group, please refer to the section headed "Business — Overview of restaurant operations and management — Franchising agreements and licence agreements" in this prospectus. On 11 May 2016, we opened Ophelia in the premises of Shops F39A and F41A, First Floor, Lee Tung Avenue, 200 Queen's Road East, Wan Chai, Hong Kong. Ophelia is operating under one of our operating subsidiaries, Trendy Move. For details of Ophelia, please refer to the section headed "Business — Overview of restaurant operations and management — Our restaurants" in this prospectus.

Due to the unsatisfactory business performance of Toro, we renovated the premises of Toro and recommenced the business under our self-owned brand as our Tango (Elements) restaurant on 7 July 2016 in view of the successful business of Tango (Central). On 10 June 2016, we entered into a termination agreement with the licensor of Toro, under which it was mutually agreed that the licence agreement of Toro shall terminate with the release of all obligations thereunder on 13 June 2016. On 13 June 2016, we ceased the business of Toro in preparation of the renovation. Our Directors consider that it will not have material impact on the future financial performance of our Group's restaurant operation as it incurred loss during the year ended 31 March 2016.

As at the Latest Practicable Date, we owned and operated restaurants (including 21 full-service restaurants, one clubhouse restaurant and one bakery restaurant) and one takeaway outlet under 21 brands.

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that, up to the Latest Practicable Date, there had been no material adverse change in the financial or trading position or prospects of our Group since 31 March 2016, being the date to which our latest audited financial information was prepared, and there had been no event since 31 March 2016 which would materially affect the information shown in the Accountants' Report set out in Appendix I to this prospectus.

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

"**Accountants' Report**"	the accountants' report of our Group prepared by the Reporting Accountants set out in Appendix I to this prospectus
"**affiliate(s)**"	any other persons, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"**Air Pollution Control Regulations**" or "**APC Reg**"	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
"**Air Pollution Control Ordinance**" or "**APCO**"	Air Pollution Control Ordinance (Chapter 311 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"**Al Molo**"	Al Molo Italian Restaurant, an Italian style restaurant operating under Profit Best which is situated at Shop OT G63, Ground Floor, Ocean Terminal, Harbour City
"**Alto Bar & Grill**"	Alto Bar & Grill, a Western style restaurant expected to be opened in the year ending 31 March 2017, expected to be operated under Success Glory which will be situated at 31st Floor, V Point, 18 Tang Lung Street, Causeway Bay, Hong Kong
"**Articles**" or "**Articles of Association**"	the articles of association of our Company, adopted on 14 July 2016, and as amended from time to time, a summary of which is set out in Appendix III to this prospectus
"**associate(s)**"	has the meaning ascribed thereto under the GEM Listing Rules
"**BBQ Restaurants**"	BBQ RESTAURANTS LIMITED, a company incorporated in Hong Kong with limited liability on 9 March 2010 and a direct wholly-owned subsidiary of Dining Concepts (Western)
"**Big Sky**"	BIG SKY HOLDINGS LIMITED (天鉅集團有限公司), a company incorporated in Hong Kong with limited liability on 25 May 2012 which was owned as to 20% by Total Commitment, 20% by Ideal Winner, 40% by Indo Gold and 20% by Minrish prior to its dissolution by deregistration on 24 July 2015. Big Sky is not a member of our Group
"**Bistecca**"	Bistecca Italian Steak House (formerly known as "Tru Vietnamese and Thai"), an Italian style restaurant operating under Lettuce Entertain which is situated at Offices A, B and C, 2nd Floor, Grand Progress Building, 58, 60 and 62 D'Aguilar Street and 15 and 16 Lan Kwai Fong, Central, Hong Kong

"**BLT Burger**"	BLT BURGER (HK) LIMITED, a company incorporated in Hong Kong with limited liability on 27 July 2009 and a direct wholly-owned subsidiary of Dining Concepts (Western)
"**BLT Burger (Harbour City)**"	BLT Burger, a Western style restaurant operating under BLT Burger which is situated at Shop OT 301 – OT 301A, Level 3, Ocean Terminal, Harbour City
"**BLT Burger (Times Square)**"	BLT Burger, a Western style restaurant operating under Wealthy Home which is situated at Shop B224A, Basement 2, Times Square, Causeway Bay, Hong Kong
"**BLT Restaurants**"	BLT RESTAURANTS (HK) LIMITED, a company incorporated in Hong Kong with limited liability on 10 September 2008 and a direct wholly-owned subsidiary of Dining Concepts (Western)
"**BLT Steak**"	BLT Steak, a Western style restaurant operating under BLT Restaurants which is situated at Shop OT G62, Ground Floor, Ocean Terminal, Harbour City
"**Board**" or "**Board of Directors**"	the board of Directors
"**Bombay Dreams**"	Bombay Dreams, an Asian style restaurant operating under Bombay Dreams (HK) which is situated at Flats A and B, 4th Floor, Carfield Commercial Building, 75 and 77 Wyndham Street, Central, Hong Kong
"**Bombay Dreams (HK)**"	BOMBAY DREAMS (HK) LIMITED (formerly known as "WAITERS ON WHEELS LIMITED" and "CUISINE COURIER LIMITED", respectively), a company incorporated in Hong Kong with limited liability on 26 July 2002 and a direct wholly-owned subsidiary of Dining Concepts (Asian)
"**Bombay Dreams To Go**" or "**takeaway outlet**"	the takeaway outlet with supporting kitchen for takeaway food orders and outdoor catering services for Bombay Dreams, operating under Bombay Dreams (HK) which is situated at Shop 1, Ground Floor and store, Mezzanine Floor, Po Thai Building, 9 Possession Street, Hong Kong
"**Bouchon**"	Bouchon Bistro Francais (formerly known as "Bizou Bistro" and "Ocean Grill"), a Western style restaurant operating under Excel Team which is situated at Flat D, Ground Floor, 49, 49A, 49B and 49C Elgin Street, Central, Hong Kong
"**Braza**"	Braza Churrascaria Brazilian Steakhouse (formerly known as "Mayta Peruvian Kitchen & Pisco Bar"), a Western style restaurant operating under BBQ Restaurants which is situated at Units A, B and C, 3rd Floor, Grand Progress Building, 58, 60 and 62 D'Aguilar Street, 15 and 16 Lan Kwai Fong, Central, Hong Kong

"**Bread Street Kitchen**"	Bread Street Kitchen, a Western style restaurant operating under Pine Best which is situated at Mezzanine Floor, LKF Tower, 33 Wyndham Street and 55 D'Aguilar Street, Central, Hong Kong
"**breakeven point**"	accounting breakeven, which refers to the number of month(s) since the commencement of business of the restaurant at which the monthly revenue is at least equal to the monthly expenses, taking into account the non-cash items such as depreciation and amortisation expenses
"**BRU Beer & Bite**"	BRU Beer & Bite, a Western style restaurant expected to be opened in the year ending 31 March 2018, expected to be operated under New Era which will be situated at Shop 06-G03, Ground Floor, Block C Dormitory, Central Police Station, 10 Hollywood Road, Central, Hong Kong
"**Buildings Department**"	Buildings Department of the Hong Kong Government
"**business day(s)**"	a day which is not a Saturday, Sunday or public holiday in Hong Kong and on which banks in Hong Kong are generally open for normal banking business to the public
"**Business Registration Ordinance**"	Business Registration Ordinance (Chapter 310 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"**BVI**"	the British Virgin Islands
"**CAGR**"	compound annual growth rate
"**California Vintage**"	California Vintage, a Western style restaurant operated under California Vintage (HK) which was situated at Shop B, Ground Floor, Carfield Commercial Building, 75 and 77 Wyndham Street, Central, Hong Kong. California Vintage was closed on 6 March 2016
"**California Vintage (HK)**"	CALIFORNIA VINTAGE LIMITED, a company incorporated in Hong Kong with limited liability on 28 June 2010 and a direct wholly-owned subsidiary of Dining Concepts (Western)
"**Capitalisation Issue**"	the issue of 658,900,165 Shares to be made upon capitalisation of part of the amount standing to the credit of the share premium account of our Company as referred to in the section headed "Further information about our Company — Written resolutions of our Shareholders passed on 14 July 2016" in Appendix IV to this prospectus
"**Cayman Islands Share Registrar**"	Estera Trust (Cayman) Limited, the Cayman Islands share registrar of our Company

"**CCASS**"	Central Clearing and Settlement System established and operated by HKSCC
"**CCASS Investor Participant**"	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
"**CCASS Participant**"	a CCASS Clearing Participant, a CCASS Custodian Participant or a CCASS Investor Participant
"**Cecconi's Italian**"	Cecconi's Italian, an Italian style restaurant operating under (i) Stanley Oriental which was situated at Shop A, Ground Floor, Elgin Building, 43 Elgin Street, Central, Hong Kong before its relocation in July 2015 and (ii) Nice Empire which was situated at Flats A and B, 2nd Floor, Carfield Commercial Building, 75 and 77 Wyndham Street, Central, Hong Kong after its relocation and recommencement of its business operation. Cecconi's Italian was closed on 1 January 2016
"**Certificate of Compliance**"	certificate of compliance granted under section 5(2)(a) of the Clubs (Safety of Premises) Ordinance
"**Central and Western District**"	one of the 18 administrative districts of Hong Kong and located on the northwestern part of Hong Kong Island, covering Kennedy Town, Sai Ying Pun, Sheung Wan, Central and Admiralty
"**CIS Strategic**"	CIS Strategic Investment Limited, a company incorporated in the BVI on 8 December 2014 and owned as to 66.67% by Mr. Lun Shunhua and 33.33% by Mr. Kwok Pak Kuen, both of whom are Independent Third Parties. CIS Strategic is one of the Pre-IPO Investors, whose Second Exchangeable Bond was later redeemed fully on 2 September 2015
"**close associate(s)**"	has the meaning ascribed thereto under the GEM Listing Rules
"**Clubs (Safety of Premises) Ordinance**"	Clubs (Safety of Premises) Ordinance (Chapter 376 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"**Commissioner of Police**"	Commissioner of Police of the Hong Kong Police Force of the Hong Kong Government
"**Companies Law**" or "**Cayman Islands Companies Law**"	Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time
"**Companies Ordinance**"	Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

"**Companies (WUMP) Ordinance**"	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
"**Company**"	Dining Concepts Holdings Limited (飲食概念控股有限公司), an exempted company incorporated under the laws of the Cayman Islands with limited liability on 22 May 2014
"**connected person(s)**"	has the meaning ascribed thereto under the GEM Listing Rules
"**Controlling Shareholder(s)**"	has the meaning ascribed thereto under the GEM Listing Rules, and in the context of our Company, means Dining Concepts (International), Total Commitment, Mr. Sekhri, Minrish, Mr. Mirpuri, Mrs. Mirpuri, Mr. Uttamchandani, Ideal Winner, Ms. Dayaram, Indo Gold, Mr. P. W. Uttamchandani, Mrs. D. P. Uttamchandani and Mr. M. Uttamchandani
"**Convoy Investment**"	Convoy Investment Services Limited, a licensed corporation under the SFO permitted to carry out type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities) and type 9 (asset management) regulated activities
"**core connected person(s)**"	has the meaning ascribed thereto under the GEM Listing Rules
"**Craftsteak**"	Craft Open Fire Cooking, a Western style restaurant operating under Excel Team which is situated at Shop A, Ground Floor, 27 and 29 Elgin Street, Central, Hong Kong
"**Cuisine Courier**"	CUISINE COURIER (HK) LIMITED, a company incorporated in Hong Kong with limited liability on 13 September 2002 which is wholly owned by Total Commitment, a connected person of our Company
"**Deed of Indemnity**"	the deed of indemnity dated 19 July 2016 and entered into by our Controlling Shareholders with and in favour of our Company (for itself and as trustee for our subsidiaries), in respect of certain indemnities given by our Controlling Shareholders in favour of our Company, particulars of which are set out in the section headed "Other information — Estate duty, tax and other indemnity" in Appendix IV to this prospectus
"**Deed of Non-competition**"	the deed of non-competition dated 19 July 2016 and entered into by our Controlling Shareholders with and in favour of our Company (for itself and as trustee for our subsidiaries), in respect of certain non-competition undertakings given by our Controlling Shareholders in favour of our Company, particulars of which are set out in the section headed "Relationship with our Controlling Shareholders — Non-competition undertaking by Controlling Shareholders" in this prospectus

"**Deed of Novation**"	the deed of novation relating to investment documents for certain exchangeable bonds issued by Dining Concepts (International) dated 31 March 2015 entered into among Mr. Sekhri, our Company, Prometheus Capital, Dining Concepts (International), Total Commitment, Ideal Winner, Minrish, Indo Gold and Mr. Uttamchandani, details of which are described in the section headed "History, development and Reorganisation — Pre-IPO Investments — First Pre-IPO Investment" in this prospectus
"**Deed of Release**"	the deed of release dated 2 September 2015 entered into between Dining Concepts (International) and CIS Strategic, details of which are described in the section headed "History, development and Reorganisation — Pre-IPO Investments — Second Pre-IPO Investment" in this prospectus
"**Deed of Waiver**"	the deed of waiver in relation to the shareholder loans owed by our Company dated 31 March 2015 entered into between Dining Concepts (International) and our Company, details of which are described in the section headed "History, development and Reorganisation — Pre-IPO Investments — First Pre-IPO Investment" in this prospectus
"**DEP**"	Director of Environmental Protection
"**DFEH**"	Director of Food and Environmental Hygiene
"**Dining Concepts**"	DINING CONCEPTS LIMITED, a company incorporated in Hong Kong with limited liability on 11 September 2002 and a direct wholly-owned subsidiary of Dining Concepts (Overseas)
"**Dining Concepts (Asian)**"	DINING CONCEPTS (ASIAN) LIMITED, a company incorporated in the BVI with limited liability on 11 June 2014 and a direct wholly-owned subsidiary of our Company
"**Dining Concepts (Casual)**"	DINING CONCEPTS (CASUAL) LIMITED, a company incorporated in the BVI with limited liability on 7 August 2014 and a direct wholly-owned subsidiary of our Company
"**Dining Concepts (International)**"	DINING CONCEPTS (INTERNATIONAL) LIMITED, a company incorporated in the BVI with limited liability on 11 June 2014 and wholly owned by Total Commitment as at the Latest Practicable Date. Dining Concepts (International) is our Controlling Shareholder. It is also the Selling Shareholder which will hold 260,598,000 Shares, representing approximately 32.57% of the total issued share capital of our Company immediately upon completion of the Placing (without taking into account the Shares to be issued upon the exercise of the Offer Size Adjustment Option or options granted or to be granted under the Share Option Schemes). The selling of the Sale Shares (of 59,010,000 Shares), representing approximately 7.38% of the total issued share capital of our Company, shall be regarded as part of the public float for the purposes of the GEM Listing Rules

"**Dining Concepts (Italian)**"	DINING CONCEPTS (ITALIAN) LIMITED, a company incorporated in the BVI with limited liability on 11 June 2014 and a direct wholly-owned subsidiary of our Company
"**Dining Concepts (Macau)**"	DINING CONCEPTS RESTAURAÇÃO, LIMITADA, a company incorporated in Macau on 14 June 2007 which is owned as to 60% by Indo Gold, 25% by Mr. Sekhri and 15% by Ms. Dayaram. Dining Concepts (Macau) is the holding company of the excluded restaurant business in Macau and is not a member of our Group
"**Dining Concepts (Overseas)**"	DINING CONCEPTS (OVERSEAS) LIMITED, a company incorporated in the BVI with limited liability on 11 June 2014 and a direct wholly-owned subsidiary of our Company
"**Dining Concepts (Western)**"	DINING CONCEPTS (WESTERN) LIMITED, a company incorporated in the BVI with limited liability on 11 June 2014 and a direct wholly-owned subsidiary of our Company
"**Director(s)**"	director(s) of our Company
"**District Officer(s)**"	head(s) of each District Office
"**Dutiable Commodities Ordinance**"	Dutiable Commodities Ordinance (Chapter 109 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"**Dutiable Commodities (Liquor) Regulations**"	Dutiable Commodities (Liquor) Regulations (Chapter 109B of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"**Eastern District**"	one of the 18 administrative districts of Hong Kong and located on the northeastern part of Hong Kong Island, covering Causeway Bay, Tin Hau, Fortress Hill, North Point, Quarry Bay, Taikoo Shing, Shau Kei Wan, Heng Fa Chuen, Chai Wan and Siu Sai Wan
"**EBITDA**"	earnings before interest, tax, depreciation and amortisation
"**Employees' Compensation Ordinance**" or "**ECO**"	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**"	Employment Ordinance (Chapter 57 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"**Elements**"	a major shopping mall located at 1 Austin Road West, Tsim Sha Tsui, Kowloon, Hong Kong

"**Environmental Protection Department**"	Environmental Protection Department of the Hong Kong Government
"**Euromonitor**"	Euromonitor International Limited, an independent market research company
"**Euromonitor Report**"	an independent industry research report issued on full-service restaurants in Hong Kong, which was commissioned by our Company and prepared by Euromonitor
"**Excel Team**"	EXCEL TEAM RESTAURANTS LIMITED, a company incorporated in Hong Kong with limited liability on 14 January 2005 and a direct wholly-owned subsidiary of Dining Concepts (Western)
"**Excel Team Trading**"	EXCEL TEAM TRADING LIMITED (卓榮貿易有限公司), a company incorporated in Hong Kong with limited liability on 3 September 2003 and a direct wholly-owned subsidiary of Dining Concepts (Asian)
"**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
"**Fame Top**"	FAME TOP HOLDINGS LIMITED (銘高集團有限公司), a company incorporated in Hong Kong with limited liability on 7 December 2011 and a direct wholly-owned subsidiary of Dining Concepts (Western)
"**Fast Fortune**"	FAST FORTUNE LIMITED (迅佳行有限公司), a company incorporated in Hong Kong with limited liability on 29 July 2011 which was owned as to 40% by Indo Gold, 20% by Ideal Winner, 20% by Total Commitment and 20% by Minrish prior to its dissolution by deregistration on 24 July 2015. Fast Fortune is the holding company of one of the excluded restaurant business in Hong Kong and is not a member of our Group
"**Fire Services Department**"	Fire Services Department of the Hong Kong Government
"**Fire Services (Fire Hazard Abatement) Regulations**"	Fire Services (Fire Hazard Abatement) Regulations (Chapter 95F of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
"**First Exchangeable Bond**"	the US$4,000,000 (equivalent to approximately HK$31,120,000) exchangeable bond dated 4 December 2014 issued by Dining Concepts (International) in favour of Prometheus Capital under the First Pre-IPO Investment, principal terms of which are described in the section headed "History, development and Reorganisation — Pre-IPO Investments — First Pre-IPO Investment — Principal terms of the First Exchangeable Bond" in this prospectus

"**First Pre-IPO Investment**"	investment by Prometheus Capital in our Group pursuant to the First Pre-IPO Investment Agreement as further described in the section headed "History, development and Reorganisation — Pre-IPO Investments — First Pre-IPO Investment" in this prospectus
"**First Pre-IPO Investment Agreement**"	the investment agreement relating to subscription of exchangeable bonds due 2016 dated 25 November 2014 and entered into among Prometheus Capital, Total Commitment, Ideal Winner, Minrish, Indo Gold, Mr. Uttamchandani, Dining Concepts (International) and our Company as varied and supplemented by three side letter agreements dated 4 December 2014, 14 January 2015 and 11 May 2016, respectively, principal terms of which are described in the section headed "History, development and Reorganisation — Pre-IPO Investments — First Pre-IPO Investment — Principal terms of the First Pre-IPO Investment" in this prospectus
"**First Share Charge Deed**"	the share charge deed dated 4 December 2014 and entered into between Prometheus Capital and Dining Concepts (International), details of which are described in the section headed "History, development and Reorganisation — Pre-IPO Investments — First Pre-IPO Investment" in this prospectus
"**Food Business Regulation**"	Food Business Regulation (Chapter 132X of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"**Food and Environmental Hygiene Department**"	Food and Environmental Hygiene Department of the Hong Kong Government
"**Full Merit**"	FULL MERIT HOLDINGS LIMITED (滿豐集團有限公司), a company incorporated in Hong Kong with limited liability on 13 April 2004 and a direct wholly-owned subsidiary of Dining Concepts (Western)
"**Gaucho**"	Gaucho, a Western style restaurant operating under Golden Rock which is situated at 5th Floor, LHT Tower, 31 Queen's Road Central, Central, Hong Kong. Golden Rock was disposed of by Dining Concepts (Western) on 15 January 2016
"**Gaucho Grill**"	Gaucho Grill Limited, a company incorporated in England and Wales with limited liability on 8 May 1907, which is an Independent Third Party
"**GBP**" or "**Pound Sterling**" or "**£**"	Pound Sterling, the lawful currency of the United Kingdom
"**GEM**"	the Growth Enterprise Market of the Stock Exchange
"**GEM Listing Rules**"	the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange, as amended, modified and supplemented from time to time

"**Gioma (UK)**"	Gioma (UK) Limited (formerly known as "Sealrecord Limited"), a company incorporated in England and Wales with limited liability on 20 June 1990 which is wholly owned by Gaucho Grill, a restaurant operator in United Kingdom and an Independent Third Party, which was one of our franchisors before the disposal of Golden Rock on 15 January 2016
"**Global Hotelware**"	GLOBAL HOTELWARE LIMITED (formerly known as "GLOBAL HOTEL WARE LIMITED"), a company incorporated in Hong Kong with limited liability on 24 July 2002 which is owned as to 70% by Total Commitment and 30% by Mr. Umesh Chander Bhasin, an Independent Third Party, accordingly, Global Hotelware is a connected person of our Company
"**Global Profit**"	Global Profit Enterprise Limited, a company incorporated in Hong Kong with limited liability on 22 January 2007 and a direct wholly-owned subsidiary of Dining Concepts (Asian)
"**Golden Rock**"	GOLDEN ROCK LIMITED (金丹有限公司), a company incorporated in Hong Kong with limited liability on 5 September 2014 and was a direct wholly-owned subsidiary of Dining Concepts (Western). It was disposed by Dining Concepts (Western) on 15 January 2016
"**Gourmet Express**"	GOURMET EXPRESS LIMITED (formerly known as "ORIENTAL SOURCING (HK) LIMITED" and "Pizzeria Italia Limited", respectively), a company incorporated in Hong Kong with limited liability on 7 December 2006 which was wholly-owned by Total Commitment prior to its dissolution by deregistration on 24 July 2015. Gourmet Express is not a member of our Group
"**Great Honest**"	GREAT HONEST TRADING LIMITED, a company incorporated in Hong Kong with limited liability on 8 January 2007 which was owned as to 10% by Total Commitment, 14% by Ideal Winner, 56% by Indo Gold and 20% by Minrish prior to its dissolution by deregistration on 4 September 2015. Great Honest is not a member of our Group
"**Great Vision**"	GREAT VISION COMPANY LIMITED, a company incorporated in Hong Kong with limited liability on 8 December 2003 and a direct wholly-owned subsidiary of Total Commitment, which was acquired by Total Commitment on 21 August 2015. Great Vision is not a member of our Group and was the holder of the general restaurant licence of London House, one of our restaurants
"**Group**", "**our Group**", "**we**", "**our**" or "**us**"	our Company and its subsidiaries or, where the context requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
"**Harbour City**"	a major shopping centre, office tower and hotel complex located at 3-27 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong

"**Heaven**"	HEAVEN LIMITED (formerly known as "EL TACO LOCO LIMITED"), a company incorporated in Hong Kong with limited liability on 15 December 2004 and a direct wholly-owned subsidiary of Dining Concepts (Western)
"**HK$**" or "**Hong Kong dollars**"	Hong Kong dollars, the lawful currency of Hong Kong
"**HKFRSs**"	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
"**HKSCC**"	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"**HKSCC Nominees**"	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
"**Hong Kong**" or "**HK**"	Hong Kong Special Administrative Region of the PRC
"**Hong Kong Government**"	the Government of Hong Kong
"**Hong Kong Legal Counsel**"	Mr. Lung Chi Tak, barrister-at-law in Hong Kong
"**Hong Kong Share Registrar**"	Boardroom Share Registrars (HK) Limited, the Hong Kong share registrar and transfer office of our Company
"**Ideal Winner**"	IDEAL WINNER INVESTMENTS LTD., a company incorporated in the BVI with limited liability on 23 January 2008 which is our Controlling Shareholder and wholly-owned by Ms. Dayaram
"**Independent Third Party(ies)**"	a person(s) or company(ies) which is/are independent of and not connected with (within the meaning of the GEM Listing Rules) any of the directors, chief executive and substantial shareholders (within the meaning of the GEM Listing Rules) of our Company, any of its subsidiaries or any of their respective associates
"**Indo Gold**"	INDO GOLD LTD., a company incorporated in the BVI with limited liability on 7 April 2006 which is our Controlling Shareholder and is owned as to 25% by Mr. P. W. Uttamchandani, 25% by Mrs. D. P. Uttamchandani, 25% by Mr. Uttamchandani and 25% by Mr. M. Uttamchandani
"**Internal Control Consultant**"	GC Risk Advisory Services Company Limited, the independent internal control consultant of our Company
"**investment payback point**"	the point of time at which the net profit accumulated from the commencement of business of a restaurant covers the costs of opening and operations, including incurred capital expenditures and ongoing cash and non-cash operating expenses

"**Iron Fairies and J. Boroski**"	Iron Fairies and J. Boroski, a Western style restaurant expected to be opened in the year ending 31 March 2017, expected to be operated under Winner Star which will be situated at LG Floor, Chinachem Hollywood Centre, 1, 3, 5, 7, 9, 11 and 13 Hollywood Road, Central, Hong Kong
"**Ivory Capital**"	Ivory Capital Private Limited, a licensed corporation under the SFO permitted to carry out type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities. Further details about the scope of work provided by Ivory Capital to us are set out in the section headed "Other information — Financial adviser" in Appendix IV to this prospectus
"**La Locanda**"	La Locanda by Giancarlo Perbellini, an Italian style restaurant operating under Wealthy Trade which is situated at Shop 402, Level 4, Ocean Centre, Harbour City
"**Lan Kwai Fong**"	a night entertainment area in Central which mainly consists of restaurants, clubs and bars along D'Aguilar Street and Lan Kwai Fong
"Laris"	Laris (subsequently known as "The BellBrook"), a Western style restaurant operated under Nice Empire, which was situated at Flats A and B, 2nd Floor, Carfield Commercial Building, 75 and 77 Wyndham Street, Central, Hong Kong
"**Latest Practicable Date**"	18 July 2016, being the latest practicable date for the inclusion of information in this prospectus prior to the printing of this prospectus
"**Le Pain Quotidien (Lee Tung Avenue)**"	Le Pain Quotidien, a Western style bakery restaurant operating under Spectrum Rise which is situated at Shops G40, G40A and G41, Ground Floor, Lee Tung Avenue, 200 Queen's Road East, Wan Chai, Hong Kong
"**Le Pain Quotidien (Pacific Place)**"	Le Pain Quotidien, a Western style bakery restaurant expected to be opened in the year ending 31 March 2017, which is expected to be operated under Strong Empire which will be situated at Unit 8, LG Floor, Pacific Place Phase I, 88 Queensway, Admiralty, Hong Kong
"**Lettuce Entertain**"	LETTUCE ENTERTAIN YOU LIMITED, a company incorporated in Hong Kong with limited liability on 18 November 2005 and a direct wholly-owned subsidiary of Dining Concepts (Italian)
"**licence agreements**"	restaurant management agreements, restaurant licence and consulting agreements, restaurant licence agreements or licence and trademark agreements
"**Liquor Licensing Board**"	Liquor Licensing Board of Hong Kong

"**Listing**"	the listing of the Shares on GEM
"**Listing Committee**"	the listing sub-committee of the board of directors of the Stock Exchange
"**Listing Date**"	the date on which dealings of the Shares on GEM first commence, which is expected to be on 5 August 2016
"**Listing Division**"	the listing division of the Stock Exchange
"**London House**"	London House, a Western style restaurant operating under Strong Ace which is situated at Shop G05, Ground Floor and UG15, UG Floor, Tsim Sha Tsui Centre, 66 Mody Road, Kowloon, Hong Kong
"**Lupa**"	LUPA by Mario Batali, an Italian style restaurant operating under Most Glory which is situated at 3rd Floor, LHT Tower, 31 Queen's Road Central and 1, 3, 5, 5A and 7 Theatre Lane, Central, Hong Kong
"**Macau**"	Macau Special Administrative Region of the PRC
"**Mamasan**"	Mamasan Kitchen Bar & Lounge, an Asian style restaurant operating under Max Prospect which is situated at Flats A and B and the water closet thereof, 1st Floor, Winning Centre, 46 and 48 Wyndham Street, 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
"**Manzo**"	MANZO Italian Steak House, an Italian style restaurant operating under Multi Million which was situated at Shop 1104, 11th Floor, Times Square, Causeway Bay, Hong Kong. Manzo was closed on 20 March 2016
"**Max Prospect**"	MAX PROSPECT HOLDINGS LIMITED (鴻昇集團有限公司), a company incorporated in Hong Kong with limited liability on 18 November 2013 and a direct wholly-owned subsidiary of Dining Concepts (Asian)
"**Mayta**"	Mayta Peruvian Kitchen & Pisco Bar (subsequently known as "Braza Churrascaria Brazilian Steakhouse"), a Western style restaurant operated under BBQ Restaurants, which was situated at Units A, B and C, 3/F, Grand Progress Building, 58, 60 and 62 D'Aguilar Street, 15 and 16 Lan Kwai Fong, Central, Hong Kong
"**Memorandum**" or "**Memorandum of Association**"	the memorandum of association of our Company, adopted on 14 July 2016 and as amended from time to time
"**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

"**Minrish**"	MINRISH LIMITED, a company incorporated in the BVI with limited liability on 17 January 2003 which is our Controlling Shareholder and is owned as to 50% by Mr. Mirpuri and 50% by Mrs. Mirpuri
"**MOP$**"	Macau Pataca, the lawful currency of Macau
"**Most Glory**"	MOST GLORY HOLDINGS LIMITED (至威集團有限公司), a company incorporated in Hong Kong with limited liability on 3 March 2011 and a direct wholly-owned subsidiary of Dining Concepts (Italian)
"**Mr. Mirpuri**"	Mirpuri, Rajesh Prishotam, our Controlling Shareholder
"**Mr. M. Uttamchandani**"	Uttamchandani, Mahesh, our Controlling Shareholder
"**Mr. P. W. Uttamchandani**"	Uttamchandani, Pishu Wadhumal, our Controlling Shareholder
"**Mr. Sekhri**"	Sekhri, Sandeep (石成達), our executive Director and chairman of the Board, the founder of our Group and our Controlling Shareholder
"**Mr. Uttamchandani**"	Uttamchandani, Jugdish Johnny, our non-executive Director and our Controlling Shareholder
"**Mrs. D. P. Uttamchandani**"	Uttamchandani, Devi Pishu, our Controlling Shareholder
"**Mrs. Mirpuri**"	Mirpuri, Seema Rajesh, our Controlling Shareholder
"**Ms. Dayaram**"	Dayaram, Shalu Anil, our non-executive Director and our Controlling Shareholder
"**Multi Million**"	MULTI MILLION WAY LIMITED (萬之威有限公司), a company incorporated in Hong Kong with limited liability on 18 October 2010 and a direct wholly-owned subsidiary of Dining Concepts (Italian)
"**Nahm**"	Nahm, Vietnamese & Thai, an Asian style restaurant operating under Global Profit which is situated at Shops 1044 and 1045, First Level, Elements
"**New Era**"	New Era Worldwide Limited (新昇環球有限公司), a company incorporated in Hong Kong with limited liability on 22 March 2014 and a direct wholly-owned subsidiary of Dining Concepts (Casual)
"**New Shares**"	the 140,990,000 new Shares being initially offered by our Company for subscription under the Placing
"**Nice Empire**"	NICE EMPIRE HOLDINGS LIMITED (君益集團有限公司), a company incorporated in Hong Kong with limited liability on 2 August 2012 and a direct wholly-owned subsidiary of Dining Concepts (Western)

"**Ocean Terminal**"	a cruise terminal and shopping mall in Tsim Sha Tsui, Hong Kong, and part of Harbour City
"**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 Size Adjustment Option**"	the option proposed to be granted by our Company to the Underwriters, exercisable by the Sole Lead Manager (for itself and on behalf of the Underwriters) at its sole and absolute discretion, subject to the terms and conditions of the Underwriting Agreement to require our Company to allot and issue up to an aggregate of 30,000,000 additional new Shares (representing 15% of the initial number of the Placing Shares) at the Placing Price as described in the section headed "Structure and conditions of the Placing" in this prospectus
"**Olive**"	Olive Restaurant & Bar, an Asian style restaurant operating under Wide Scope which is situated at Shop on Ground Floor including Cockloft, 32 Elgin Street, Central, Hong Kong
"**Ophelia**"	Ophelia, an Asian style restaurant operating under Trendy Move which is situated at Shops F39A and F41A, First Floor, Lee Tung Avenue, 200 Queen's Road East, Wan Chai, Hong Kong
"**Pacific Place**"	a complex of office towers, hotels and a shopping centre located at 88 Queensway, Admiralty, Hong Kong
"**Pine Best**"	PINE BEST LIMITED, a company incorporated in Hong Kong with limited liability on 17 March 2014 and a direct wholly-owned subsidiary of Dining Concepts (Western)
"**Placing**"	the conditional placing of the Placing Shares, at the Placing Price with professional, institutional and other investors by the Underwriters on behalf of our Company as described in the section headed "Structure and conditions of the Placing" in this prospectus
"**Placing Price**"	the final placing price per Placing Share (excluding brokerage fee, SFC transaction levy and Stock Exchange trading fee) which will be not more than HK$0.60 and is expected to be not less than HK$0.40, such price to be determined on Price Determination Date
"**Placing Shares**"	the 200,000,000 Shares initially being offered for subscription or purchase at the Placing Price under the Placing (comprising 140,990,000 New Shares being initially offered by our Company for subscription and 59,010,000 Sale Shares offered by the

	Selling Shareholder for purchase) at the Placing Price (subject to the Offer Size Adjustment Option and adjustment as described in the section headed "Structure and conditions of the Placing" in this prospectus)
"**Planning Department**"	Planning Department of the Hong Kong Government
"**Post-IPO Share Option Scheme**"	the post-IPO share option scheme conditionally adopted by our Company on 14 July 2016, the principal terms of which are set out in the section headed "Share Option Schemes — Post-IPO Share Option Scheme" in Appendix IV to this prospectus
"**PRC**" or "**China**"	The People's Republic of China which, for the purpose of this prospectus, shall exclude Hong Kong, Macau and Taiwan
"**Pre-IPO Investments**"	the First Pre-IPO Investment and the Second Pre-IPO Investment
"**Pre-IPO Investors**"	Prometheus Capital and CIS Strategic
"**Pre-IPO Share Option Scheme**"	the pre-IPO share option scheme conditionally adopted by our Company on 14 July 2016, the principal terms of which are set out in the section headed "Share Option Schemes — Pre-IPO Share Option Scheme" in Appendix IV to this prospectus
"**Prego**"	Prego Italian, an Italian style restaurant operating under Stanley Oriental which is situated at Shop A, Ground Floor, Elgin Building, 43 Elgin Street, Central, Hong Kong
"**Price Determination Date**"	the date, expected to be on or around 29 July 2016 or such later date as the Sole Lead Manager (for itself and on behalf of the Underwriters) and our Company (for itself and on behalf of the Selling Shareholder) may agree, on which the Placing Price is fixed for the purposes of the Placing
"**Prime Steak**"	Prime Steak House (subsequently known as "TORO Steak House & Gastro Bar" and later as "TANGO Argentinian Steak House"), a Western style restaurant operated under (i) Great Honest since its commencement of business to 30 June 2013 and (ii) Fame Top since 1 July 2013 to 23 February 2014, which was situated at Shop R008, Roof Level, Elements
"**Profit Best**"	PROFIT BEST HOLDINGS LIMITED (澤成集團有限公司), a company incorporated in Hong Kong with limited liability on 17 September 2009 and a direct wholly-owned subsidiary of Dining Concepts (Italian)
"**Prometheus Capital**"	Prometheus Capital (International) Co, Ltd, a company incorporated in the BVI on 4 February 2013, is wholly owned by Mr. Wang Sicong, an Independent Third Party. Prometheus Capital is one of the Pre-IPO Investors which will directly hold approximately 10.11% of the issued share capital of our Company immediately upon completion of the Placing (assuming the Offer Size Adjustment Option or options granted or to be granted under the Share Option Schemes are not exercised)

"**Public Health and Municipal Services Ordinance**"	Public Health and Municipal Services Ordinance (Chapter 132 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"**Quam Securities**"	Quam Securities Company Limited, a licensed corporation under the SFO permitted to carry out type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities, acting as the sole bookrunner and sole lead manager of the Placing
"**Reorganisation**"	the reorganisation arrangements undergone by our Group in preparation for the Listing, which is more particularly described in the section headed "History, development and Reorganisation" in this prospectus
"**Reporting Accountants**"	Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the reporting accountants of our Company
"**Repurchase Mandate**"	the general unconditional mandate to repurchase Shares given to our Directors by our Shareholders, further details of which are contained in the section headed "Further information about our Company — Repurchase by our Company of its own securities" in Appendix IV to this prospectus
"**Rich Ever**"	RICH EVER LIMITED, a company incorporated in Hong Kong with limited liability on 24 December 2015 and a direct wholly-owned subsidiary of Dining Concepts (Western)
"**Sale Shares**"	the 59,010,000 Shares being initially offered for purchase by the Selling Shareholder under the Placing
"**Second Exchangeable Bond**"	the HK$30,000,000 exchangeable bond dated 29 December 2014 issued by Dining Concepts (International) in favour of Convoy Investment (held for and on behalf of CIS Strategic) under the Second Pre-IPO Investment Agreement, which was subsequently redeemed on 2 September 2015, the principal terms of which are described in the section headed "History, development and Reorganisation — Pre-IPO Investments — Second Pre-IPO Investment — Principal terms of the Second Exchangeable Bond" in this prospectus
"**Second Pre-IPO Investment**"	investment by CIS Strategic in our Group pursuant to the Second Pre-IPO Investment Agreement as further described in the section headed "History, development and Reorganisation — Pre-IPO Investments — Second Pre-IPO Investment" in this prospectus
"**Second Pre-IPO Investment Agreement**"	the investment agreement relating to subscription of exchangeable bonds due 2016 dated 24 December 2014 and entered into among CIS Strategic, Total Commitment, Ideal Winner, Minrish, Indo Gold, Mr. Uttamchandani and Dining Concepts (International), the principal terms of which are described in the section headed "History, development and

	Reorganisation — Pre-IPO Investments — Second Pre-IPO Investment — Principal terms of the Second Pre-IPO Investment" in this prospectus
"**Second Share Charge Deed**"	the share charge deed dated 29 December 2014 and entered into between CIS Strategic and Dining Concepts (International), which was subsequently fully released and discharged under the Deed of Release on 2 September 2015, details of which are described in the section headed "History, development and Reorganisation — Pre-IPO Investments — Second Pre-IPO Investment" in this prospectus
"**Selling Shareholder**"	Dining Concepts (International)
"**SFC**"	the Securities and Futures Commission of Hong Kong
"**SFO**"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"**Share Option Schemes**"	Pre-IPO Share Option Scheme and Post-IPO Share Option Scheme
"**Shareholder(s)**"	holder(s) of the Shares
"**Shares**"	ordinary shares of our Company with a nominal value of US$0.01 each
"**Smart Joy**"	SMART JOY LIMITED (卓喜有限公司), a company incorporated in Hong Kong with limited liability on 15 April 2010 and a direct wholly-owned subsidiary of Dining Concepts (Western)
"**Soho**"	an entertainment area located in Central which mainly consists of restaurants, bars, nightclubs, art galleries and antique stores along Staunton Street and Elgin Street
"**Soho Spice**"	Club Soho Spice, an Asian style clubhouse restaurant operating under Excel Team Trading which is situated at Ground Floor and the Yard and the Cockloft, 47B Elgin Street, Central, Hong Kong
"**Sole Bookrunner**" or "**Sole Lead Manager**"	Quam Securities
"**Sole Sponsor**" or "**Quam Capital**"	Quam Capital Limited, a licensed corporation under the SFO permitted to carry out type 6 (advising on corporate finance) regulated activities, acting as the sponsor to the Listing
"**Spectrum Rise**"	SPECTRUM RISE LIMITED (濤昇有限公司), a company incorporated in Hong Kong with limited liability on 12 December 2014 and a direct wholly-owned subsidiary of Dining Concepts (Casual)

"**Stanley Oriental**"	STANLEY ORIENTAL LIMITED, a company incorporated in Hong Kong with limited liability on 22 June 2006 and a direct wholly-owned subsidiary of Dining Concepts (Italian)
"**Stock Exchange**"	The Stock Exchange of Hong Kong Limited
"**Strong Ace**"	STRONG ACE LIMITED (堅峻有限公司), a company incorporated in Hong Kong with limited liability on 11 December 2014 and a direct wholly-owned subsidiary of Dining Concepts (Western)
"**Strong Empire**"	STRONG EMPIRE LIMITED, a company incorporated in Hong Kong with limited liability on 8 October 2015 and a direct wholly-owned subsidiary of Dining Concepts (Casual)
"**Success Glory**"	SUCCESS GLORY LIMITED, a company incorporated in Hong Kong with limited liability on 5 January 2016 and a direct wholly-owned subsidiary of Dining Concepts (Western)
"**subsidiary(ies)**"	has the meaning ascribed thereto under the GEM Listing Rules
"**substantial shareholder(s)**"	has the meaning ascribed thereto under the GEM Listing Rules
"**Taco Loco**"	El Taco Loco, a Western style restaurant operating under Full Merit which is situated at Lower Ground Floor, 7 Staunton Street, Central, Hong Kong
"**Takeovers Code**"	the Codes on Takeovers and Mergers and Share Buy-backs of Hong Kong
"**Tango**"	Tango (Central) and Tango (Elements)
"**Tango (Central)**"	TANGO Argentinian Steak House, a Western style restaurant operating under Smart Joy, which is situated at Flats A and B, 1st Floor, Carfield Commercial Building, 75 and 77 Wyndham Street, Central, Hong Kong
"**Tango (Elements)**"	TANGO Argentinian Steak House, a Western style restaurant operating under Fame Top, which is situated at Shop R008, Roof Level, Elements and commenced operation on 7 July 2016
"**The BellBrook**"	The BellBrook (formerly known as "Laris" and subsequently renovated as "Cecconi's Italian"), a Western style restaurant operating under Nice Empire, which was situated at Flats A and B, 2nd Floor, Carfield Commercial Building, 75 and 77 Wyndham Street, Central, Hong Kong. Cecconi's Italian was closed on 1 January 2016
"**Times Square**"	a major shopping mall and office tower complex located at 1 Matheson Street, Causeway Bay, Hong Kong
"**Topclean Bakery**"	Topclean Bakery, the central bakery of our Group operating under Heaven situated at Shop on Ground Floor and external walls of such shop, Richwealth Mansion, 158 Connaught Road West, Sheung Wan, Hong Kong, which was closed on 30 April 2015

"**Toro**"	TORO Steak House & Gastro Bar (formerly known as "Prime Steak House" and later as "TANGO Argentinian Steak House"), a Western style restaurant operated under Fame Top, which is situated at Shop R008, Roof Level, Elements, which was closed on 13 June 2016
"**Total Commitment**"	TOTAL COMMITMENT HOLDINGS LIMITED, a company incorporated in the BVI with limited liability on 6 October 2004 which is our Controlling Shareholder and wholly owned by Mr. Sekhri
"**Total Commitment (HK)**"	TOTAL COMMITMENT HOLDINGS LIMITED, a company incorporated in Hong Kong with limited liability on 11 October 2010 which is owned as to 50% by Mr. Sekhri and 50% by Mrs. Ranjna Sekhri, the spouse of Mr. Sekhri. Total Commitment (HK) is a connected person of our Company
"**Track Record Period**"	the period comprising the three years ended 31 March 2016
"**Trade Marks Registry**"	Trade Marks Registry of the Intellectual Property Department of the Hong Kong Government
"**Trendy Move**"	TRENDY MOVE LIMITED (健海有限公司), a company incorporated in Hong Kong with limited liability on 12 December 2014 and a direct wholly-owned subsidiary of Dining Concepts (Asian)
"**Underwriters**"	the underwriters of the Placing listed in the section headed "Underwriting" in this prospectus
"**Underwriting Agreement**"	the underwriting agreement dated 25 July 2016 in relation to the Placing entered into among our Company, the covenantors (as defined therein), Quam Securities and the Underwriters, as further described in the section headed "Underwriting" in this prospectus
"**United Kingdom**" or "**U.K.**" or "**UK**"	the United Kingdom of Great Britain and Northern Ireland
"**United States**", "**U.S.**" or "**US**"	the United States of America
"**US$**" or "**U.S. dollars**" or "**US dollars**"	United States dollars, the lawful currency of the United States
"**Waiters On Wheels**"	Waiters On Wheels Limited, a company incorporated in Hong Kong with limited liability on 1 November 2005 which is wholly owned by Total Commitment, a connected person of our Company
"**Wan Chai District**"	one of the 18 administrative districts of Hong Kong and located on the northern part of Hong Kong Island, covering Wan Chai, Wan Chai North, Causeway Bay, Happy Valley, Jardine's Lookout, Stubbs Road, Wong Nai Chung Gap and Tai Hang

"**Water Pollution Control Ordinance**"	Water Pollution Control Ordinance (Chapter 358 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"**Wealthy Home**"	WEALTHY HOME LIMITED (財庭有限公司), a company incorporated in Hong Kong with limited liability on 11 July 2011 and a direct wholly-owned subsidiary of Dining Concepts (Western)
"**Wealthy Trade**"	WEALTHY TRADE LIMITED (貿寶有限公司), a company incorporated in Hong Kong with limited liability on 8 November 2013 and a direct wholly-owned subsidiary of Dining Concepts (Italian)
"**Wide Scope**"	WIDE SCOPE HOLDINGS LIMITED (景宏集團有限公司), a company incorporated in Hong Kong with limited liability on 28 May 2004 and a direct wholly-owned subsidiary of Dining Concepts (Asian)
"**Winner Star**"	WINNER STAR LIMITED, a company incorporated in Hong Kong with limited liability on 18 December 2015 and a direct wholly-owned subsidiary of Dining Concepts (Western)
"**Yau Tsim Mong District**"	one of the 18 administrative districts of Hong Kong and located on the southwestern part of Kowloon Peninsula, covering Yau Ma Tei, Tsim Sha Tsui and Mong Kok
"**%**"	per cent.

Unless otherwise expressly stated or the context otherwise requires, all data in this prospectus is as at the Latest Practicable Date.

Certain monetary amounts and percentage figures included in this prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be arithmetic aggregations of the figures preceding them.

Unless otherwise specified, for the purpose of this prospectus and for the purpose of illustration only, amounts denominated in US dollar have been translated into Hong Kong dollar at the exchange rate of US$1.00 = HK$7.7800. No representation is made that any amounts in US dollar were or could have been converted at such rate or at any other rate on such date or on any other date.

Unless otherwise specified, for the purpose of this prospectus and for the purpose of illustration only, amounts denominated in Macau Pataca have been translated into Hong Kong dollar at the exchange rate of MOP$1.00 = HK$0.9709. No representation is made that any amounts in Macau Pataca were or could have been converted at such rate or at any other rate on such date or on any other date.

Unless otherwise specified, for the purposes of this prospectus and for the purposes of illustration only, amounts denominated in British pound have been translated into US dollar at the exchange rate of £1.00 = US$1.4947. No representation is made that any amounts in British pound were or could have been converted at such rate or at any other rate on such date or on any other date.

Unless otherwise specified, all references to any shareholdings in our Company assume no exercise of the Offer Size Adjustment Option and do not take into account the Shares to be allotted and issued upon exercise of the options granted or to be granted under the Share Option Schemes.

If there is any inconsistency between this prospectus and the Chinese translation of this prospectus, this prospectus shall prevail.

You should carefully consider all of the information in this prospectus including the risks and uncertainties described below before making an investment in the Placing Shares. The business, financial condition or results of operations of our Group could be materially adversely affected by any of these risks. The trading price of our Shares could decline due to any of these risks, and you may lose all or part of your investment.

RISKS RELATING TO OUR BUSINESS

The scarcity of commercially attractive locations, the increase in rental expenses and failure to renew existing leases of the leased properties may adversely affect our results of operations

All of our restaurants are located in prime areas in Hong Kong, such as Soho, Wyndham Street, Lan Kwai Fong, Causeway Bay, Wan Chai and Tsim Sha Tsui and major shopping malls in Hong Kong such as Elements, Times Square and Harbour City. Due to our stringent criteria on the restaurant locations, commercially viable choices are usually limited. If there is a need for relocation or we intend to open new restaurants, we cannot assure that we will be able to find suitable premises for our restaurants with reasonable commercial terms, and accordingly our plan for relocation or expansion may be delayed or disrupted which in turn may have an adverse effect on our results of operations and financial condition.

In addition, characteristics such as demographics of the areas in which our restaurants are located may change adversely during the lease terms of our restaurants. If such changes occur, we may not be able to sustain the advantage derived from our strategic locations, in which case our results of operations may be adversely affected.

As at the Latest Practicable Date, all of our restaurant premises were leased properties. We are accordingly exposed to market fluctuations of the retail rental market. The rental and related expenses of our restaurants amounted to approximately HK$61.9 million, HK$80.8 million and HK$90.4 million, representing approximately 15.9%, 17.3% and 19.5% of our revenue for the years ended 31 March 2014, 31 March 2015 and 31 March 2016, respectively. If we are not able to pass the increased rental costs onto our customers, our results of operations and financial positions may be adversely affected.

The lease agreements for our restaurants typically have an initial term ranging from two to five years. Terms of renewal of these leasing agreements will be subject to further negotiation with the landlords. Since commercially attractive locations are highly competitive, we cannot assure that we will be able to renew such lease agreements on terms acceptable to us or lease premises at strategic locations on commercially viable terms. If we are unable to renew any of the existing leases, we will need to identify alternative locations to carry on the business of the relevant restaurants. As a result, our operations may be disrupted, in which case may adversely affect our financial performance due to, among other things, additional costs for such relocation and write-off of fixed assets. Failure to secure leases at commercially attractive locations or to renew or extend our current leases may also adversely affect our results of operations and profitability.

Our new restaurant concepts may not be successful and our financial performance may be adversely affected

Our future financial performance depends on our ability to develop new concepts for our new restaurants which will successfully generate positive market reception, among other things, including the brands to be established, style of cuisines to be served, restaurant locations and chefs to be hired. As at the Latest Practicable Date, we intended to open four, four and four new restaurants with different culinary themes in the years ending 31 March 2017, 31 March 2018 and 31 March 2019, respectively, targeting customers with mid to high spending power.

However, our ability to develop successful novel concepts is subject to a number of uncertainties, including but not limited to, availability of suitable sites which reinforce the contemplated brand images at commercially viable costs, popularity of the brands and cuisines to be served, difficulties in maintaining franchising/licence arrangements and recruiting and retaining qualified individuals. If we fail to develop new concepts, our expansion plan may be disrupted. In addition, if the concepts of the new restaurants receive unfavourable market response, we may not be able to recoup costs incurred for the opening of new restaurants. As at 31 March 2014, 31 March 2015 and 31 March 2016, there were nine, 12 and 10 restaurants which did not achieve investment payback point, respectively. During the Track Record Period and up to the Latest Practicable Date, due to the unsatisfactory business performance, certain premises of our restaurants such as that of The BellBrook, Mayta and Toro were renovated and the businesses were recommenced under another brands and some were closed down, such as California Vintage, Cecconi's Italian and Manzo. In addition, the excluded restaurant business in Hong Kong held by our Controlling Shareholders, such as Big Sky and Fast Fortune were closed down during the Track Record Period due to their unsatisfactory business performance.

Moreover, the successful execution of novel concepts developed may be hindered by delay in obtaining necessary governmental licences and permits, shortage of qualified employees, delay in renovation works and other unanticipated factors. The expansion plans, from the development of new concepts to their execution, may place substantial strain on our managerial, operational and financial resources.

We cannot assure that every new concept will be well-received by our customers or that we will be able to operate the new restaurants successfully. If we fail to run the new restaurants profitably, our financial performance may be adversely affected.

We operate our business under different brands and we may not be able to manage them properly

As at the Latest Practicable Date, we operated 21 full-service restaurants, one clubhouse restaurant, one bakery restaurant and one takeaway outlet. Most of these restaurants were operated under different brands serving a variety of cuisines. Some of these restaurants featured celebrity chefs to enhance the brand appeal. As a result, these restaurants may rely heavily on the publicity of these celebrity chefs. In view of the competitive nature of the restaurant industry in Hong Kong, we may not be able to recruit or retain these chefs at commercially reasonable costs, in which case our brand appeal, our sales figures, profitability and prospects could be adversely affected.

Moreover, in view of the uniqueness of each brand and the cuisine served, there is no assurance that our managerial, operational and financial resources will be adequate to support our future operations of all of our brands. In particular, resources may be diverted to marketing in order to sustain the popularity of each and every brand we operate. We may not be able to take benefit from the economies of scale. If we fail to run our brands profitably, our financial performance may be adversely affected.

In addition, unlike other restaurant chains which serve only one type of cuisine under an unified brand, our Group may encounter difficulty in establishing an unified brand image as a whole with the vast number of brands and types of cuisines served. Accordingly, additional resources may be required in order to boost our unified brand image within the restaurant industry.

We are susceptible to the popularity of our franchised/licensed brands

Some of our restaurants such as BLT Burger (Harbour City), BLT Burger (Times Square), BLT Steak, Mamasan, Bread Street Kitchen, Al Molo, La Locanda, Lupa, Le Pain Quotidien (Lee Tung Avenue) and London House are operated under franchising/licence agreements, under which we are required to pay franchise/licence fees for the rights to use the brands. For the years ended 31 March 2014, 31 March 2015 and 31 March 2016, these franchise and licence fees represented approximately 2.5%, 3.0% and 2.9% of our revenue for the same periods, respectively.

Most of these brands are operated under franchising/licence agreements with term ranging from eight to 10 years, with an option to renew ranging from five to 10 years. If we are unable to renew our franchising/licence agreements or that these agreements are terminated due to our material breach, particularly for those brands which had successfully established customer affinity, any inability to renew these agreements upon their expiry will materially and adversely affect our financial performance.

Moreover, in the event that these brands fail to sustain their popularity in view of the fast-moving nature of the restaurant industry, we may not be able to recoup the costs of franchise/licence fees paid under the long-term franchising/licence agreements, in which case our financial condition and results of operations may be adversely affected.

We recorded a significant decline in profit attributable to owners of our Company and our sustainability is dependent upon the spending power of our target customers (including tourists and business travellers) and a decline of such spending power (as a result of economic downturn, unstable political or social conditions of Hong Kong) may adversely affect our business

During the Track Record Period, our full-service boutique dining restaurants including Al Molo, Bread Street Kitchen, The BellBrook, BLT Steak, Bouchon, Bistecca, Craftsteak, La Locanda, Lupa, Olive, Tango (Central), and Toro targeted customers (including tourists and business travellers) with mid to high spending power. Our Directors anticipate that our revenue will continue to be primarily derived from customers with mid to high spending power in the foreseeable future.

Based on provisional estimates released by the Census and Statistics Department of Hong Kong, in 2015, "consumer expenditure on food" is expected to observe an annual growth contraction to 4.6%, which reflects a significant drop of 4.0% as compared to the CAGR of 8.6% over the review period from 2009 to 2015. In general, this could mean that consumers may be responding adversely to the comparative contraction in spending power as a result of inflation in prices of meals bought away from home to some extent. During the Track Record Period, we experienced a decline in our profits generated from our restaurants. The profit attributable to owners of our Company decreased by (i) approximately 40.9% or approximately HK$16.2 million, from approximately HK$39.6 million for the year ended 31 March 2014 to approximately HK$23.4 million for the year ended 31 March 2015; and (ii) approximately 22.6% or approximately HK$5.3 million, from approximately HK$23.4 million for the year ended 31 March 2015 to approximately HK$18.1 million for the year ended 31 March 2016. For details, please refer to the section headed "Financial information — Description and analysis of principal components in the consolidated statements of profit or loss and other comprehensive income — Profit attributable to owners of our Company" in this prospectus. Our Directors are of the view that the decrease in profits generated from our restaurants had been affected by the contraction of spending power on food in 2015.

In 2015, the number of inbound tourists declined as mainlanders, who accounted for 77% of total inbound tourists, opted for other travel destinations. According to the Hong Kong Tourism Board, total visitor arrivals and inbound tourism expenditure declined by 2.5% and 7.5% respectively from 2014 to 2015 which dampened overall growth in both retail and food service sales.

Moreover, the Hong Kong economy slowed down in the latter half of 2015 into 2016 mainly due to slower global growth and sharp revisions in global financial and monetary conditions, which led to declines in total imports and domestic exports by 4.1% and 15.2% respectively in 2015.

As a result, trade sources suggested that in recent months, the full-service restaurant industry has witnessed visible cut backs on discretionary spending such as indulgent dining as well as consumers opting for cheaper alternatives when it comes to daily food needs by local consumers.

Moreover, the Occupy Central movement had reduced our customer traffic. We cannot assure that there will not be another movement of similar scale in the near future or that there will not be customer traffic disruption caused by any of such future movement. If such future movement is to persist for a substantial period of time or that the customer traffic is to be disrupted by such movement, our overall business and results of operations may be materially and adversely affected.

As the spending power of our target customers is vulnerable to economic downturn and political and social instability, we cannot assure that the economic, political and social conditions in Hong Kong will always be favourable to our business in Hong Kong. Any unfavourable economic, political and social conditions may adversely affect the spending power of our target customers, and thus our results of operations, financial condition and sustainability.

The prices of food ingredients are subject to continuing fluctuation

Our success depends on reliable supply of food ingredients such as seafood, vegetable and meat at competitive prices delivered in a timely manner. Our cost of inventories consumed accounted for approximately 25.0%, 25.1% and 25.5%, of our total revenue for the years ended 31 March 2014, 31 March 2015 and 31 March 2016, respectively.

During the Track Record Period, the prices of food ingredients purchased had fluctuated. Generally, all food ingredient groups displayed increasing prices from 2009 to 2014. Please refer to the section headed “Industry overview — Market overview for food ingredients used by the full-service restaurants” in this prospectus for details.

For the years ended 31 March 2014, 31 March 2015 and 31 March 2016, the total purchases from our five largest suppliers in aggregate amounted to approximately 36.2%, 31.0% and 30.3%, respectively, of our total purchases, and our purchases from our largest supplier amounted to approximately 14.8%, 11.5% and 10.8%, respectively, of our total purchases. We sourced a substantial portion of our food ingredients from our five largest suppliers during the Track Record Period. In line with the industry practice, during the Track Record Period and up to the Latest Practicable Date, we had not entered into any long-term contract with our suppliers, and conditions set out in our purchase orders placed with our suppliers vary, subject to a variety of factors, some of which are beyond our control, such as governmental regulations, general economic conditions, global demand or other factors such as climatic changes or other environmental conditions which may adversely affect the harvests of our food ingredients.

We cannot assure that our key suppliers will continue to provide us with food ingredients at reasonable prices, or in a timely manner. If we are not able to react to the increased cost of our food ingredients or identify alternative suppliers within a short period of time on commercially viable terms as our relationship with major suppliers deteriorates, our profitability could be adversely affected. Furthermore, as a consequence, we may be required to remove certain menu offerings of our restaurants, which in turn could adversely affect our results of operations.

Incidents of food poisoning, customer complaints and any other negative publicity associated with our restaurants or on food safety in general could adversely affect our reputation and our business

Our business is susceptible to the risk of food poisoning. While we have taken measures to mitigate such risk, we cannot guarantee that it can be completely eliminated. Incidents of food poisoning caused by third party food suppliers or reasons beyond our control which may affect a number of our restaurants may occur. Reports by the media of incidents of food poisoning or any other negative publicity resulting from the publication of industry findings or research reports in relation to our food quality or customer service or any complaints from our customers may, regardless of their validity, adversely affect our results of operations, which may result in the closure or suspension of the relevant restaurants.

In addition, different types of food ingredients, such as eggs and various kinds of seafood, have been found to contain hazardous substances which may not be fit for human consumption. If there is any adverse publicity in Hong Kong regarding food safety, customers' confidence in dining out in general may be undermined. During the Track Record Period and up to the Latest Practicable Date, as confirmed by our Directors, the food ingredients we used had not been contaminated, and we were not aware of any customer complaint arising therefrom. We cannot assure that we will not be the subject of complaints or claims from customers alleging food-related illness or other food quality or health concerns at a later date. If we receive such claims or complaints, our reputation and business may be materially and adversely affected. Moreover, any adverse publicity on food safety in Hong Kong may adversely affect customers' confidence in dining out in general, which would in turn affect the restaurant industry in Hong Kong as a whole.

Our success depends on our ability to attract, motivate and retain a sufficient number of qualified employees

Given restaurant operations are highly service-oriented, our success depends upon our ability to attract, motivate and retain a sufficient number of qualified employees, such as chefs, restaurant managers, kitchen staff and servers, in order to run our existing restaurants and keep pace with our expansion plan.

In view of the short supply and intense competition for qualified individuals, during the Track Record Period, we had initiated and implemented a number of employee retention policies in an attempt to attract, retain and motivate a sufficient number of qualified employees for our operations and expansion plan. For further details of these policies, please refer to the section headed "Business — Employees — Employee retention" in this prospectus. If these policies are not effective in achieving their objectives, we may not be able to motivate and retain a sufficient number of qualified employees at commercially reasonable costs. Any such failure could delay our planned restaurant openings and result in higher employee turnover or widespread employee dissatisfaction, any of which could have a material adverse effect on our service quality, business plan and results of operations.

In addition, limited availability of qualified individuals could result in higher labour costs. As at 31 March 2016, we employed a total of 548 employees (including both full-time and part-time employees). We incurred approximately HK$90.4 million, HK$121.9 million and HK$125.7 million as staff costs, representing approximately 23.2%, 26.0% and 27.2% of our total revenue, respectively, for the years ended 31 March 2014, 31 March 2015 and 31 March 2016. We are required to comply with the statutory minimum wage requirements, which came into force on 1 May 2011. The statutory minimum wage rate was HK$32.5 per hour as at the Latest Practicable Date. During the Track Record Period and up to the Latest Practicable Date, the salaries and wages of our employees in Hong Kong were higher than the then applicable statutory minimum wage. There is no assurance that the statutory minimum wage rate will not be further revised upward in the future, thereby driving up our labour costs. In view of our anticipated business expansion, it is expected that our labour costs will increase. As the competition in the restaurant industry intensifies, we may not be able to pass the increased labour costs onto our customers, in which case our profitability would be adversely affected.

We have not registered some of our leased properties which may be encumbered and may face vacation

Insofar as the leased properties which are used for restaurants are concerned, as at the Latest Practicable Date, eight of our leased properties might be encumbered, respectively, since we had not registered the lease agreements of such leased properties terms of which were exceeding three years since the entering into such lease agreements. If our leased properties are encumbered resulting in the leases being unenforceable against third parties and vacation of any of our leased properties, we will incur additional costs in relocating to other suitable locations. If we are not able to secure alternative sites for replacement on commercially reasonable terms, there will be an material adverse impact on our business and expansion plans.

Our financial performance and results of operations will be affected by our non-recurring Listing expenses, the options to be granted under the Pre-IPO Share Option Scheme and the Offer Size Adjustment Option

Our Directors estimate that the aggregate amount of Listing expenses (including the underwriting commissions attributable to the New Shares and excluding the underwriting commissions attributable to the Sale Shares) is approximately HK$37.6 million, which is solely borne by our Company. It is expected that:

- approximately HK$12.0 million to be accounted for as a deduction from equity upon Listing;

- approximately HK$25.6 million to be charged to our Group's consolidated statements of profit or loss and other comprehensive income:

  (i) approximately HK$8.6 million have been recognised by our Group for the year ended 31 March 2015;

  (ii) approximately HK$5.6 million have been recognised by our Group for the year ended 31 March 2016; and

  (iii) approximately HK$11.4 million is expected to be further recognised for the year ending 31 March 2017.

Listing expenses are non-recurring in nature. The Board wishes to inform you that our financial performance and results of operations for the year ending 31 March 2017 will be significantly affected by the estimated expenses in relation to the Listing.

Further, pursuant to the Pre-IPO Share Option Scheme conditionally adopted on 14 July 2016, the options to subscribe for a total number of 51,000,000 Shares will be granted under the Pre-IPO Share Option Scheme prior to Listing. The grant of the options under Pre-IPO Share Option Scheme is an equity-settled transaction and the fair value of the options to be granted under the Pre-IPO Share Option Scheme will be recognised as expenses in our consolidated statement of profit or loss and other comprehensive income over the vesting periods by reference to the fair value at the date on which such options are granted, which was estimated to be approximately HK$9.3 million (assuming a Placing Price of HK$0.50 per Placing Share, being the mid-point of the indicative Placing Price range) as at the Latest Practicable Date. Assuming the Offer Size Adjustment Option is not exercised and all the options granted under the Pre-IPO Share Option Scheme are exercised in full on the Listing Date, this would have a dilutive effect on the shareholdings of our Shareholders and earnings per share of approximately 5.99%. Furthermore, assuming the Offer Size Adjustment Option is exercised in full and all the options granted under the Pre-IPO Share Option Scheme are exercised in full on the Listing Date, this would have a dilutive effect on the shareholdings of our Shareholders and earnings per share of approximately 9.2%.

We experienced net current liabilities during the Track Record Period

We had recorded net current liabilities of approximately HK$40.9 million as at 31 March 2014 and relatively thin net current assets of approximately HK$3.6 million and HK$13.8 million as at 31 March 2015 and 31 March 2016, respectively. For details, please refer to the section headed "Financial information — Current assets and current liabilities" in this prospectus. Our net current liabilities position exposes us to liquidity risk. We depend on our ability to generate adequate cash inflows from our operations to support our future liquidity, the payment of trade and other payables and the repayment of our outstanding debts. We cannot assure you that we will be able to generate sufficient cash inflow to finance activities of our Group and cover our general working capital requirements in the future. In the event that we fail to secure adequate funds as working capital, our financial condition and results of operations will be adversely affected.

Our "cluster" management strategy may dilute the business of our restaurants in the same district

It is our business strategy to strategically locate our restaurants in the same district to create a "cluster" effect in order to better leverage the synergies and manage resources among our restaurants. However, such strategy may dilute the business among our restaurants in the same district if we fail to draw additional customers and create additional traffic in such locations. As a result, we may suffer from internal competition within our restaurants and our results of operations may be adversely affected.

Our results of operations are susceptible to periodic fluctuation due to seasonality

Our results of operations may experience periodic fluctuation due to seasonal fluctuations. During the Track Record Period, we generally recorded a revenue of higher monthly revenue in the fourth quarter of each calendar year. In addition, our revenue during Chinese New Year during the Track Record Period is lower, mainly due to the customer preferences to Chinese cuisine during Chinese New Year. By reason of matters stated above, our results of operations may fluctuate significantly from period to period and a comparison of different periods may not be meaningful.

Our intellectual properties may not be adequately protected, which could adversely affect the value of our brands and our business

We have branded our business in Hong Kong under the brand name of "Dining Concepts". As at the Latest Practicable Date, we were the registered owner of 21 trademarks in Hong Kong and were in the process of applying for three trademarks in Hong Kong. Our Directors believe that our brands are essential to our success and our competitiveness in the restaurant industry. Please refer to the sections headed "Business — Intellectual property rights" and "Further information about the business of our Group — Intellectual property rights of our Group" in Appendix IV to this prospectus for further details of registration or licence of our trademarks.

We may not be able to protect our intellectual properties adequately. In April 2014, we discovered an infringement of our intellectual property rights by an Independent Third Party, whose use of our brand name of "Dining Concepts" amounted to passing off and/or infringement of our intellectual property rights. We also cannot assure that the pending trademark applications would be successful and that we will be able to continue to use our registered trademarks. If we are unable to register our trademarks or if we are held by any court or tribunal to have infringed any trademark of third parties, our business may be adversely affected.

In particular, one of our restaurants includes the word "Olive" in its name and we have registered the respective trademark. However, given that the word "Olive" is a common ordinary word, it would be difficult for us to object other restaurants for using or including the word "Olive" in their names.

In addition, we may accidentally infringe intellectual property rights of others. In particular, one of our self-owned brands includes the word "Craftsteak", which assembles a restaurant brand in the United States of America. Although trademarks registries of other countries or regions do not automatically receive protection in Hong Kong and that we have registered the trademark of "Craft Steak Open Fire Cooking" (Trade Mark No. 300557226) under the Trade Marks Ordinance, we cannot guarantee that we will not infringe the intellectual property rights of others in the future. In addition, third parties may infringe our intellectual property rights such as trademarks, recipes and know-how or our effort devoted to protect our intellectual property rights may be inadequate, either of which could have a material adverse effect on our business, financial condition or results of operations. If our competitors infringe our trademarks or imitate our dishes, we may be required to initiate litigation to protect and enforce our trademarks and other intellectual property rights if necessary. Furthermore, any commencement of litigation could incur substantial costs and lead to diversion of resources, which could negatively affect our results of operations, profitability and prospects. Any negative publicity, customer dispute and complaint 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 also confuse, dilute or tarnish, directly or indirectly, our restaurants' brand appeal, which could materially and adversely affect our results of operations, profitability and prospects.

Moreover, we may not be able to enforce judgment successfully and remedies awarded by the courts under such judgment may not be adequate to compensate our actual or anticipated losses even if any such litigation is resolved in our favour, in which case our financial performance and business reputation will be adversely affected.

We depend on an effective quality control system to maintain the quality of our food

Our success is dependent on the quality of our food which in turn relies upon the effectiveness of our quality control system. Such effectiveness depends on various factors, such as the design of the quality control system and the compliance with the quality control policies and guidelines by our employees. Our quality control system consists of (i) food safety and hygiene control and (ii) service quality control. For further details of our quality control measures, please refer to the section headed "Business — Quality control" in this prospectus. We cannot assure that our quality control system will prove to be effective at all times. Any significant failure of the system could have a material adverse effect on our food quality, which in turn could affect our reputation and results of operations.

We may have to suspend or cease the sale of liquor in our restaurants if the relevant employees who hold the relevant liquor licences fail to transfer the licences in a timely manner

All of the liquor licence holders of our restaurants were our full-time employees as at the Latest Practicable Date. Please refer to the section headed "Business — Licensing" in this prospectus for details of the liquor licences of our restaurants.

Under regulation 15 of the Dutiable Commodities (Liquor) Regulations, any transfer of a liquor licence must be conducted in the form as determined by the Liquor Licensing Board. For details, please refer to the section headed “Regulatory overview — Regulations and supervision of restaurant business in Hong Kong — Liquor licence” in this prospectus.

If the relevant employee refuses to give consent to a transfer application when a transfer is required, or fails to make an application in respect of his/ her illness or temporary absence or makes a cancellation application without our consent, or if an application for new issue of a liquor licence is required to be made to the Liquor Licensing Board in case of death or insolvency of the relevant employee, the relevant restaurant may have to suspend or cease its sale of liquor for the time being, in which case may adversely affect our business and profitability.

We may not be able to detect, deter and prevent all incidents of fraud or other misconduct committed by our employees, suppliers or other third parties

In our daily operations, we accept cash from customers as payment. Therefore, we are susceptible to any misappropriation of cash by our employees. We may not be able to detect, deter or prevent all such incidents of fraud, theft, dishonesty, or other misconduct committed by our employees, suppliers or other third parties. Any such misconduct committed against our interests, including past acts that have gone undetected and future acts, may have a material adverse effect on our business, results of operations and financial condition.

Opening new restaurants may result in fluctuations in our financial performance

We intend to open four, four and four new restaurants serving different types of cuisine in the years ending 31 March 2017, 31 March 2018 and 31 March 2019, respectively. Substantial costs, such as rental deposit, renovation costs and costs on utensils, will be incurred for opening new restaurants. A new restaurant generally generates lower profit due to lower sales and higher start-up operating costs at the initial stage and requires a period of time from its opening to achieve target sales. As new restaurants generally generate lower profits or losses due to lower revenue and higher start-up operating costs at the initial stage of operation, our financial performance is expected to experience fluctuations.

We are under financial and contractual commitment to open certain number of restaurants

During the Track Record Period and up to the Latest Practicable Date, we had entered into an umbrella agreement and an area development agreement, under which we were committed to open certain number of restaurants on or before certain prescribed dates. For details, please refer to the section headed “Business — Overview of restaurant operations and management — Franchising agreements and licence agreements”. We do not have any right to suspend the requirements under the agreements. If we fail to open the restaurants according to the agreement(s), the brand owners are entitled to (i) terminate the agreement(s); (ii) cancel our right to open the restaurant(s) operating under the agreement(s); (iii) develop the restaurant under the respective brand in Hong Kong or authorise any other person to do so during the term of the agreement(s) to compete against our restaurants operating under the same brand; and/or (iv) receive an increased minimum annual guarantee for each of the restaurant opened. We could not guarantee that we could implement our expansion plans as stipulated under the agreements in the future, in which case our results of operations may be adversely affected.

Information technology system failures or breaches of our network security could interrupt our operations and adversely affect our business

Since we depend on our information technology system across our operations, to manage our point-of-sales, inventory control, costs, tables and customer relationship, to plan our enterprise resource and to maintain our accounts, any failure or damage of our information technology system could lead to interruptions in our operations and adversely affect our business.

We also receive and maintain certain personal information of our customers from their registration under the frequent diner programme. If our network security is compromised and such information is stolen or obtained by unauthorised persons or used inappropriately, we may be liable for the leakage. Any such proceedings could lead to significant liabilities, which in turn adversely affect our business and financial condition.

Unforeseeable business interruptions could adversely affect our 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 natural disasters, adverse weather conditions, labour strikes or severe traffic accidents or delays, could lead to delay in or failure of deliveries of food ingredients to our restaurants resulting food product contamination or spoilage. In addition, there may also be incidents such as malfunction of refrigeration facilities or inappropriate handling during transportation by the relevant suppliers which could also lead to food deterioration. This may result in failure on our part to provide quality food and services to customers, thereby affecting our business and damaging our reputation.

Our insurance coverage may be insufficient to protect us against potential liabilities arising in 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 carved 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. Our business, financial position and results of operations could be materially and adversely affected if an incident occurs in relation to which we have inadequate insurance coverage. In addition, we cannot assure that we will be able to renew the existing insurance policies on commercially reasonable terms.

We had failed to apply for the water pollution control licences for our restaurants and continued the business operation of some of our restaurants without the general restaurant licences and liquor licences during the Track Record Period and may face prosecution

We had failed to apply for water pollution control licences for all of our restaurants, central bakery and takeaway outlet in accordance with the requirements under Water Pollution Control Ordinance during the Track Record Period. Pursuant to sections 9(2), 10A and 11 of Water Pollution Control Ordinance, discharge of matters into communal sewer or communal drain other than a discharge of domestic sewage or unpolluted water without licence may result in the conviction of the person so discharged, our subsidiaries which run the respective restaurants, central bakery and takeaway outlet and the respective directors of those subsidiaries. Pursuant to section 11(1) of the Water Pollution Control Ordinance, the person who commits the offence shall be liable to the maximum penalty of an imprisonment for 6 months and (a) for a first offence, a fine of HK$200,000; (b) for a second or subsequent offence, a fine HK$400,000, and in addition, if the offence is a continuing offence, a fine of HK$100,000 for each day during which it is proved to the satisfaction of the court that the offence has continued.

In addition, we had continued our business operation of some of our restaurants without general licences and liquor licences during the Track Record Period after the respective expiry dates. Pursuant to section 31(1) of the Food Business Regulation, except under and in accordance with a general restaurant licence, no person shall carry on the food business of restaurant. Pursuant to section 35(3)(a) of the Food Business Regulation, the person who commits the offence shall be liable to the maximum penalty of an imprisonment for six months and a fine of HK$50,000, and in addition, if the offence is a continuing offence, a fine of HK$900 for each day during which it is proved to the satisfaction of the court that the offence has continued. Please refer to the section headed "Business — Legal proceedings and compliance — Legal and regulatory compliance" in this prospectus for details.

As at the Latest Practicable Date, save as disclosed in the section headed "Business — Licensing" in this prospectus, we had obtained the necessary general restaurant licences, light refreshment restaurant licences, Certificates of Compliance, liquor licences, club liquor licences, food factory licence and water pollution control licences for our restaurants and takeaway outlet. However, it is possible that prosecution may be taken against us or the respective directors of our subsidiaries for the non-compliance occurred during the Track Record Period.

If the relevant authorities take action against us, we may be subject to substantial penalties or incur other liabilities and if our Controlling Shareholders fail to indemnify us fully, our cash flow, results of operations and reputation may be adversely affected.

We had failed to comply with the Inland Revenue Ordinance in relation to the filing of certain non-resident persons profit tax returns during the Track Record Period and may face prosecution

During the Track Record Period, some of our Hong Kong subsidiaries had failed to comply with the Inland Revenue Ordinance in relation to their filing of certain non-resident persons profit tax returns on behalf of our franchisors/licensors. For further details of the non-compliance, please refer to the section headed "Business — Legal proceedings and compliance" in this prospectus. Under section 80(2) of the Inland Revenue Ordinance, default in filing may result in conviction of the respective companies and their responsible persons. It is possible that prosecution may be taken against us or the respective directors of our subsidiaries for the abovementioned non-compliance. If the relevant authorities take action against us, we may be subject to substantial penalties or incur other liabilities and if our Controlling Shareholders fail to indemnify us fully, our cash flow, results of operations and reputation may be adversely affected.

Our finance costs may increase in the future

As at 31 March 2014 and 31 March 2015, we had net amounts due to related parties in the sum of approximately HK$29.3 million and HK$13.0 million, respectively and net amounts due from related parties in the sum of approximately HK$16.6 million as at 31 March 2016, which were on an interest free basis. However, assuming such borrowings were subject to the prevailing prime rate quoted by a licensed bank in Hong Kong, the relevant notional interest expenses are estimated to be approximately HK$2.1 million, HK$2.6 million and HK$0.6 million for each of the years ended 31 March 2014, 2015 and 2016, respectively. After Listing, we will no longer rely on the borrowings from related parties for our operations and if we seek any borrowing from any bank or financial institution, our finance costs will increase and our financial performance may be adversely affected.

Historical financial condition and results of operations may not be indicative of our future performance

Our future success depends on various factors, including, among other things, the continuing popularity of our brands, our ability to secure attractive restaurant locations, availability of suitable restaurant personnel, stable and timely supply of food ingredients at commercially viable terms, effective management of our operations, successful implementation of our expansion plan, spending power of our target customers and the macroeconomic condition of Hong Kong, some of which are beyond our control.

We cannot assure that we will be able to operate our restaurants as successfully in the future or that the macroeconomic condition of Hong Kong will remain favourable. In the event that we fail to operate our restaurants as successfully or the macroeconomic condition in Hong Kong becomes unfavourable, our financial condition and results of operations may be adversely affected and our historical financial condition and results of operations may not be indicative of our future performance.

Our historical dividends may not be indicative of our future dividends

Certain of our subsidiaries declared and paid dividends amounting to approximately HK$36,215,000 and HK$28,950,000 for the years ended 31 March 2014 and 31 March 2015, respectively. No dividend was declared for the year ended 31 March 2016. On 14 July 2016, our Company declared dividends of approximately HK$7.3 million to our then shareholders and the amount was settled on 18 July 2016 with internal resources. We cannot assure you that we will declare or pay dividends in the future, and potential investors should be aware that the amount of dividends that were declared and paid in the past should not be used as a reference or basis upon which future dividends will be determined. The payment and the amount of any dividends will be at the discretion of our Directors, taking into account our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors which our Directors deem relevant.

RISKS RELATING TO OUR INDUSTRY

The restaurant industry is highly competitive

As a restaurant operator, we face intense competition within the restaurant industry from a diverse group of restaurant chains, individual restaurants operators and food manufacturers who are engaged in the production of similar products. While restaurants in Hong Kong serving similar cuisines which compete with us directly abound, we also compete with restaurants in different market segments to a lesser extent.

We compete against other restaurants on an array of attributes such as taste of food, customer service, pricing, ambience and the overall dining experience. Some of our competitors may have larger customer bases, stronger brand reputation, longer operating histories, greater financial, marketing and other resources. If we are not able to compete against existing competitors and new market entrants effectively, our business and results of operations may be adversely affected.

Macro-economic factors have had and may continue to have a material adverse effect upon our business, financial condition and results of operations

The restaurant industry is affected by macro-economic factors, including changes in international, national, regional and local economic conditions, visitor arrivals and spending power of our target customers. In particular, our Group's business is operating restaurants in Hong Kong and, accordingly, our results of operations are closely affected by the macroeconomic conditions in Hong Kong. Any deterioration of Hong Kong economy, contraction of consumer expenditure on food, fear of a recession and decreases in consumer confidence may lead to a reduction of guest traffic and average spending per invoice at our restaurants, which could materially and adversely affect our financial condition and results of operations.

Moreover, the occurrence of a sovereign debt crisis, banking crisis or other disruptions in the global financial markets that could impact the availability of credit generally may have a material and adverse impact on financings available to us. Renewed turmoil affecting the financial markets, banking systems or currency exchange rates may significantly restrict our ability to obtain financing from the capital markets or from financial institutions on commercially reasonable terms, or at all, which could materially and adversely affect our business, financial condition and results of operations.

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

Hong Kong may be prone to other epidemic outbreak, such as severe acute respiratory syndrome, which is known as SARS, and avian influenza, outbreak of which could severely reduce customer traffic of our restaurants and adversely affect our results of operations.

In addition, any outbreak of food-borne disease such as Swine Influenza, which is also known as pig flu, and Bovine Spongiform Encephalopathy, which is also known as mad cow disease, may lead to a loss in customer confidence and reduce customer traffic and results of operations. In addition, any negative publicity relating to these and other health-related matters may affect consumers' perception of our restaurants and our food safety, which will consequently reduce customer traffic of our restaurants and adversely affect our results of operations.

We do not have any specific insurance coverage for any of our loss as a result of any outbreak of the abovementioned contagious disease.

The restaurant operations in Hong Kong may be subject to stringent licensing requirements and hygiene standards

Operations of restaurants in Hong Kong are required to comply with increasingly stringent licensing requirements. We cannot assure that the requirements for obtaining general restaurant licences, liquor licences, club licences, food factory licences and water pollution control licences in Hong Kong will not become more stringent in the future, which in turn would increase our compliance costs. More rigorous requirements for obtaining the relevant hygiene permits, the approval on fire protection and the other relevant permits in Hong Kong may also be imposed.

If we fail to obtain or renew the requisite licences on a timely basis, or at all, such failure may result in imposition of fines against us or suspension of some or all of our restaurants, either of which could materially and adversely affect our financial condition and results of operations.

RISKS RELATING TO THE SHARES AND THE PLACING

There has been no prior public market for our Shares and an active trading market for our Shares may not develop or be sustained

Prior to the Placing, no public market for our Shares existed. Following the completion of the Placing, the Stock Exchange will be the only market on which the Shares are publicly traded. We cannot assure you that an active trading market for our Shares will be developed or be sustained after the Placing. In addition, we cannot assure you that our Shares will trade in the public market subsequent to the Placing at or above the Placing Price. The Placing Price is expected to be fixed by agreement among the Sole Lead Manager (for itself and on behalf of the Underwriters) and our Company (for itself and on behalf of the Selling Shareholder), and may not be indicative of the market price of the Shares following the completion of the Placing. If an active trading market for our Shares does not develop or is not sustained after the Placing, the market price and liquidity of Shares could be materially and adversely affected.

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

The trading price of our Shares may be volatile and could fluctuate widely in response to factors beyond our control, including variations in the level of liquidity of our Shares; changes in securities analysts' (if any) estimates of our financial performance; investors' perceptions of our Group and the general investment environment; changes in laws, regulations and taxation systems which affect our operations; general market conditions of the securities markets in Hong Kong. In particular, the trading price performance of our competitors which securities are listed on the Stock Exchange may affect trading price of our Shares. These broad market and industry factors may significantly affect the market price and volatility of our Shares, regardless of our actual operating performance.

In addition to market and industry factors, the price and trading volume for our Shares may be highly volatile for specific business reasons. In particular, factors such as variations in our revenue, net income and cash flow, success or failure of our efforts in implementing business and growth strategies; involvement in material litigation as well as recruitment or departure of key personnel, could cause the market price of our Shares to change unexpectedly. Any of these factors may result in large and sudden changes in the volume and trading price of our Shares.

Substantial future sale of our Shares in the public market could adversely affect their trading price

Sale of substantial amounts of our Shares in the public market after the completion of the Placing, or the perception that such sale could occur, could adversely affect the market price of our Shares and could materially impair our future ability to raise capital through offerings of our Shares. There is no assurance that our major Shareholders would not dispose of their shareholdings. Any significant disposal of our Shares by any of our major Shareholders may materially affect the prevailing market price of our Shares. In addition, these disposals may induce more difficulties for us to issue new Shares in the future at a time and price we deem appropriate, thereby limiting our liability to raise further capital.

We cannot predict what effect, if any, significant future sale will have on the market price of our Shares.

The interests of our Controlling Shareholders may differ from those of other Shareholders

The interests of our Controlling Shareholders may differ from the interests of other Shareholders. If the interests of our Controlling Shareholders conflict with the interests of other Shareholders, or if our Controlling Shareholders cause our business to pursue strategic objectives that conflict with the interests of other Shareholders, you could be disadvantaged by the actions that our Controlling Shareholders choose to cause us to pursue. Our Controlling Shareholders could have significant influence in determining the outcome of any corporate transaction or other matters submitted to the Shareholders for approval, such as mergers, acquisitions and disposal of all of our assets, election of directors, and other significant corporate actions. Our Controlling Shareholders have no obligation to consider the interests of our Company or the interests of other Shareholders.

We may issue additional Shares in the future in which case your Shares may be diluted

We may issue Shares pursuant to the Share Option Schemes. We may also consider issuing and offering additional Shares in the future to raise additional funds, finance acquisitions or for other purposes. If we issue additional Shares in the future, the percentage ownership of our existing Shareholders may be diluted. In addition, such new Shares may have preferred rights, options or pre-emptive rights that make them more valuable than the Shares.

The laws of the Cayman Islands relating to the protection of the interests of minority shareholders are different from those in Hong Kong. We are incorporated under Cayman Islands law and Cayman Islands law may provide different remedies to shareholders when compared with the laws of Hong Kong and other jurisdictions.

Our Company is governed by Memorandum of Association, Cayman Islands Companies Law and common law. The laws of the Cayman Islands in relation to the protection of the interests of minority shareholders differ in some respects from those established under the laws of Hong Kong and other jurisdictions. As a result, the remedies available to Shareholders may be different from those they would otherwise have under the laws of Hong Kong or other jurisdictions. For further details of Memorandum of Association and the related Cayman Islands laws, please refer to Appendix III to this prospectus.

There may be a dilutive effect on the earnings per Share associated with the Share Option Schemes and the Offer Size Adjustment Option

We have adopted the Share Option Schemes, details of which are set out in the section headed ''Share Option Schemes" in Appendix IV to this prospectus. In addition, pursuant to the terms and conditions of the Underwriting Agreement, we may be required to allot and issue up to an aggregate of 30,000,000 additional new Shares (representing 15% of the initial number of the Placing Shares) under the Offer Size Adjustment Option, details of which are set out in the section headed "Structure and conditions of the Placing" in this prospectus. Issuance of Shares pursuant to the exercise of options granted or to be granted under the Share Option Schemes and the Offer Size Adjustment Option will result in an increase in the number of Shares in issue after the issuance and thereby will cause dilution to the percentage of ownership of the existing Shareholders, the earnings per Share, and net asset per Share.

The industry statistics and forward-looking information contained in this prospectus may not be accurate, reliable or fair

Statistics and other information relating to our industry particularly contained in the section headed "Industry overview" in this prospectus have been compiled partly from various publicly available publications as well as the industry report we commissioned from an independent industry consultant. We believe that the sources of such information are appropriate sources and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. However, we cannot guarantee the quality of such source materials. Moreover, statistics derived from multiple sources may not be prepared on a comparable basis. None of our Company, the Selling Shareholder, the Sole Sponsor, the Sole Bookrunner, the Sole Lead Manager, the Underwriters or any other persons or their respective directors, advisers or affiliates involved in the Placing has independently verified such information, and makes no representation as to the accuracy of such facts and statistics, which may not be consistent with other information compiled within or outside Hong Kong. Such information may not be complete or latest. As the way of collecting the information may contain faults or may not be effective, or there exist variations and other problems between information published and market practices, the industry information and statistics contained herein may not be accurate and should not be unduly relied upon when making decision on your investment in our Company or otherwise.

This prospectus contains certain forward-looking statements and information relating to us and the subsidiaries comprising our Group that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. Such statements reflect the current views of our Company's management with respect to future events, operations, liquidity and capital resources, some of which may not materialise or may change. These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this prospectus.

We strongly caution you not to place any reliance on any information contained in press articles or media regarding our Group or the Placing

Prior to the publication of this prospectus, there may be press and media coverage regarding our Group or the Placing, which may include certain financial information, financial projections and other information about our Group that do not appear in this prospectus. We have not authorised the disclosure of any such information in the press or media. We do not accept any responsibility for any such press or media coverage or the accuracy or completeness or reliability of any such information. To the extent that any such information appearing in publications other than this prospectus is inconsistent or conflicts with the information contained in this prospectus, we expressly disclaim it. Accordingly, prospective investors should not rely on any such information. In making your decision as to whether to purchase our Shares, you should rely only on the financial, operational and other information included in this prospectus.

This prospectus contains forward-looking statements that are, by their nature, subject to significant risks and uncertainties, including the risk factors described in this prospectus. Forward-looking statements can be identified by words such as “may”, “will”, “should”, “would”, “could”, “believe”, “expect”, “anticipate”, “intend”, “plan”, “continue”, “seek”, “estimate”, or the negative of these terms or other comparable terminology. Examples of forward-looking statements include, but are not limited to, statements we make regarding our business strategies, development activities, estimates and projections, expectations concerning future operations, profit margins, profitability, dividend policy, competition and the effects of regulation.

Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. We give no assurance that these expectations and assumptions will prove to have been correct. Although these forward-looking statements are made by our Directors after due and careful consideration, these statements reflect the current views of the management of our Group with respect to future events and are subject to certain risks, uncertainties and assumptions, including the risk factors described in the section headed “Risk factors” in this prospectus. Should one or more of the risks or uncertainties materialise, or should the underlying assumptions prove to be incorrect, our financial condition may be adversely affected and may vary materially from those described herein as anticipated, believed, estimated or expected. Accordingly, such statements are neither statements of historical fact nor guarantees or assurances of future performance. Hence, you should not place undue reliance on such forward-looking statements.

Important factors that could cause our actual results to differ materially from those in the forward-looking statements include, but are not limited to, regional, national or global political, economic, business, competitive, market and regulatory conditions and the following:

- the success of our existing and future operations;
- our ability to materialise and manage our planned business expansion;
- our ability to identify suitable restaurant locations on commercially reasonable lease terms;
- our ability to attract customers and maintain customer loyalty;
- our ability to retain senior management team members and recruit qualified and experienced new team members;
- our ability to maintain our competitiveness and operational efficiency;
- our prospective financial condition;
- our ability to protect our brand, trademarks or other intellectual property rights;
- general economic market and business and financial condition in Hong Kong and globally;
- laws, regulations and rules for the restaurant industry in Hong Kong; and
- other factors that are described in the section headed “Risk factors” in this prospectus.

Any forward-looking statement made in this prospectus applies only as at the date on which it is made. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. Subject to the requirements of applicable laws, rules and regulations, we undertake no obligation to update any forward-looking statement, whether as a result of new information, future developments or otherwise. All forward-looking statements contained in this prospectus are qualified by reference to this cautionary statement.

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus, for which our Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Companies (WUMP) Ordinance and 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 about our Group. Our Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this prospectus misleading.

Printed copies of this prospectus required by the GEM Listing Rules and the Companies (WUMP) Ordinance are available, for information purposes only, at the office of (1) Quam Securities at 18th-19th Floors, China Building, 29 Queen's Road Central, Hong Kong; (2) Ample Orient Capital Limited at Unit 902, Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong; (3) China Investment Securities International Brokerage Limited at 63/F, Bank of China Tower, 1 Garden Road, Central, Hong Kong; (4) Finet Securities Limited at 30/F, Fortis Tower, 77-79 Gloucester Road, Wanchai, Hong Kong; and (5) Great Roc Capital Securities Limited at Suite 3712, 37/F, West Tower Shun Tak Center, 168-200 Connaught Road Central, Hong Kong, during normal office hours from 9:00 a.m. to 5:00 p.m. from Wednesday, 27 July 2016 to Thursday, 4 August 2016 (both dates inclusive but on business days only).

INFORMATION ON THE PLACING

The Placing Shares are solely offered on the basis of the information contained and the representation made in this prospectus. No person is authorised in connection with the Placing to give any information or to make any representation not contained in this prospectus, and any information or representation not contained herein should not be relied upon as having been authorised by us, the Sole Sponsor, the Sole Bookrunner, the Sole Lead Manager, the Underwriters, any of their respective directors or affiliates of any of them or any other person or party involved in the Placing. It is expected that, pursuant to the Placing, the Underwriters will conditionally place the Placing Shares on behalf of our Company and the Selling Shareholder with investors.

PLACING SHARES ARE FULLY UNDERWRITTEN

This prospectus sets out the terms and conditions of the Placing.

This prospectus is published solely in connection with the Placing. The listing of the Placing Shares on GEM is sponsored by the Sole Sponsor and lead managed by the Sole Lead Manager. Pursuant to the Underwriting Agreement, the Placing Shares are fully underwritten by the Underwriters on a conditional basis (subject to the terms and conditions of the Underwriting Agreement). For details, please refer to the section headed "Underwriting" in this prospectus.

PLACING PRICE

The Placing Shares are being offered at the Placing Price, which is expected to be fixed between the Sole Lead Manager (for itself and on behalf of the Underwriters) and our Company (for itself and on behalf of the Selling Shareholder) on the Price Determination Date, which is currently scheduled to be on or around Friday, 29 July 2016 or such later date as the Sole Lead Manager (for itself and on behalf of the Underwriters) and our Company (for itself and on behalf of the Selling Shareholder) may agree. If, for whatever reason, the Sole Lead Manager (for itself and on behalf of the Underwriters) and our Company (for itself and on behalf of the Selling Shareholder) are unable to agree on the Placing Price by the Price Determination Date, the Placing will not become unconditional and will lapse. For full information relating to the determination of the Placing Price, please refer to the section headed "Structure and Conditions of the Placing" in this prospectus.

SELLING SHAREHOLDER

Dining Concepts (International) is the Selling Shareholder which will hold 260,598,000 Shares, representing approximately 32.57% of the total issued share capital of our Company immediately upon completion of the Placing (without taking into account the Shares to be issued upon the exercise of the Offer Size Adjustment Option or options granted or to be granted under the Share Option Schemes). As part of the Placing, the Selling Shareholder will offer Sale Shares (of 59,010,000 Shares) at the Placing Price. The Sale Shares (of 59,010,000 Shares) representing approximately 7.38% of the total issued share capital of our Company, shall be regarded as part of the public float for the purposes of the GEM Listing Rules.

RESTRICTIONS ON OFFER AND SALE OF THE PLACING SHARES

No action has been taken to permit the offering of the Placing Shares, other than in Hong Kong, or the distribution of this prospectus in any jurisdiction other than Hong Kong. Accordingly, and without limitation to the following, this prospectus may not be used for the purpose 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.

Prospective investors for the Placing Shares should consult their financial advisers and seek legal advice, as appropriate, to inform themselves of, and to observe, all applicable laws, rules and regulations of any relevant jurisdiction. Prospective investors for the Placing Shares should also inform themselves as to the relevant legal requirements of applying for the Placing Shares and any applicable exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile.

Each person acquiring the Placing Shares will be required to, or be deemed by his acquisition of the Placing Shares, to confirm, that he is aware of the restrictions on offer of the Placing Shares described in this prospectus and that he is not acquiring, and has not been offered, any Placing Shares in circumstances that contravene any such restrictions.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We have applied to the Stock Exchange for the granting of the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Placing (including the additional Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option and any options granted or to be granted under the Share Option Schemes). Pursuant to Rule 11.23(7) of the GEM Listing Rules, at least 25% of the total issued share capital of our Company must at the time of Listing and at all times thereafter be held by the public. A total of 200,000,000 Placing Shares representing 25% of the enlarged issued share capital of our Company will be in the hands of the public immediately following completion of the Placing, and upon Listing (without taking into account any Shares to be issued upon the exercise of the Offer Size Adjustment Option or options granted or to be granted under the Share Option Schemes).

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 proposed to be sought in the near future.

Under Section 44B(1) of the Companies (WUMP) Ordinance, if permission for the listing of, and dealing in, the Shares on GEM has been refused before the expiration of three weeks from the date of the closing of the Placing or such longer period (not exceeding six weeks) as may, within the said three weeks, be notified to our Company 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.

Only securities registered on the branch register of members of our Company kept in Hong Kong may be traded on GEM unless the Stock Exchange otherwise agrees.

REGISTER OF MEMBERS AND STAMP DUTY

All Placing Shares will be registered on our register of members to be maintained in Hong Kong. Our principal register of members to be maintained in the Cayman Islands will be maintained by the Cayman Islands Share Registrar.

Dealings in the Shares registered in our register of members maintained in Hong Kong will be subject to Hong Kong stamp duty.

All issued Shares upon completion of the Placing are freely transferable.

PROFESSIONAL TAX ADVICE RECOMMENDED

Potential applicants for the Placing Shares are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding and dealing in the Shares. None of us, the Sole Sponsor, the Sole Bookrunner, the Sole Lead Manager, the Underwriters, any of their respective directors or any other person or party involved in the Placing accepts responsibility for any tax effects on, or liabilities of, any person resulting from the subscription, purchase, holding or disposition of the Shares.

STRUCTURE OF THE PLACING

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

CURRENCY TRANSLATIONS

Unless otherwise specified, amounts denominated in US$, MOP$ or £ has been translated, for the purpose of illustration only, into Hong Kong dollars or United State dollars (as the case may be) in this prospectus at the following rates:

HK$7.7800 = US$1.00
HK$0.9709 = MOP$1.00
US$1.4947 = £1.00

No representation is made that any amounts in US$, MOP$, £ or HK$ can be or could have been at the relevant dates converted at the above rates or any other rates or at all.

LANGUAGE

If there is any inconsistency between this prospectus and the Chinese translation of this prospectus, this prospectus shall prevail.

ROUNDING

Certain monetary amounts included in this prospectus have been subject to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of listing of, and permission to deal in, the Shares on the Stock Exchange as well as the compliance 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 on 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.

All necessary arrangements have been made for the Shares to be admitted into CCASS. Investors should seek the advice of their stockbrokers or other professional advices for details of these settlement arrangements and how such arrangements will affect their rights and interests.

DIRECTORS

Name	Residential Address	Nationality
Executive Directors		
Mr. Sandeep Sekhri (石成達) *(Chairman and Chief Executive Officer)*	9/F, Block 6 Repulse Bay Garden 30 Belleview Drive Repulse Bay Hong Kong	Chinese
Mr. Sandip Gupta	Flat B, 13/F Willow Mansion Taikoo Shing Shau Kei Wan Hong Kong	Indian
Non-executive Directors		
Mr. Jugdish Johnny Uttamchandani	Flat B, 8/F Cliffview Mansions 19 Conduit Road Mid-levels Hong Kong	British
Ms. Shalu Anil Dayaram	Flat B, 1/F, Block 3 27-37 Perkins Road Cavendish Heights Jardine's Lookout Hong Kong	Indian
Independent non-executive Directors		
Mr. Chan Ming Sun Jonathan (陳銘燊)	15/F, Block C Fu Lai Yuen 1 Chi Fu Road Chi Fu Fa Yuen Pokfulam, Hong Kong	Chinese
Mr. Zen Chung Hei, Hayley (單頌曦)	Flat A, 1/F High House 19A-19B High Street Hong Kong	New Zealand
Mr. Amit Agarwal	Flat 1B, 20/F, Block 1 Clovelly Court 12 May Road Mid-Levels Hong Kong	Indian

For further information, please refer to the section headed "Directors, senior management and employees" in this prospectus.

PARTIES INVOLVED IN THE PLACING

Sole Sponsor	Quam Capital Limited 18th-19th Floors, China Building 29 Queen's Road Central Hong Kong
Sole Bookrunner and Sole Lead Manager	Quam Securities Company Limited 18th-19th Floors, China Building 29 Queen's Road Central Hong Kong
Co-Managers to the Placing	Ample Orient Capital Limited Unit 902 Far East Consortium Building 121 Des Voeux Road Central Hong Kong
	China Investment Securities International Brokerage Limited 63/F, Bank of China Tower 1 Garden Road Central Hong Kong
	Finet Securities Limited 30/F, Fortis Tower 77-79 Gloucester Road Wanchai Hong Kong
	Great Roc Capital Securities Limited Suite 3712, 37/F West Tower Shun Tak Center 168-200 Connaught Road Central Hong Kong
Selling Shareholder	Dining Concepts (International) Limited P.O. Box 957 Offshore Incorporations Centre Road Town Tortola British Virgin Islands
Legal advisers to our Company	*as to Hong Kong law :* Loeb & Loeb LLP 21st Floor, CCB Tower 3 Connaught Road Central Hong Kong
	as to Cayman Islands law : Appleby 2206-19, Jardine House 1 Connaught Place Central Hong Kong

Legal advisers to the Sole Sponsor and the Underwriters	*as to Hong Kong law :* Sidley Austin Level 39, Two International Finance Centre 8 Finance Street Central Hong Kong
Auditors and Reporting Accountants	Deloitte Touche Tohmatsu *Certified Public Accountants* 35/F One Pacific Place 88 Queensway Hong Kong

Registered office	Clifton House 75 Fort Street Grand Cayman KY1-1108 Cayman Islands
Headquarters, head office and principal place of business in Hong Kong	Suites 1701-2 and 1704, 17th Floor Chinachem Hollywood Centre 1, 3, 5, 7, 9, 11 and 13 Hollywood Road Central, Hong Kong
Company's website address	**www.diningconcepts.com** *(the information on this website does not form part of this prospectus)*
Company secretary	Mr. Chan Fung Man (陳峰民) *CPA* Flat H, 27/F, Block 11 The Reach 11 Shap Pat Heung Road Yuen Long New Territories Hong Kong
Compliance officer	Mr. Sandip Gupta Flat B, 13/F Willow Mansion Taikoo Shing Shau Kei Wan Hong Kong
Authorised representatives	Mr. Sandeep Sekhri (石成達) 9/F, Block 6 Repulse Bay Garden 30 Belleview Drive Repulse Bay Hong Kong Mr. Sandip Gupta Flat B, 13/F Willow Mansion Taikoo Shing Shau Kei Wan Hong Kong
Compliance adviser	Quam Capital Limited 18th-19th Floors, China Building 29 Queen's Road Central Hong Kong
Audit committee	Mr. Zen Chung Hei, Hayley (單頌曦) *(Chairman)* Mr. Chan Ming Sun, Jonathan (陳銘燊) Mr. Amit Agarwal

Remuneration committee	Mr. Amit Agarwal (*Chairman*) Mr. Zen Chung Hei, Hayley (單頌曦) Mr. Sandip Gupta
Nomination committee	Mr. Sandeep Sekhri (石成達) (*Chairman*) Mr. Amit Agarwal Mr. Zen Chung Hei, Hayley (單頌曦)
Cayman Islands Share Registrar	Estera Trust (Cayman) Limited Clifton House 75 Fort Street Grand Cayman KY1-1108 Cayman Islands
Hong Kong Share Registrar	Boardroom Share Registrars (HK) Limited 31/F, 148 Electric Road North Point Hong Kong
Principal bank	The Hongkong and Shanghai Banking Corporation Limited 1 Queen’s Road Central Hong Kong

CONTINUING CONNECTED TRANSACTIONS

We have entered into, and expect to continue after the Listing, certain transactions which will constitute continuing connected transactions for our Company under the GEM Listing Rules after Listing. We have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with the announcement requirements under Chapter 20 of the GEM Listing Rules in respect of continuing connected transactions. We will comply with all the relevant requirements under Chapter 20 of the GEM Listing Rules in respect of the continuing connected transactions. Further information is disclosed in the section headed “Connected transactions” in this prospectus.

The information that appears in this section has been prepared by Euromonitor and reflects estimates of market conditions based on publicly available sources and trade opinion surveys, and is prepared primarily as a market research tool. References to Euromonitor should not be considered as the opinion of Euromonitor as to the value of any security or the advisability of investing in us. Our Directors believe that the sources of information contained in this section are appropriate sources for such information and have taken reasonable care in reproducing such information. Our Directors have no reason to believe that such information is false or misleading or that any material fact has been omitted that would render such information false or misleading. The information prepared by Euromonitor and set out in this section has not been independently verified by us, the Sole Sponsor, the Sole Bookrunner, the Sole Lead Manager, the Underwriters or any other party or affiliate involved in the Placing and neither they give any representations as to its accuracy and the information should not be relied upon in making, or refraining from making, any investment decision.

ABOUT THIS SECTION

General

We commissioned Euromonitor International Limited, an independent market research company, to conduct an analysis of, and to report on the full-service restaurants in Hong Kong for a fee of US$134,804 (equivalent to approximately HK$1.05 million). We considered that the payment of the commission fee does not affect the fairness of conclusions drawn in the Euromonitor Report. Our Directors are of the view that the information set forth in this section is reliable and not misleading as the information was extracted from the Euromonitor Report and Euromonitor is an independent professional market research company with extensive experience in their profession. The information contained in this section is extracted from the Euromonitor Report.

About Euromonitor

Established in 1972, Euromonitor is a global research organisation with offices in London, Chicago, Singapore, Shanghai, Vilnius, Dubai, Bangalore, Santiago, Sao Paulo, Sydney, Tokyo and Cape Town. Euromonitor's mission is to build on its position as the leading provider of quality international market intelligence on consumer products, services and lifestyles. Euromonitor's policy of continuously expanding and developing its products and technologies ensures it remains at the cutting edge of information solutions. Euromonitor researches a wide range of consumer, industrial, service and business-to-business markets and remains independent and privately owned.

Research Methodology

Euromonitor utilised a top-down central research model with bottom up intelligence to present a comprehensive and accurate picture of the full-service restaurants industry in Hong Kong.

Primary Research

Euromonitor's detailed primary research involved independent trade level interviews with local restaurant operators, government agencies, and all related trade association(s) and authorities that are involved in the foodservice industry.

To generate an industry consensus on the market size, growth and developments pertinent to the study, trade interviews and official published data were sourced from multiple government organisations and restaurant operators, to ensure added perspective and accuracy. Euromonitor is committed to establishing and maintaining successful contacts within the foodservice industry players in order to validate market assessments and bring the highest level of quality data possible.

Secondary Research

Secondary research was also involved, where related restaurant operator's annual reports, industry reports and Euromonitor's syndicated passport database were utilised to support findings. Where national statistics are quoted in this review, these were taken from the most updated published official statistics available.

With both primary and secondary research in place, Euromonitor had utilised both types of sources to validate all data and information collected, with no reliance on any single source. Furthermore, a test of each respondent's information and views against those of others and any official published data was applied to ensure reliability and eliminate bias from these sources. Where irregularities were found between national markets and companies, supplementary research is conducted to confirm or amend those findings.

Future forecast

In order to ensure forecasting accuracy, Euromonitor adopted its standard practice of quantitative and qualitative 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. Data was cross-checked with established government figures, industry figures, trade interviews, and statistics tools (e.g. regression analysis, time-series analysis, data modelling) where possible.

The Euromonitor Report is prepared based on the following assumptions:

- The Hong Kong economy is expected to maintain steady growth over the forecast period;
- The Hong Kong social, economic, and political environment is expected to remain stable in the forecast period;
- There will be no external shock, such as financial crisis or raw material shortage that affects the demand and supply of food products in Hong Kong during the forecast period.

NO ADVERSE CHANGE IN MARKET INFORMATION

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

MARKET OUTLOOK OF FULL-SERVICE RESTAURANTS

There is a wide spectrum of dining places in Hong Kong, ranging from fine-dining to value options. Key types of foodservice in the city include:

- Restaurants (fine dining, casual dining, full-service, quick service)
- Fast food shops
- Bars
- Other eating and drinking places (e.g. coffee shops, desserts shops, ice cream houses, fruit juice shops, tea shops, takeaway food shops and other foodservice activities.)

Full-service restaurants encompasses all sit-down establishments where the focus is on food rather than on drinks. Independent full-service restaurants, catering a diverse range of cuisine and ambience, made up majority of the market with 81.2% contribution to the overall full-service restaurant value sales in 2015.

According to the Euromonitor Report, the total foodservice value sales of full-service restaurants grew at a CAGR of 2.7% from 2009 to 2015, reaching a total foodservice value sales of HK$68.1 billion in 2015. The said value is expected to grow at a CAGR of 0.5% from 2016 to 2020, reaching a total foodservice value sales of HK$69.9 billion in 2020.

Whilst the industry gained reprieve in the post-recovery period of the global financial crisis in 2010, fostered by the return of pre-crisis consumer confidence, coupled by higher disposable income and spending for both local consumers and tourists, nevertheless, the growth has been contracting since its peak in 2012 as a result of declining inbound tourists.

Over the forecast period (2016 - 2020), full-service restaurants in Hong Kong are expected to grow at a CAGR of 0.5% in value terms. Sources from Hong Kong Federation of Restaurants & Related Trades commented that performance of foodservice industry will remain weak for 2016 with sales during 2016 Chinese New Year declining by 10.0% (in contrast to previous estimates of 8.0% - 10.0% growth). However, industry performance going forward is not too pessimistic with rental costs going on the down trend and new entrants entering the market. The number of outlets is expected to remain similar in the forecast period.

Leading foodservice operators have responded swiftly in their strategies amid the disappointing economic environment and sluggish retail sales performance in 2015, as operators and investors remained optimistic in the prospects of Hong Kong foodservice. As such, many full-service restaurants undertook transformation into casual dining concepts, catering to the growing demand of cost conscious consumers. Apart from the renewed customer experience, innovative menus and unique customer experiences in restaurants are also expected to be introduced by such operators.

CURRENT INDUSTRY DYNAMICS AND GROWTH DRIVERS

Euromonitor believes the current industry dynamics and growth drivers are as set out below:

Industry performance affected by decline in numbers of inbound tourists and weak tourism outlook continue to limit growth of full-service restaurant receipts

Whilst the industry gained reprieve in the post-recovery period of the global financial crisis in 2010, fostered by the return of pre-crisis consumer confidence, coupled by higher disposable income and spending for both local consumers and tourists, nevertheless, the growth has been contracting since its peak in 2012 as a result of declining inbound tourists.

Despite Hong Kong Tourism Board's effort to diversify its tourists' portfolio, reliance on mainland travellers will persist over the next five years. Severe competition from other travel destinations such as Japan, South Korea and even Europe will continue to divert Chinese tourists from Hong Kong.

On the other hand, the stabling Chinese economy also makes visiting tourists less prone to premium spending in Hong Kong. As a result, tourists' restaurant bill will continue to bolster marginal growth into the forecast period. According to Hong Kong Tourism Board, tourists spending on meals outside hotels only grew at 0.8% in 2015, a drastic decline from 7.3% growth rate in 2014.

Share of Non-Asian restaurants stable since 2012

Non-Asian full-service restaurants, which mainly serve Italian, North American and European cuisines captured 22.6% share of the market with HK$15.4 billion foodservice value sales in 2015.

Italian cuisine is the most popular among the non-Asian full-service restaurants. Hong Kong people consider Italian cuisine as an affordable and healthy dining cuisine compared to other non-Asian cuisines.

Non-Asian cuisines have gained popularity due to the globalisation of food (along with commerce) and compete aggressively with Asian restaurants for consumer share. While their share grew significantly until 2012, it remained relatively stable since then. Over the review period, however, value sales of non-Asian full-service restaurants outperformed those of Asian full-service restaurants by growing at a healthy CAGR of 4.7%.

The number of non-Asian full-service restaurant outlets also grew from 1,833 outlets in 2009 to 1,850 outlets in 2015 supported by numbers of new entries and expansion of chained restaurant brands. Although rental costs remain high, it poses less of a challenge to non-Asian restaurant operators since most are owned by operators with higher capital capacity and/or international chained brands; hence, possess the ability to afford high rent.

As a result, most non-Asian restaurants tend to position their products in the premium food sector to reduce exposure to price point competition by their Asian restaurant counterparts. Consequently, European and North American cuisines also target a relatively higher income consumer segment compared to Asian full-service restaurants.

Asian restaurants remained dominant and continue supporting industry growth

In 2015, Asian restaurants experienced a marginal growth rate of 2.2% (in value terms) with outlet number remaining stable as compared to a decline in previous year.

The sector will continue to be the predominant cuisine offered due to the ethnic Chinese majority in Hong Kong. This sector is expected to grow at a CAGR of 0.5% over the forecast period, to reach HK$54.1 billion in 2020. Non-Asian restaurants are anticipated to continue growing slowly, with a 0.5% CAGR over the forecast period of 2016-2020 to reach HK$15.8 billion in 2020.

Non-Asian full-service restaurants are mostly responsible for the continuous 'food globalisation' effect, spearheaded by restaurant operators who offer new and exotic foreign cuisines to stimulate consumer interest, carve out niche markets to offer unique dining experiences for their customers. The introduction and reinvention of non-Asian cuisine by premium full-service operators further appeal to the average, well-travelled and educated Hong Kong resident's desire for new and novel dining experiences.

Labour shortage continues to hinder staffing operations of full-service restaurants

Shortage of quality customer service staff is expected to continue challenging restaurant operations in Hong Kong. Customer service within the foodservice industry is perceived to be a less than desirable occupation by the local populace forcing restaurant operators to rely on external hires from mainland China making them vulnerable to tightening of cross-border labour restrictions while balancing high staff turnover rates due to competitive recruitment by its competitors.

Although staff replacement rates remain a key challenge to foodservice operators, premium full-service restaurants are relatively insulated as many are willing to pay more to retain its excellent service teams.

Employers have said that it is mostly a result of the statutory minimum wage, which at present guarantees every worker HK$32.50 an hour. Because everyone gets paid this regardless of the job, operators suggested that wage workers would rather work as security guards, which is less physically demanding than working as waiters or dishwashers. According to figures from the Census and

Statistics Department of Hong Kong for December 2015, the accommodation and food services sectors were struggling with a vacancy rate of 4.5%. Out of 14 industries for which official data is available, the vacancy rate for accommodation and food services sector was the highest.

MARKET ENTRY BARRIERS

Barriers to entry are low but so is the survival rate

There remain few barriers to entry for new restaurant owners due to the business friendly environment in Hong Kong. New business owners face minimal bureaucracy when applying for operating licences as well as obtaining capital investment for their respective food ventures. However, the survival rate of new restaurants is low as many inexperienced owners grapple with intense competition from existing heavyweights if they are unable to quickly carve out a niche offering and/or have sufficient diners to breakeven in the first few years.

New players crowded out by large restaurant groups

According to trade participants, larger restaurant groups in Hong Kong have engaged in rogue acquisition of the premises operated by smaller restaurants or competitors whose outlets are in prime locations. These large restaurant groups would offer to pay significantly higher rent to the landlords and crowd out newer players who have lower operating capital. Smaller chains and independent groups who continue to thrive typically have strong relationships with their landlords and have built up a sturdy reputation within the dining landscape which provides them with leverage to reduce the incidence of being wrestled out by its larger competitors.

Recruiting talents became a barrier for the development of full-service restaurants in Hong Kong

According to trade participants, recruiting and retaining of suitable talents have increasingly become an impeding barrier to entry into the full-service restaurant industry in 2015. Given the long working hours and low rates, more foodservice talents are quickly attracted by competing foodservice operators offering higher rates or by other industries altogether such as property management and security. Hence, it is difficult for foodservice operators to retain and recruit stable talents with good industry know-how.

ASIAN AND NON-ASIAN FULL-SERVICE RESTAURANTS IN HONG KONG

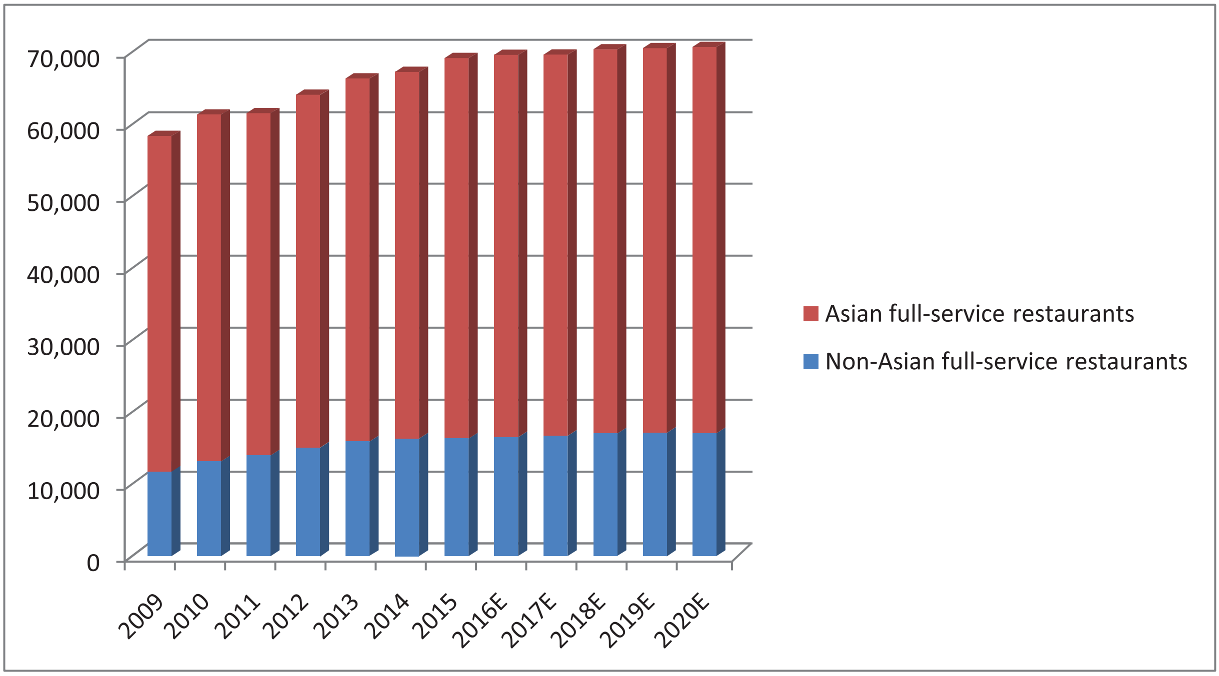
Asian full-service restaurants dominate the full-restaurant industry in Hong Kong, with 79.9% and 77.4% of share of foodservice value sales in 2009 and 2015, respectively, and delivering HK$52.7 billion in 2015. It is expected that the share of foodservice value sales of Asian full-service restaurants will remain steady at 77.4% in 2020, with a growth in CAGR from 2016 to 2020 of 0.5%.

On the other hand, non-Asian full service restaurants exhibited 20.1% and 22.6% of share of foodservice value sales in 2009 and 2015, respectively, and delivering HK$15.4 billion in 2015. It is expected that the share of foodservice value sales of non-Asian full-service restaurants will remain stable at 22.6% in 2020, with a growth in CAGR from 2016 to 2020 of 0.5%.

The following chart sets forth the foodservice value of full-service restaurants (with the breakdown of categories of Asian and non-Asian full-service restaurants) in Hong Kong from 2009 to 2015 and the forecasted foodservice value from 2016 to 2020, and the respective growth rates of CAGR during these two periods.

Foodservice Value Sales of Full-Service Restaurants in Hong Kong 2009-2020

HK$ million



	CAGR	
	2009-2015	2016E-2020E
Asian full-service restaurants	2.1%	0.5%
Non-Asian full-service restaurants	4.7%	0.5%
Total: Full-service restaurants	**2.7%**	**0.5%**

Sources: Official statistics, company sources, trade interviews, trade press and Euromonitor estimates

With the ethnic Chinese as majority in Hong Kong, Asian full-service restaurant sector is expected to continue to be the predominant cuisine offered in the city. Asian full-service restaurant sector is expected to grow at a CAGR of 0.5% over the forecast period of 2016 to 2020, to reach HK$54.1 billion in 2020. Non-Asian restaurants are anticipated to continue growing slowly, with a 0.5% CAGR over the forecast period of 2016 to 2020 to reach HK$15.8 billion in 2020.

CHAINED AND INDEPENDENT FULL-SERVICE RESTAURANTS IN HONG KONG

Given the fragmented nature of the industry, independent restaurants dominate the full-service restaurant sector. The mix of chained and independent restaurants is fairly similar for both Asian and Non-Asian full-service restaurants.

Independent full-service restaurants are the driving engine to the positive growth performance of full-service restaurants in 2015, off-setting the negative value growth of chained full-service restaurants in the year. However, chained full-service restaurants contribute greater sales value per outlet.

Independent outlets often fare better than chained outlets, where rebranding and change of restaurants' décor and menus can easily be undertaken in independent outlets. Living in the cosmopolitan city, Hong Kong residents are the most receptive to new ideas and concepts, and eager to experience innovative cuisine and restaurant services.

Independent outfits, according to trade interviews, are expected to thrive in both value and outlet growth as owners tend to be more flexible in the locality of business operations. Some independents have setup shop in unconventional spaces in residential heartlands to avoid high rentals in tourist and business zones. Chained restaurants tend to gravitate towards high-foot fall areas and therefore have less flexibility to operate outside high-cost areas. The limited city-space for full-service restaurants has thus limited the overall value and volume growth in the historic period.

Share of Foodservice Value Sales of Chained vs Independent Full-Service Restaurants (2009-2015)

	2009	2010	2011	2012	2013	2014	2015
Full-Service Restaurants							
Chained	20.4%	19.7%	20.5%	20.7%	20.3%	19.3%	18.8%
Independent	79.6%	80.3%	79.5%	79.3%	79.7%	80.7%	81.2%
Asian Full-Service Restaurants							
Chained	20.4%	19.4%	20.2%	20.5%	20.1%	19.1%	19.0%
Independent	79.6%	80.6%	79.8%	79.5%	79.9%	80.9%	81.0%
Non-Asian Full-Service Restaurants							
Chained	20.4%	20.7%	21.2%	21.5%	21.0%	19.8%	18.0%
Independent	79.6%	79.3%	78.8%	78.5%	79.0%	80.2%	82.0%

All figures quoted above have been rounded to the nearest 1 decimal place.

Sources: Official Statistics, Company sources, Trade interviews, Trade press, Euromonitor International estimates

Future Outlook of Chained vs Independent Full-Service Restaurants

Independents are projected to constitute the lion's share of the total full-service restaurant industry while chained full-service restaurants are forecasted to decline marginally at a CAGR of -0.7% from 2016 to 2020.

Non-Asian full-service restaurants are touted to be the key driver of independent restaurant growth since Asian restaurants, especially Chinese and Cantonese independent restaurants will remain the most dominant restaurant type in the foreseeable future.

Social media platforms have transformed the pace of word-of-mouth marketing to become a double-edged sword. Independents could become overnight sensations through viral marketing while established chains with international brands could be mummified by a misstep. The development of online advertisements, mobile applications and rise of amateur gourmet websites have helped to raise and maintain the overall popularity of full-service restaurants. Nonetheless, full-service restaurant operators shared that they have benefited from social media.

In face of the increase in minimum wage, chained and independent restaurants are increasingly turning to technology alternatives to reduce costs.

Share of Foodservice Value Sales of Chained vs Independent Full-Service Restaurants (2016-2020)

	2016	2017	2018	2019	2020
Full-Service Restaurants					
Chained	18.4%	18.1%	17.9%	17.7%	17.5%
Independent	81.6%	81.9%	82.1%	82.3%	82.5%
Asian Full-Service Restaurants					
Chained	18.6%	18.4%	18.1%	17.9%	17.8%
Independent	81.4%	81.6%	81.9%	82.1%	82.2%
Non-Asian Full-Service Restaurants					
Chained	17.7%	17.4%	17.1%	16.8%	16.6%
Independent	82.3%	82.6%	82.9%	83.2%	83.4%

All figures quoted above have been rounded to the nearest 1 decimal place.

Source: Official Statistics, Company sources, Trade interviews, Trade press, Euromonitor International estimates

COMPETITIVE LANDSCAPE FOR FULL-SERVICE RESTAURANTS IN HONG KONG

The landscape of full-service restaurant in Hong Kong is highly competitive and fragmented with approximately 8,532 restaurant outlets in the market in 2015. The top five leading brands in the full-service restaurant industry operate in mass to mid-price market segment offering casual dining atmosphere.

The key advantages of market leaders in the full-service restaurant industry in Hong Kong are their strong financial capabilities, economies of scale, high number of outlets, good reputation (i.e. quality of food), strong brand recognition, better cost control and professional know-how.

The top player has 49 restaurant branches city-wide and offers dining options at low to mid points, allowing it to capture the mass market and secure its current position. The aggregated top five ranked players account for 5.5% of the total full-service restaurant value sales in 2015.

The pro-business regulatory environment encourages new players to enter the food business. However, trade sources suggest that only 10% to 15% of all newly opened restaurants (approximately 80 new outlets across both Chained and Independent stores) each month will subsist for the first two years and will still require sufficient funding (from private and/or public) stakeholders to ensure its continual survival in the subsequent years.

Though leading restaurant groups have multiple brands under the groups' umbrella, few offer a diverse set of cuisine types to tap on economies of scale. In recent times however, industry leaders have started to operate in both Asian and non-Asian cuisines as part of a diversification strategy as well as to enjoy first mover advantage where possible. Other strategies also see operators coupling various cuisine types by price points allowing them to cater to the growing spread of consumer palates and wallet segments.

The Euromonitor Report focuses on the analysis of the competitive landscape of Asian and non-Asian full service restaurants in Hong Kong.

Asian Full-Service Restaurants

The competitive landscape of the Asian full-service restaurant industry is highly fragmented with a total of approximately 6,682 restaurant outlets with the largest five brands only aggregating a combined market value share of approximately 6.0% in 2015.

Leading brands in Asian full-service restaurant sector focus primarily on mass to mid-price segments targeting both locals and tourists.

Currently, the Asian full-service restaurants is known to offer a wide range of cuisines, comprising of Chinese cuisines such as Cantonese, Beijing, Sichuanese, Shanghainese and Taiwanese; and non-Chinese cuisines especially Japanese, Korean, Thai, Vietnamese and Indian.

Most Asian chain restaurants are able to benefit from resource allocations, economies of scale and standardised management regimes. In order to diversify revenue sources while maximising investment returns, large restaurant groups with initial roots in Chinese cuisine have expanded their business in other Asian cuisines to reduce potential brand dilution.

Currently, there are four Asian full-service restaurant/clubhouse restaurant brands under our Group comprising of Bombay Dreams, Soho Spice, Nahm and Mamasan*(Note)*. Our very first restaurant, Bombay Dreams, was established in 2002 serving quality traditional Indian cuisine. Over the years, new concepts have sprung up and added to our range of restaurant offerings. Our mix of Asian fare also includes South-East Asian flavours such as Vietnamese and Thai food, manifesting through brands such as Nahm and Soho Spice.

Nahm's revenue per outlet in 2015 (approximately HK$23.0 million, from 1 January to 31 December 2015) was comparable to that of the leading brands under Asian full-service restaurant. Furthermore, all of our Asian restaurants, including Mamasan which was established in May 2014, exhibited higher revenue per outlet than the industry average of HK$8.0 million in 2015. Aside from our favourable revenues, Bombay Dreams and Nahm outperformed the industry in terms of value sales growth with the CAGR of 5.5% and 4.6%, respectively, from 2012-2015. Market share of our Asian full-service restaurants in 2015 ranged from approximately 0.01% to 0.04%.

Note: While Olive which serves Greek and Middle Eastern cuisine is classified under 'Asian style' restaurant by us, for the purpose of the section headed "Industry overview" in this prospectus, Euromonitor however classifies Greek and Middle Eastern cuisine under the 'non-Asian' segment.

The following table sets forth the percentage of market share of the largest five Asian full-service restaurant brands in Hong Kong between 2012 and 2015.

Rank	Brand	2012	2013	2014	2015	Number of outlets in 2015	Approximate revenue per outlet in 2015
							(HK$ million)
1st	Brand A	2.7%	2.8%	3.5%	3.6%	49	39.1
2nd	Brand B	1.1%	1.1%	1.1%	1.0%	23	23.9
3rd	Brand C	0.5%	0.5%	0.7%	0.7%	11	33.9
4th	Brand D	0.5%	0.4%	0.4%	0.4%	8	26.8
5th	Brand E	0.2%	0.3%	0.3%	0.3%	6	30.8
	Others	95.0%	94.9%	94.0%	94.0%	6,585	7.5
	Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**6,682**	**7.9**

Sources: Official Statistics, Company sources, Trade interviews, Trade press and Euromonitor estimates

Non-Asian Full-Service Restaurants

Non-Asian full-service restaurants in Hong Kong are less fragmented compared to its Asian counterparts. The top five brands controlled 11.1% of the market value share with 84 outlets in 2015. The leading restaurant groups that focus on the non-Asian full-service restaurants offer casual dining experiences with a mass to mid-price range.

The major food types offered by leading non-Asian restaurant brands are North American and Italian cuisines including casual dining pizza shops and steakhouses. In 2015, the market landscape remained similar to the previous year when it comes to the key operators, with only a few renowned and independent players entering the market.

Fine dining non-Asian full-service restaurants are also popular among mid to high-income customer group and business travellers in Hong Kong even though it falls outside of the top five brands.

The restaurant groups in non-Asian sector often operate under various brand names tapping into different types of cuisine. This strategy allows them to achieve economies of scale, operational excellence and strong branding and results in capturing market shares of small and medium-sized foodservice operators.

Apart from North American and Italian which are the cuisines local consumers are familiar with, other western cuisines with growing popularity include French, British, Mexican, Mediterranean, and South American.

Adding to our Asian restaurant mix, we have a good diversified portfolio with several non-Asian cuisines ranging from Italian, North American, British, Australian, French, Mexican, Peruvian, Middle Eastern, Argentinian, and Western steakhouses. Most of our non-Asian restaurants range from mid to high-price segment with an exception of BLT Burger (Harbour City) and BLT Burger (Times Square) providing lower priced options. We also pride ourselves on fine dining experience offered to diners, and among our accolades includes being most recently voted one of Hong Kong's most valuable companies in 2014 and 2015 by MediaZone Hong Kong.

Of all our non-Asian full service restaurants, 17 out of 21 restaurants presented higher revenue per outlet than the industry average in 2015. Among our non-Asian brands, Lupa, Al Molo, BLT Steak, and Bread Street Kitchen also reaped superior revenue per outlet as compared to all top five leading players in non-Asian full-service restaurant segment. In 2015, our market share of our non-Asian full-service restaurants ranged from approximately 0.03% to 0.3%.

The following table sets forth the percentage of market share of the largest five non-Asian full-service restaurant brands in Hong Kong between 2012 and 2015.

Rank	Brand	Cuisine served	2012	2013	2014	2015	Number of outlets in 2015	Approximate revenue per outlet in 2015
								(HK$ million)
1st	Brand F	Pizza	5.7%	6.1%	6.2%	4.4%	37	18.4
2nd	Brand G	Pizza	0.0%	0.0%	2.0%	2.0%	12	25.3
3rd	Brand H	North American	1.9%	2.0%	1.7%	1.7%	8	33.7
4th	Brand I	North American	1.4%	1.4%	1.8%	1.6%	8	31.4
5th	Brand J	European	2.2%	2.3%	1.3%	1.3%	19	10.8
	Others		88.8%	88.3%	87.1%	88.9%	1,766	8.5
	Total		**100.0%**	**100.0%**	**100.0%**	**100.0%**	**1,850**	**8.3**

Sources: Official statistics, company sources, trade interviews, trade press and Euromonitor estimates

MARKET OVERVIEW FOR FOOD INGREDIENTS USED BY THE FULL-SERVICE RESTAURANTS

The Consumer Price Indices (CPI) of certain food ingredients in Hong Kong have increased steadily over the period from 2009 to 2015. The following chart sets forth the year-on-year change of CPI of certain food ingredients from 2009 to 2015.

	2009	2010	2011	2012	2013	2014	2015
Salt-water fish	95.9	103.2	124.3	146.0	147.5	156.0	168.0
Fresh-water fish	99.9	101.1	115.4	128.6	130.7	134.6	139.3
Other fresh sea products	93.5	103.3	127.1	148.3	170.0	186.8	200.8
Pork	103.2	100.4	119.0	123.4	125.0	123.1	127.5
Beef	100.0	100.8	112.4	133.8	161.3	163.3	165.2
Poultry	99.7	101.0	109.8	116.2	122.5	133.0	151.2
Frozen meat	98.4	101.2	108.8	114.8	117.2	119.0	120.3
Fresh vegetables	90.7	102.5	104.2	109.8	121.8	123.5	123.4
Bread, cakes, biscuits and puddings	99.0	101.0	107.6	112.4	116.1	120.9	125.9
Rice	101.3	99.6	100.5	99.6	98.9	99.6	98.7

Source: Census and Statistics Department, Hong Kong

Full-service restaurants are heavily dependent on food ingredients such as seafood, meat and poultry, and vegetables in their day-to-day operations. With the exception of rice, all ingredient groups displayed increasing prices over the review period indicative of the upward movements of the CPI from 2009-2015. Prices of other fresh sea products, salt water fish and beef have witnessed the fastest CPI growth with CAGR of 13.6%, 9.8% and 8.7% respectively.

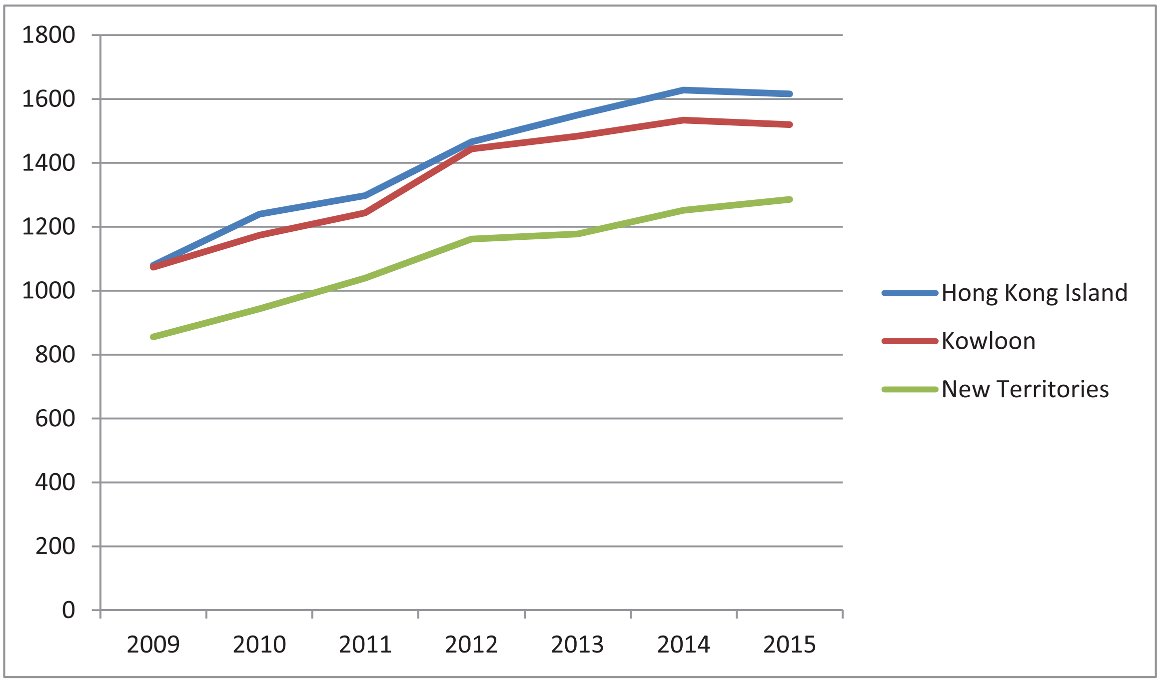
CPI levels of food ingredients are closely linked to the import prices of these ingredients since they are mostly imported from overseas suppliers. Mainland China is the leading source supplier of fresh produce to Hong Kong. The upward trend of CPI on food ingredients is expected to gradually affect the cost of living of consumers in Hong Kong as well as business cost of foodservice operators. Rising raw ingredient prices has added pressure onto the operating cost of restaurants which has then been passed on to consumers through higher menu prices. However, the competitive nature of the restaurant industry meant that there is a limitation to the price increase for diners. Hence, the increase in operational cost was mainly absorbed by restaurant operators which depressed the restaurants' profit margins.

MARKET OVERVIEW FOR RENTAL PRICES FOR RETAIL LOCATIONS

Over the review period and in tandem with the heated property market, retail rental prices experienced consistent year on year increases, peaking in 2012 where the rise in average per m^2 rental rate rose at double digit rates. In 2015, given the general economic slowdown, restaurant operators gained some respite with rental rates falling for the first time throughout the review period within the Hong Kong Island and Kowloon regions by -0.8% and -1.0% respectively.

The following chart sets forth the average rental prices for retail locations in Hong Kong between 2009 to 2015.

HK$ per meter^2

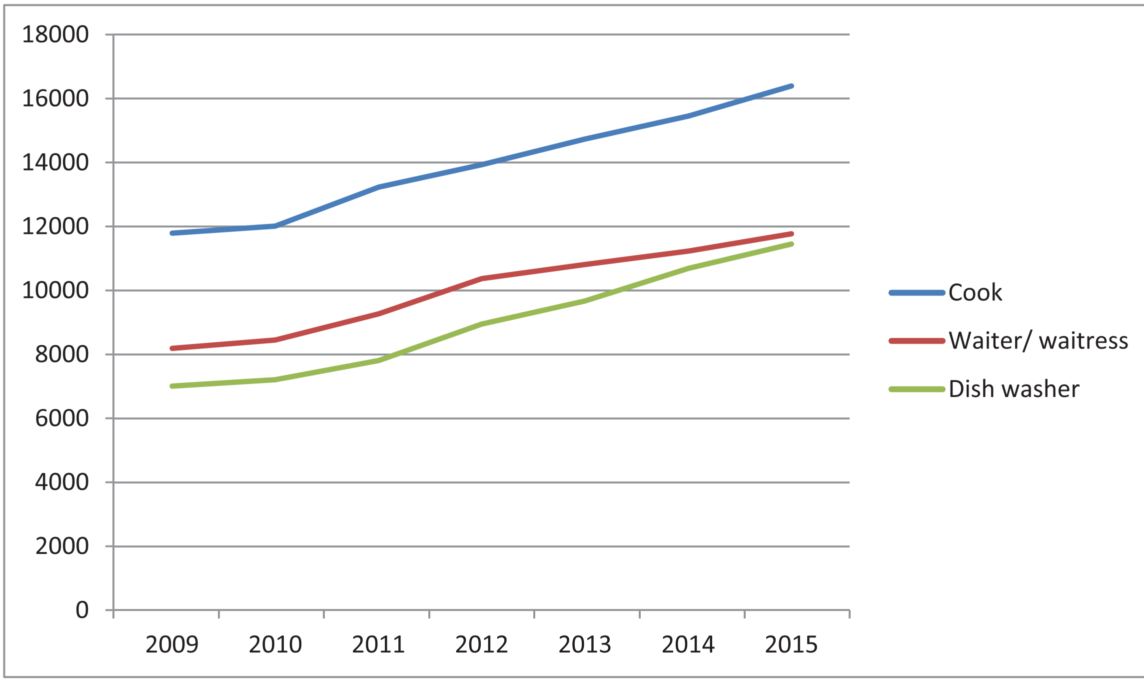


MARKET OVERVIEW FOR AVERAGE MONTHLY SALARIES OF RESTAURANT RELATED LABOUR

With the regulatory revision on the minimum wage scheme, full-service restaurants are compelled to squeeze margins even as labour cost continues to climb. Average wage for cook, waiter/waitress and dishwasher has all grown significantly, of which wages of dish washers grown the most at a CAGR of 8.5% over the review period from 2009 to 2015.

The following chart sets forth the average monthly salaries of restaurant related labour in Hong Kong between 2009 to 2015.

Monthly wages (HK$ per month)



RELATIONSHIP WITH FOOD INGREDIENT SUPPLIERS

According to trade sources, the full-service restaurants do not engage in legal binding long-term contracts with the suppliers. Long-term contracts are not widely practiced in Hong Kong due to the abundance of suppliers. Restaurant owners also prefer to have greater flexibility with their suppliers in hopes of securing a lower price for premium produce for the end-consumer. In spite of the informal nature of the supplier-restaurant relationship, most restaurants continue to engage in long-term partnerships with their regular suppliers and rarely switch the supplier to maintain first picks of fresh produce and ensure that the end customer is satisfied with quality ingredients on their plates.

ENGAGEMENT OF EXTERNAL LICENSING CONSULTANT

As the application process for the various types of licences required to operate a restaurant can be fairly complex depending on the scale of the operation, it is not uncommon for both chained and independent restaurants to engage professional consultants to assist with the application. That said, having a professional service provider assist with such applications is not mandatory as long as there are no structural alterations or equipment installation works (e.g. ventilation, gas piping) required.

REGULATIONS AND SUPERVISION OF RESTAURANT BUSINESS IN HONG KONG

(A) Licences and approvals necessary for our business operations

In addition to the business registration certificate required for the commencement of a restaurant business, there are six principal types of licences required to be obtained for the operations of our restaurants and club in Hong Kong:

(a) general restaurant licence;

(b) light refreshment restaurant licence;

(c) Certificate of Compliance;

(d) liquor licence;

(e) club liquor licence; and

(f) food factory licence.

Business registration certificate

To commence the business of restaurants or clubs, in addition to other business licences described below, it is necessary to obtain business registration certificate pursuant to section 5 of the Business Registration Ordinance. The business registration application shall be made within one month of the commencement of business.

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 and the Food Business Regulation before commencing the restaurant business. A general restaurant licence permits the licensee to prepare and sell any kind of food for consumption on the premises.

Generally, before a general restaurant licence is granted, the DFEH needs to be satisfied that certain requirements in respect of, for instance, means of ventilation, sanitary fitments, facilities for cleaning equipments and utensils, means of exit and entry and fire safety, are met. In deciding the suitability of the premises for use as a restaurant, the Food and Environmental Hygiene Department will consult the Buildings Department, the Planning Department and the Fire Services Department. If their comments are such that its policy or requirement cannot be complied with, the licensing authority will refuse the application and inform the applicant of the refusal with reasons.

Under section 33C of the Food Business Regulation, the DFEH may grant provisional general restaurant licences to new applicants who have fulfilled the essential 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 maximum 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 general restaurant licence is renewable on one occasion, and only on one occasion at the absolute discretion of the DFEH and a full general restaurant licence is renewable annually.

As at the Latest Practicable Date, save for Soho Spice which had obtained the Certificate of Compliance, Taco Loco which had obtained the light refreshment restaurant licence and Bombay Dreams To Go which had obtained the food factory licence, all of the restaurants of our Group had obtained the general restaurant licence.

Light refreshment restaurant licence

Other than the general restaurant licence, members of the public may apply for the light refreshment restaurant licence from DFEH under the Public Health and Municipal Services Ordinance for the preparation and sale for consumption on premises certain kinds of food items. As light refreshment restaurant licences are intended for the preparation of a limited range of food items, the requirements for this type of restaurants in the context of the minimum area for food room (i.e. kitchen, food preparation room and scullery) are less stringent than those for general restaurants. The light refreshment restaurant licence is generally granted for a term of one year and is subject to annual renewal.

As at the Latest Practicable Date, Taco Loco had obtained the full light refreshment restaurant licence.

Certificate of Compliance

Under section 4 of the Clubs (Safety of Premises) Ordinance, any person who on any occasion operates, keeps, manages or otherwise has control of a club-house commits an offence and is liable on conviction to a fine of HK$200,000 and to imprisonment for 2 years and to a fine of HK$20,000 for each day during which the offence continues, unless a certificate of compliance or a certificate of exemption has been issued in respect of the club-house.

Section 5 of the Clubs (Safety of Premises) Ordinance provides that an application by a person for a certificate of compliance shall be made to the Secretary for Home Affairs in such form and manner as the Secretary for Home Affairs may determine. Applicants may either be an individual (who is an office-bearer of the club or the appointed person representing the club), or a body corporate. The Certificate of Compliance is issued by the Secretary for Home Affairs.

A Certificate of Compliance is valid for a period of one year, subject to the continuous compliance with the requirements under the relevant legislation and regulations. A Certificate of Compliance is renewable annually.

As at the Latest Practicable Date, Soho Spice had obtained the Certificate of Compliance.

Liquor licence

Section 17(3B) of the Dutiable Commodities Ordinance 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, such liquor except with a liquor licence.

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 Liquor Licensing Board under the Dutiable Commodities (Liquor) Regulations before commencement of such business. Regulation 25A of the Dutiable Commodities (Liquor) Regulations 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 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 Dutiable Commodities (Liquor) Regulations, any transfer of a liquor licence must be made on the form as determined by the Liquor Licensing Board. For a transfer application, consent of the holder of liquor licence is required. Under regulation 24 of the Dutiable Commodities (Liquor) Regulations, in case of illness or temporary absence of the holder of liquor licence, the secretary to the Liquor Licensing Board 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. For any application for cancellation of the liquor licence made by the holder of liquor licence, an application for new issue of a liquor licence will be required to be made to the Liquor Licensing Board.

Under section 54 of the Dutiable Commodities Ordinance, 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 period of one year or a lesser period, subject to the continuous compliance with the requirements under the relevant legislation and regulations.

As at the Latest Practicable Date, save for Soho Spice which had obtained the club liquor licence and Ophelia*(Note)* and Tango (Elements) which had applied for the change of restaurant names of the liquor licences, all the restaurants of our Group had obtained the liquor licence.

Note: On 19 July 2016, we had successfully changed the restaurant name of licensed premises to Ophelia.

Club liquor licence

In Hong Kong, any person who intends to operate a business which involves the supply of liquor at any premises used by a club for the purpose of the club must obtain a club liquor licence from the Liquor Licensing Board under the Dutiable Commodities Ordinance before commencement of such business. It is provided under section 17(3B) of the Dutiable Commodities Ordinance 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, such liquor except with a liquor licence. Regulation 26 of the Dutiable Commodities (Liquor) Regulations prohibits the supply of liquor at any premises used by any club for the purposes of the club to any member of the club except with a club liquor licence. Such licence is applied by and granted to an individual. Application for a club liquor licence must be made by the secretary of the respective club and a person nominated by the club if the proposed licence holder is not the club secretary. All applications for club liquor licences are referred to the Commissioner of Police and the District Officer concerned for comments.

If any liquor is supplied to a member of a club in contravention of regulation 26 of the Dutiable Commodities (Liquor) Regulations, the secretary of the club or other person nominated under regulation 26 shall be guilty of an offence and shall be guilty of an offence and shall be liable on conviction to a maximum fine of HK$50,000 and to imprisonment for 6 months.

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. A club liquor licence is renewable annually.

As at the Latest Practicable Date, Soho Spice had obtained the club liquor licence.

Food factory licence

In respect of food businesses involving the preparation of food for sale off the premises, members of the public have to obtain a food factory licence from DFEH under the Food Business Regulation. A provisional licence, which is valid for a period of six months or a lesser period would be issued to a new applicant who has fulfilled the essential requirements in accordance with the Food Business Regulation pending fulfilment of all outstanding requirements for the issue of a full food factory licence.

As at the Latest Practicable Date, Bombay Dreams To Go had obtained the food factory licences.

(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 Water Pollution Control Ordinance before commencing the discharge.

Under section 8 of the Water Pollution Control Ordinance, 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.

Section 9 of the Water Pollution Control Ordinance 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 Water Pollution Control Ordinance, a person does not commit an offence under sections 8(1), 8(2), 9(1) or 9(2) of the Water Pollution Control Ordinance if the discharge or deposit in question is made under, and in accordance with, a water pollution control licence.

Under section 15 of the Water Pollution Control Ordinance, 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, save for Le Pain Quotidien (Lee Tung Avenue) and Ophelia which will apply for the water pollution control licences at the earliest possible opportunity when the water metres are to be installed in August 2016 and as at 19 July 2016 Tango (Elements) which have applied for the change of discharge premises name, all of the restaurants of our Group had obtained the water pollution control licences.

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 reason of (a) unsuitable design, defective construction or lack of maintenance; (b) excessive wear and tear; (c) the use of unsuitable fuel or other material; or (d) improper operation, 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 specified in the notice, to modify, replace, clean or repair the chimney, relevant plant or other machinery or equipment specified in the notice or to take the other steps specified in the notice; (ii) requiring him, within a reasonable time specified in the notice, to install control equipment or a control system or additional control equipment or an additional control system specified in the notice; (iii) requiring him, after a reasonable time specified in the notice, to operate the chimney, relevant plant or other machinery or equipment in the manner specified in the notice; (iv) 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 premises unless approval in respect 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) 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 6 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 contravenes regulation 11 of the APC Reg 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.

(C) General compliance

Hygiene Manager and Hygiene Supervisor Scheme

To strengthen food safety supervision in licensed food premises, the Food and Environmental Hygiene Department 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. General restaurants which accommodate over 100 customers are required to appoint a hygiene manager plus 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 Food and Environmental Hygiene Department, one of the criteria for the issuance of a provisional restaurant licence/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).

Demerit points system

The demerit points system is a penalty system operated by the Food and Environmental Hygiene Department 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 licence 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 offence 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 licence 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 offence 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 licence will be subject to cancellation;

(d) for multiple offences 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 offence will be doubled and tripled if the same offence is committed for the second and the third time within a period of 12 months; and

(f) any alleged offence pending, that is the subject of a hearing and not yet taken into account when a licence 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 the Latest Practicable Date, as confirmed by our Directors, save for the five demerit points registered against Bombay Dreams (HK), no demerit point had been registered against any of our restaurant and none of our restaurants had been subject to suspension for operation.

Restricted Food Permit

Under section 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 foods specified in schedule 2 of the Food Business Regulation (including sashimi, oysters to be eaten in raw state, live fish and shell fish).

Under section 35 of the Food Business Regulation, any person who is guilty of an offence under section 31(1) 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) 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

OSHO is purported to ensure 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 shall ensure the safety and health at works of all his employees by:—

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

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

(iii) providing all necessary information, instruction, training and supervision for ensuring safety and health;

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

(v) 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 within 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, amongst 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 ECO

This ordinance establishes a no-fault, non-contributory employee compensation system for work injuries and lays down the obligations of employers in respect of injuries sustained by, or death of their employees caused by accidents arising out of and in the course of employment, or by prescribed occupational diseases suffered by the employees.

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 generally liable to pay for the 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 or dies arising from an occupational disease is entitled to receive the same compensation as that payable to employees injured in occupational accidents. Further, section 40 of the ECO provides that 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.

Minimum Wage Ordinance or MWO

The MWO, which came into effect on 1 May 2011, provides 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$32.5 per hour as at the Latest Practicable Date. Any provision of the employment contract which purports to extinguish or reduce the right, benefit or protection conferred on the employees by the MWO is void.

Occupiers Liability Ordinance or OLO

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

(D) Compliance with applicable laws and regulations

Save as disclosed in "Business — Legal proceedings and compliance" in this prospectus, as confirmed by our Hong Kong Legal Counsel, our Group had obtained all relevant licences, certificates and permits and had complied with the applicable laws and regulations in all material aspects in Hong Kong during the Track Record Period and up to the Latest Practicable Date.

BUSINESS DEVELOPMENT

Our history can be traced back to 2002, when Mr. Sekhri, the founder of our Group, used his personal resources to commence the restaurant business by opening our restaurant management company, Dining Concepts, in September 2002.

Over the years, we have grown to an established restaurant group in Hong Kong serving a variety of cuisines at varying prices under different brands to a diversified customer base. As at the Latest Practicable Date, we owned and operated 21 full-service restaurants, one clubhouse restaurant, one bakery restaurant and one takeaway outlet.

The key milestones in our Group's development to date are set out below:

Year	Key milestones
2002	Bombay Dreams was opened
2008	We entered into our first licence agreement in respect of the licensed brand, BLT Steak
2009	BLT Steak was opened, our first restaurant located at Harbour City
2010	BLT Steak was first recommended by the Michelin Guide Hong Kong Macau in 2010
2011	Bombay Dreams was first recommended by the Michelin Guide Hong Kong Macau in 2011
	Al Molo was opened, the licensed brand which is owned by a celebrity chef, Michael White, who is a multi-Michelin star winner and a renowned restaurateur
2012	Lupa was opened, the licensed brand which is owned by a celebrity chef, Mario Batali, an award winning author and television personality
2014	Bread Street Kitchen was opened, the licensed brand which is owned by Gordon Ramsay, a celebrity chef and presenter in various television programmes about competitive cookery and food
2015	London House was opened, the licensed brand which is owned by Gordon Ramsay

Our operating subsidiaries

In line with the customary practice of our Group, our Controlling Shareholders have set up various companies in Hong Kong, each operating one to two restaurants. This allows us to enjoy flexibility in the relevant licensing, compliance and leasing arrangements when we open and close restaurants in our ordinary course of business.

The following table sets out details of our six operating subsidiaries which operated our Asian style restaurants, clubhouse restaurant and takeaway outlet in Hong Kong during the Track Record Period and as at the Latest Practicable Date:

Name of operating subsidiary	Name of restaurant/ clubhouse restaurant currently operating under the subsidiary	Date of incorporation	Date of commencement of business of subsidiary	Total issued shares	Shareholding prior to the Reorganisation
Bombay Dreams (HK)	Bombay Dreams; Bombay Dreams To Go	26 July 2002	25 December 2002	10,000	51.5% by Total Commitment 12.5% by Ideal Winner 12.5% by Minrish 23.5% by Mr. Uttamchandani
Excel Team Trading	Soho Spice	3 September 2003	11 December 2003	1,000	50.0% by Total Commitment 50.0% by Ideal Winner
Global Profit	Nahm	22 January 2007	1 October 2007	10,000	50.0% by Total Commitment 10.0% by Ideal Winner 40.0% by Indo Gold
Max Prospect	Mamasan	18 November 2013	12 May 2014	10,000	40.0% by Total Commitment 20.0% by Ideal Winner 20.0% by Minrish 20.0% by Indo Gold
Wide Scope	Olive	28 May 2004	25 October 2004	1,000	50.0% by Total Commitment 25.0% by Ideal Winner 25.0% by Mr. Uttamchandani
Trendy Move(1)	Ophelia	12 December 2014	11 May 2016	1	100.0% by Dining Concepts (Asian)

The following table sets out details of our seven operating subsidiaries which operated our Italian style restaurants in Hong Kong during the Track Record Period and as at the Latest Practicable Date:

Name of operating subsidiary	Name of restaurant currently operating under the subsidiary	Date of incorporation	Date of commencement of business of subsidiary	Total issued shares	Shareholding prior to the Reorganisation
Lettuce Entertain	Bistecca	18 November 2005	19 March 2006	1,000	50.0% by Total Commitment 25.0% by Ideal Winner 25.0% by Mr. Uttamchandani
Most Glory	Lupa	3 March 2011	23 March 2012	10,000	20.0% by Total Commitment 20.0% by Ideal Winner 20.0% by Minrish 40.0% by Indo Gold
Multi Million	N/A(2)	18 October 2010	27 June 2011	500,000	50.0% by Total Commitment 12.5% by Ideal Winner 12.5% by Minrish 25.0% by Indo Gold
Nice Empire	N/A(3)	2 August 2012	12 December 2012	10,000	20.0% by Total Commitment 20.0% by Ideal Winner 20.0% by Minrish 40.0% by Indo Gold
Profit Best	Al Molo	17 September 2009	30 April 2011	500,000	50.0% by Total Commitment 12.5% by Ideal Winner 12.5% by Minrish 25.0% by Indo Gold
Stanley Oriental	Prego(4)	22 June 2006	30 March 2007	10,000	50.0% by Total Commitment 25.0% by Ideal Winner 25.0% by Mr. Uttamchandani

Name of operating subsidiary	Name of restaurant currently operating under the subsidiary	Date of incorporation	Date of commencement of business of subsidiary	Total issued shares	Shareholding prior to the Reorganisation
Wealthy Trade	La Locanda	8 November 2013	27 March 2014	300,000	40.0% by Total Commitment 20.0% by Ideal Winner 20.0% by Minrish 20.0% by Indo Gold

The following table sets out details of our 12 operating subsidiaries which operated our Western style restaurants in Hong Kong during the Track Record Period and as at the Latest Practicable Date:

Name of operating subsidiary	Name of restaurant currently operating under the subsidiary	Date of incorporation	Date of commencement of business of subsidiary	Total issued shares	Shareholding prior to the Reorganisation
BBQ Restaurants	Braza[5]	9 March 2010	7 May 2010	1,000	20.0% by Total Commitment 40.0% by Ideal Winner 40.0% by Mr. Uttamchandani
BLT Burger	BLT Burger (Harbour City)	27 July 2009	26 November 2009	500,000	50.0% by Total Commitment 12.5% by Ideal Winner 12.5% by Minrish 25.0% by Indo Gold
BLT Restaurants	BLT Steak	10 September 2008	12 January 2009	500,000	50.0% by Total Commitment 12.5% by Ideal Winner 12.5% by Minrish 25.0% by Indo Gold
California Vintage (HK)	N/A[6]	28 June 2010	3 June 2014[7]	10,000	100% by Total Commitment
Excel Team	Bouchon; Craftsteak	14 January 2005	31 March 2005	1,000	55.0% by Total Commitment 25.0% by Ideal Winner 20.0% by Mr. Uttamchandani
Fame Top	Tango (Elements)[8]	7 December 2011	1 July 2013	10,000	20.0% by Total Commitment 20.0% by Ideal Winner 20.0% by Minrish 40.0% by Indo Gold
Full Merit	Taco Loco	13 April 2004	11 July 2004	1,000	50.0% by Total Commitment 25.0% by Ideal Winner 25.0% by Mr. Uttamchandani
Heaven	N/A[9]	15 December 2004	10 June 2006	10,000	50.0% by Total Commitment 25.0% by Ideal Winner 25.0% by Mr. Uttamchandani
Pine Best	Bread Street Kitchen	17 March 2014	29 August 2014	1	100% by Total Commitment
Smart Joy	Tango (Central)	15 April 2010	5 November 2010	10,000	50.0% by Total Commitment 12.5% by Ideal Winner 12.5% by Minrish 25.0% by Indo Gold
Strong Ace[10]	London House	11 December 2014	14 September 2015	1	100.0% by Dining Concepts (Western)
Wealthy Home	BLT Burger (Times Square)	11 July 2011	17 July 2012	500,000	20.0% by Total Commitment 20.0% by Ideal Winner 20.0% by Minrish 40.0% by Indo Gold

The following table sets out details of our one operating subsidiary which operated our Western style bakery restaurant in Hong Kong as at the Latest Practicable Date:

Name of operating subsidiary	Name of restaurant/ bakery restaurant currently operating under the subsidiary	Date of incorporation	Date of commencement of business of subsidiary	Total issued shares	Shareholding prior to the Reorganisation
Spectrum Rise[11]	Le Pain Quotidien (Lee Tung Avenue)	12 December 2014	28 February 2016	1	100.0% by Dining Concepts (Casual)

Notes:

1. *Trendy Move did not form part of the operating subsidiaries in the acquisition by our Company by means of a sale and purchase agreement dated 18 November 2014 since it was not incorporated until 12 December 2014. Its subscription share was issued to a nominee company which is an Independent Third Party. On 2 January 2015, Dining Concepts (Asian) acquired such subscriber share at a nominal consideration of HK$1.00. For details, please refer to the section headed "History, development and Reorganisation — Reorganisation — Incorporation of Spectrum Rise, Trendy Move, Strong Ace, New Era, Strong Empire, Rich Ever, Success Glory and Winner Star" in this prospectus.*

2. *In view of (i) the declining revenue generated by Manzo; (ii) the declining customer traffic in the shopping mall in which Manzo locates as a result of the opening of a new commercial complex (predominately dining) in Causeway Bay; and (iii) the upcoming termination date under the surrender agreement and the expiry of the lease agreements of the premises of Manzo, we closed Manzo down on 20 March 2016.*

3. *We operated Cecconi's Italian under Nice Empire. In December 2015, we were approached by, a chef, an Independent Third Party (the "**Potential Buyer**"), who was interested in the premises of Cecconi's Italian and the fixtures and fittings therein. After due and careful consideration, our Directors are of the view that it is commercially beneficial for us to sell such fixtures and fittings as Cecconi's Italian incurred loss after its relocation in July 2015. Accordingly, Cecconi's Italian was closed on 1 January 2016 for the purpose of completing such disposal. As at the Latest Practicable Date, the Potential Buyer, in view of the deteriorating market conditions and his personal reason, failed to complete the proposed sale and purchase transaction of the fixtures and fittings.*

4. *As a result of the previous relocation of Cecconi's Italian and to develop a new casual Italian concept restaurant, we renovated the original premises of Cecconi's Italian, and changed its restaurant concept and name from "Cecconi's Italian" to "Prego" in August 2015. Stanley Oriental, which formerly operated Cecconi's Italian, commenced operation of Prego at the same premises. The style of cuisine served by Prego remains as Italian.*

5. *Braza was formerly known as "Mayta Peruvian Kitchen & Pisco Bar", which was a licensed brand. Due to the unsatisfactory business performance of Mayta, we renovated the premises and recommenced its business on 9 March 2015 under a self-owned brand developed by our Group, "Braza Churrascaria Brazilian Steakhouse". All the mentioned restaurants operated under BBQ Restaurants and the location remains unchanged and the style of cuisine served remains as Western.*

6. *In view of the unsatisfactory business performance of California Vintage, we closed it down on 6 March 2016.*

7. *Before 3 June 2014, California Vintage was operating under California Vintage (HK), which was then owned by Independent Third Parties. We acquired California Vintage (HK) from Independent Third Parties on 3 June 2014, the day on which we regard as the date of commencement of business for the purpose of this prospectus.*

8. *Tango (Elements) was first known as "Prime Steak House" which was a self-owned brand developed by us. Prior to 1 July 2013, Prime Steak was operated under Great Honest, our excluded restaurant business. Before the expiration of the then existing lease of the restaurant and in preparation of the opening of a new restaurant at the same premises, a new lease was entered into between the landlord and Fame Top, with its lease term commencing on 1 July 2013. Since it took several months to prepare for the opening of Toro, during the transitional period from 1 July 2013 to 23 February 2014, we operated Prime Steak under Fame Top. On 21 March 2014, Fame Top opened Toro. Due to the unsatisfactory business performance of Toro, we renovated the premises of Toro and recommenced the business under our self-owned brand as our Tango (Elements) on 7 July 2016 in view of the successful business of Tango (Central). The location of all the mentioned restaurants remains unchanged and the style of cuisine served remains as Western. Please refer to the section headed "Relationship with our Controlling Shareholders — Excluded restaurant business — Great Honest" in this prospectus for details.*

9. We operated Topclean Bakery under Heaven. Due to an expected increase of the rent, we closed it down on 30 April 2015.

10. Strong Ace did not form part of the operating subsidiaries in the acquisition by our Company by means of a sale and purchase agreement dated 18 November 2014 since it was not incorporated until 11 December 2014. Its subscription share was issued to a nominee company which is an Independent Third Party. On 24 December 2014, Dining Concepts (Western) acquired such subscriber share at a nominal consideration of HK$1.00. For details, please refer to the section headed "History, development and Reorganisation — Reorganisation — Incorporation of Spectrum Rise, Trendy Move, Strong Ace, New Era, Strong Empire, Rich Ever, Success Glory and Winner Star" in this prospectus.

11. Spectrum Rise did not form part of the operating subsidiaries in the acquisition by our Company by means of a sale and purchase agreement dated 18 November 2014 since it was not incorporated until 12 December 2014. Its subscription share was issued to a nominee company which is an Independent Third Party. On 24 December 2014, Dining Concepts (Casual) acquired such subscriber share at a nominal consideration of HK$1.00. For details, please refer to the section headed "History, development and Reorganisation — Reorganisation — Incorporation of Spectrum Rise, Trendy Move, Strong Ace, New Era, Strong Empire, Rich Ever, Success Glory and Winner Star" in this prospectus.

12. Before the disposal of Golden Rock on 15 January 2016, Golden Rock was one of our operating subsidiaries which operated Western style restaurant in Hong Kong. Golden Rock was incorporated on 5 September 2014, with the date of commencement of business on 14 October 2014. The restaurant operating under Golden Rock was Gaucho. The total issued shares were two, all of which were held by Dining Concepts (Western) before the disposal. It was held by a nominee company prior to its acquisition by Dining Concepts (Western).

All of our operating subsidiaries were controlled by our Controlling Shareholders during the Track Record Period and up to the Latest Practicable Date. We acquired California Vintage (HK) from Independent Third Parties on 3 June 2014 at a consideration of HK$604,500, with reference to the net asset value of the restaurant. We disposed of Golden Rock to Independent Third Party on 15 January 2016. For details, please refer to the paragraph headed "Reorganisation — Incorporation of Golden Rock" in this section. Save for the Reorganisation and the above, there was no significant change in the beneficial shareholding of our subsidiaries during the Track Record Period and up to the Latest Practicable Date.

Our restaurant management company

In 2002, Dining Concepts was set up as a restaurant management company for the management of our restaurants. This allows us to centralise our resources in restaurant management.

The following table sets out details of our restaurant management company:

Name of the restaurant management company	Date of incorporation	Date of commencement of business of subsidiary	Total issued shares	Shareholding prior to the Reorganisation
Dining Concepts	11 September 2002	17 September 2002(Note)	10,000	100.0% by Total Commitment

Note: We acquired Dining Concepts from Independent Third Parties on 17 September 2002, the day on which we regard as the date of commencement of business for the purpose of this prospectus.

Acting in concert confirmation and undertaking

On 15 February 2010, our Controlling Shareholders entered into a profit sharing agreement under which they agreed, among other things, from the date of agreement or, if the relevant subsidiary is incorporated after the date of agreement, the date of incorporation of such subsidiary, that they contributed to the capital and shared the profit generated and dividends distributed from our subsidiaries in the following percentages: 50.2% by Total Commitment, 15.9% by Ideal Winner, 8.5% by Minrish, 18.7% by Indo Gold and 6.7% by Mr. Uttamchandani.

On 27 March 2015, in preparation of the Listing, our Controlling Shareholders executed the acting in concert confirmation and undertaking, whereby they confirmed the existence of their acting in concert arrangements in the past, as well as their intention to continue to act in the following manner upon the Listing to consolidate their control of our Group until the acting in concert confirmation and undertaking is terminated by the Controlling Shareholders in writing. The acting in concert confirmation and undertaking covers our Company and a total of 37 subsidiaries, including Dining Concepts (Asian), Dining Concepts (Italian), Dining Concepts (Western), Dining Concepts (Overseas), Dining Concepts (Casual), Bombay Dreams (HK), Excel Team Trading, Global Profit, Max Prospect, Wide Scope, Trendy Move, Lettuce Entertain, Most Glory, Multi Million, Profit Best, Stanley Oriental, Wealthy Trade, BBQ Restaurants, BLT Burger, BLT Restaurants, California Vintage (HK), Excel Team, Fame Top, Full Merit, Heaven, Nice Empire, Pine Best, Smart Joy, Wealthy Home, Strong Ace, Rich Ever, Winner Star, Success Glory, Dining Concepts, Spectrum Rise, New Era and Strong Empire. The acting in concert confirmation and undertaking contains the following salient terms:

According to the acting in concert confirmation and undertaking, with respect to the businesses of the subsidiaries, each of our Controlling Shareholders confirms to each other that, during the period they (by themselves or together with their associates) remain in control of our Group and until the acting in concert confirmation and undertaking is terminated:

(a) they have centralised in the past, and shall continue to centralise, the right to make final decisions with respect to their interests in the business of our Group through their respective authorisation to Mr. Sekhri and Dining Concepts to manage the business of our Group;

(b) they have voted, and shall continue to vote, unanimously in accordance with the consensus achieved among our Controlling Shareholders (by themselves and/or through companies controlled by them) in respect of all matters relating to the financial, management and operational matters of our Group at the shareholder and board levels of each member of our Group;

(c) in relation to all matters which require the decisions of our Controlling Shareholders, our Controlling Shareholders have been and shall continue to be, given sufficient time and information to consider and discuss in order to reach consensus; and

(d) our Controlling Shareholders have in the past controlled the members of our Group as to 50.2% by Total Commitment, 15.9% by Ideal Winner, 8.5% by Minrish, 18.7% by Indo Gold and 6.7% by Mr. Uttamchandani.

Hence, Total Commitment (through the shareholding by Dining Concepts (International)), Ideal Winner, Minrish, Indo Gold and Mr. Uttamchandani will together be entitled to exercise and control approximately 64.89% of our entire issued share capital upon the completion of the Capitalisation Issue and the Placing (without taking into account any Shares to be issued upon the exercise of the Offer Size Adjustment Option or options granted or to be granted under the Share Option Schemes).

REORGANISATION

We undertook a series of reorganisation steps to rationalise and streamline our corporate and shareholding structure in preparation for the Listing. The Reorganisation involved the following steps:

(a) Incorporation of our Company

Our Company is an exempted company incorporated in the Cayman Islands with limited liability on 22 May 2014. After incorporation, our Company had an authorised share capital of US$50,000 divided into 50,000 shares of US$1.00 each, and one fully-paid share was allotted and issued to a nominee company, an Independent Third Party, which was then transferred to Total Commitment on the same date of incorporation. On 3 July 2014, each of the unissued and issued shares of US$1.00 each in the authorised share capital of our Company was subdivided into 100 Shares of US$0.01 each. After such subdivision, our Company has an authorised share capital of US$50,000 divided into 5,000,000 Shares, of which 100 fully-paid Shares were held by Total Commitment. After the Reorganisation, our Company became the holding company of our Group with its business being conducted through our operating subsidiaries in Hong Kong. The principal business of our Company is investment holding.

(b) Incorporation of BVI intermediate holding companies

Dining Concepts (Asian) is a company incorporated in the BVI with limited liability on 11 June 2014, and is authorised to issue a maximum of 50,000 shares of a single class with a par value of US$1.00. After incorporation, one fully-paid share of Dining Concepts (Asian) was allotted and issued to our Company.

Dining Concepts (Italian) is a company incorporated in the BVI with limited liability on 11 June 2014, and is authorised to issue a maximum of 50,000 shares of a single class with a par value of US$1.00. After incorporation, one fully-paid share of Dining Concepts (Italian) was allotted and issued to our Company.

Dining Concepts (Western) is a company incorporated in the BVI with limited liability on 11 June 2014, and is authorised to issue a maximum of 50,000 shares of a single class with a par value of US$1.00. After incorporation, one fully-paid share of Dining Concepts (Western) was allotted and issued to our Company.

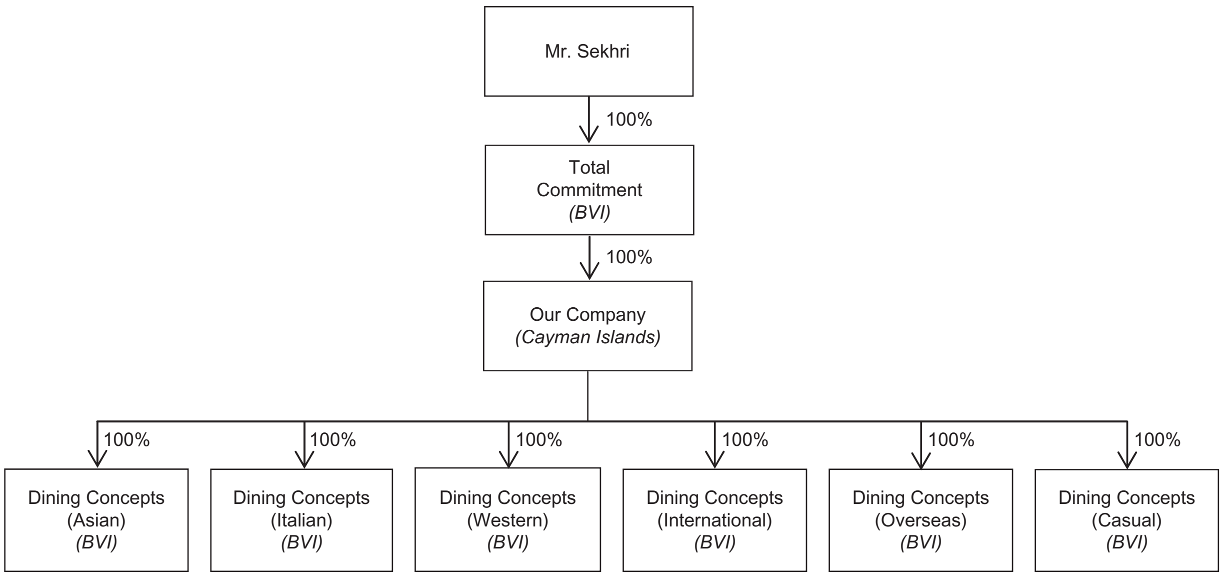
Dining Concepts (Overseas) is a company incorporated in the BVI with limited liability on 11 June 2014, and is authorised to issue a maximum of 50,000 shares of a single class with a par value of US$1.00. After incorporation, one fully-paid share of Dining Concepts (Overseas) was allotted and issued to our Company.

Dining Concepts (International) is a company incorporated in the BVI with limited liability on 11 June 2014, and is authorised to issue a maximum of 50,000 shares of a single class with a par value of US$1.00. After incorporation, one fully-paid share of Dining Concepts (International) was allotted and issued to our Company.

Dining Concepts (Casual) is a company incorporated in the BVI with limited liability on 7 August 2014, and is authorised to issue a maximum of 50,000 shares of a single class with a par value of US$1.00. After incorporation, one fully-paid share of Dining Concepts (Casual) was allotted and issued to our Company.

The principal business of Dining Concepts (Asian), Dining Concepts (Italian), Dining Concepts (Western), Dining Concepts (Overseas), Dining Concepts (International) and Dining Concepts (Casual) is investment holding.

The chart below illustrates the shareholding structure of our Company and our intermediate holding companies upon their respective incorporation outlined above:



(c) Incorporation of Golden Rock

Golden Rock is a company incorporated in Hong Kong with limited liability on 5 September 2014 with one subscriber share issued to a nominee company which is an Independent Third Party. On 25 September 2014, Dining Concepts (Western) acquired such subscriber share at a nominal consideration of HK$1.00 and one fully-paid share of Golden Rock was allotted and issued to Dining Concepts (Western) on the same date at a nominal consideration of HK$1.00. After acquisition, Golden Rock became a wholly-owned subsidiary of Dining Concepts (Western). Thereafter, Golden Rock operates Gaucho, a Western style restaurant.

In October 2015, we were approached by Gioma (UK) with regard to the exercise of the option under an option agreement Dining Concepts (Western) entered into with Gioma (UK) on 11 March 2015 (the "**Option Agreement**"). Gioma (UK) is a restaurant operator in United Kingdom which was one of our franchisors before the disposal of Golden Rock, one of our operating subsidiaries, on 15 January 2016. Pursuant to the Option Agreement, Gioma (UK) may exercise the option, with regard to one share (representing 50% of the total issued shares) of Golden Rock, from 10 April 2015 to 10 October 2016, at an exercise price calculated by multiplying half of 12-month period EBITDA (of Gaucho) by a multiple of 2.85 times, provided that the exercise price shall be no lower than US$1,500,000 (equivalent to approximately HK$11,670,000).

In view of the expansion plan of Gioma (UK) to expand into the market of Hong Kong, Gioma (UK) intended to acquire the entire issued shares of Golden Rock from Dining Concepts (Western) instead of the exercise of option under the Option Agreement. On 15 January 2016, Dining Concepts (Western) entered into a sale and purchase agreement with Gaucho Grill, the parent company of Gioma (UK) and an Independent Third Party, with regard to the entire issued shares of Golden Rock, at a total sum which consists of (i) a base price of US$2,093,728.96 (the "**Base Price**") (equivalent to approximately HK$16,289,000), (ii) the recoverable deposits of US$185,808.69 (the "**Recoverable Deposits**") (equivalent to approximately HK$1,446,000), and (iii) a retention amount of US$225,000 (the "**Retention Amount**") (equivalent to approximately HK$1,751,000) less an adjustment (which will be determined based on the financial position of Golden Rock as at 14 January 2016) (the "**Adjustment**"). The starting point of the aggregate amount of the Base Price and the Retention

Amount is based on the minimum exercise price of option to acquire 50% of the total issued shares of Golden Rock at US$1,500,000 with reference to the Option Agreement, and determined upon negotiation between the parties taking into account the unsatisfactory performance of Gaucho and the net asset value of Golden Rock.

On 18 January 2016, the total sum of the Base Price and the Recoverable Deposit of approximately US$2,280,000 (equivalent to approximately HK$17.7 million) was received by Dining Concepts (Western). The Retention Amount less the Adjustment of approximately HK$0.7 million was settled in cash by Gaucho Grill on 13 May 2016.

Based on the above and the net asset value of Golden Rock of approximately HK$7.8 million as at 14 January 2016 with reference to the unaudited management accounts of Golden Rock, the disposal gain (net of transaction cost of approximately HK$0.1 million) of approximately HK$10.5 million was recognised for the year ended 31 March 2016.

We commenced the business of Gaucho, the highest average spending per customer per meal amongst our restaurants during the year ended 31 March 2015, on 15 October 2014. The revenue generated by Gaucho amounted to approximately HK$16.6 million, representing approximately 3.5% of the total revenue of our Group for the year ended 31 March 2015. Our Directors consider that the closure of Gaucho will not have material impact on the future financial performance of our Group as it incurred loss during the year ended 31 March 2015. The transaction was completed on 15 January 2016. Upon completion, Golden Rock ceased to be a wholly-owned subsidiary of Dining Concepts (Western) and we ceased to own and operate Gaucho. It is agreed in the sale and purchase agreement that, upon completion, Gaucho Grill, as the sole shareholder of Gioma (UK), shall procure the entire issued shares of Golden Rock be released from the Option Agreement and Gaucho Grill and Dining Concepts (Western) agreed that with effect from completion, the provisions of the Option Agreement shall terminate.

(d) Acquisition of our operating subsidiaries

By means of a sale and purchase agreement dated 18 November 2014, which was completed on the date of execution, our Company acquired the operating subsidiaries as follows:

(i) Acquisition of our subsidiaries operating Asian style restaurants and running at a profit [(1)]

Our Company nominated Dining Concepts (Asian) to acquire the entire issued shares of Bombay Dreams (HK) from its shareholders, in consideration of which our Company allotted and issued an aggregate of 7,606 Shares to the shareholders of Bombay Dreams (HK).

Our Company nominated Dining Concepts (Asian) to acquire the entire issued shares of Excel Team Trading from its shareholders, in consideration of which our Company allotted and issued an aggregate of 5,077 Shares to the shareholders of Excel Team Trading.

Our Company nominated Dining Concepts (Asian) to acquire the entire issued shares of Global Profit from its shareholders, in consideration of which our Company allotted and issued an aggregate of 8,192 Shares to the shareholders of Global Profit.

Our Company nominated Dining Concepts (Asian) to acquire the entire issued shares of Wide Scope from its shareholders, in consideration of which our Company allotted and issued an aggregate of 6,194 Shares to the shareholders of Wide Scope.

(ii) Acquisition of our subsidiaries operating Italian style restaurants and running at a profit[(1)]

Our Company nominated Dining Concepts (Italian) to acquire the entire issued shares of Lettuce Entertain from its shareholders, in consideration of which our Company allotted and issued an aggregate of 6,194 Shares to the shareholders of Lettuce Entertain.

Our Company nominated Dining Concepts (Italian) to acquire the entire issued shares of Multi Million from its shareholders, in consideration of which our Company allotted and issued an aggregate of 9,611 Shares to the shareholders of Multi Million.

Our Company nominated Dining Concepts (Italian) to acquire the entire issued shares of Profit Best from its shareholders, in consideration of which our Company allotted and issued an aggregate of 9,611 Shares to the shareholders of Profit Best.

Our Company nominated Dining Concepts (Italian) to acquire the entire issued shares of Stanley Oriental from its shareholders, in consideration of which our Company allotted and issued an aggregate of 6,194 Shares to the shareholders of Stanley Oriental.

(iii) Acquisition of our subsidiaries operating Western style restaurants and running at a profit[(1)]

Our Company nominated Dining Concepts (Western) to acquire the entire issued shares of BLT Burger from its shareholders, in consideration of which our Company allotted and issued an aggregate of 9,611 Shares to the shareholders of BLT Burger.

Our Company nominated Dining Concepts (Western) to acquire the entire issued shares of BLT Restaurants from its shareholders, in consideration of which our Company allotted and issued an aggregate of 9,611 Shares to the shareholders of BLT Restaurants.

Our Company nominated Dining Concepts (Western) to acquire the entire issued shares of Excel Team from its shareholders, in consideration of which our Company allotted and issued an aggregate of 6,194 Shares to the shareholders of Excel Team.

Our Company nominated Dining Concepts (Western) to acquire the entire issued shares of Full Merit from its shareholders, in consideration of which our Company allotted and issued an aggregate of 6,194 Shares to the shareholders of Full Merit.

Our Company nominated Dining Concepts (Western) to acquire the entire issued shares of Smart Joy from its shareholders, in consideration of which our Company allotted and issued an aggregate of 9,611 Shares to the shareholders of Smart Joy.

Notes:

1. *Our Company agreed to issue Shares to the then shareholders of our operating subsidiaries which were running at a profit (represented by a retained profit recorded in the audited financial statements or the management accounts (as the case may be) of the relevant subsidiary available as at 31 March 2014). The number of consideration Shares were determined with reference to the agreed shareholdings of our Company by Total Commitment, Ideal Winner, Minrish, Indo Gold and Mr. Uttamchandani pursuant to the profit sharing agreement dated 15 February 2010, of which 50.2% would be held by Total Commitment, 15.9% by Ideal Winner, 8.5% by Minrish, 18.7% by Indo Gold and 6.7% by Mr. Uttamchandani.*

2. *Strong Ace did not form part of the operating subsidiaries in the acquisition by our Company by means of a sale and purchase agreement dated 18 November 2014 since it was not incorporated until 11 December 2014. Its subscription share was issued to a nominee company which is an Independent Third Party. On 24 December 2014, Dining Concepts (Western) acquired such subscriber share at a nominal consideration of HK$1.00. For details, please refer to the section headed "History, development and Reorganisation — Reorganisation — Incorporation of Spectrum Rise, Trendy Move, Strong Ace, New Era, Strong Empire, Rich Ever, Success Glory and Winner Star" in this prospectus.*

The table below summarises the number of consideration Shares issued by our Company as consideration for each of the above mentioned acquisition and the percentage of ownership in our Company after the acquisitions:

	Company	Consideration Shares: Total Commitment	Ideal Winner	Minrish	Indo Gold	Mr. Uttamchandani	Total
Subsidiaries operating Asian style restaurants and running at a profit							
1.	Bombay Dreams (HK)	3,852	1,224	1,415	Nil	1,115	7,606
2.	Excel Team Trading	3,854	1,223	Nil	Nil	Nil	5,077
3.	Global Profit	3,854	1,223	Nil	3,115	Nil	8,192
4.	Wide Scope	3,854	1,223	Nil	Nil	1,117	6,194
Subsidiaries operating Italian style restaurants and running at a profit							
5.	Lettuce Entertain	3,854	1,223	Nil	Nil	1,117	6,194
6.	Multi Million	3,854	1,223	1,417	3,117	Nil	9,611
7.	Profit Best	3,854	1,223	1,417	3,117	Nil	9,611
8.	Stanley Oriental	3,854	1,223	Nil	Nil	1,117	6,194
Subsidiaries operating Western style restaurants and running at a profit							
9.	BLT Burger	3,854	1,223	1,417	3,117	Nil	9,611
10.	BLT Restaurants	3,854	1,223	1,417	3,117	Nil	9,611
11.	Excel Team	3,854	1,223	Nil	Nil	1,117	6,194
12.	Full Merit	3,854	1,223	Nil	Nil	1,117	6,194
13.	Smart Joy	3,854	1,223	1,417	3,117	Nil	9,611
	TOTAL number of Shares to be issued	**50,100**	**15,900**	**8,500**	**18,700**	**6,700**	**99,900**
	Number of Shares before Step (d)	**100**	**Nil**	**Nil**	**Nil**	**Nil**	**100**
	TOTAL number of Shares after Step (d)	**50,200**	**15,900**	**8,500**	**18,700**	**6,700**	**100,000**
	Percentage of ownership in our Company	**50.2%**	**15.9%**	**8.5%**	**18.7%**	**6.7%**	**100.0%**

(iv) Acquisition of our subsidiary operating Asian style restaurant and running at a loss[(1)]

Our Company nominated Dining Concepts (Asian) to acquire the entire issued shares of Max Prospect from its shareholders for a nominal consideration of HK$1.00.

(v) Acquisition of our subsidiaries operating Italian style restaurants and running at a loss[(1)]

Our Company nominated Dining Concepts (Italian) to acquire the entire issued shares of Most Glory from its shareholders for a nominal consideration of HK$1.00.

Our Company nominated Dining Concepts (Italian) to acquire the entire issued shares of Wealthy Trade from its shareholders for a nominal consideration of HK$1.00.

(vi) Acquisition of our subsidiaries operating Western style restaurants and running at a loss[(1)]

Our Company nominated Dining Concepts (Western) to acquire the entire issued shares of BBQ Restaurants from its shareholders for a nominal consideration of HK$1.00.

Our Company nominated Dining Concepts (Western) to acquire the entire issued shares of California Vintage (HK) from its shareholders for a nominal consideration of HK$1.00.

Our Company nominated Dining Concepts (Western) to acquire the entire issued shares of Fame Top from its shareholders for a nominal consideration of HK$1.00.

Our Company nominated Dining Concepts (Western) to acquire the entire issued shares of Heaven from its shareholders for a nominal consideration of HK$1.00.

Our Company nominated Dining Concepts (Western) to acquire the entire issued shares of Nice Empire[2] from its shareholders for a nominal consideration of HK$1.00.

Our Company nominated Dining Concepts (Western) to acquire the entire issued shares of Pine Best from its shareholders for a nominal consideration of HK$1.00.

Our Company nominated Dining Concepts (Western) to acquire the entire issued shares of Wealthy Home from its shareholders for a nominal consideration of HK$1.00.

Notes:

1 *Our Company agreed to pay a nominal consideration of HK$1.00 to acquire each of our operating subsidiaries which were running at a loss (represented by an accumulated loss recorded in the audited financial statements or the management accounts (as the case may be) of the relevant subsidiaries available as at 31 March 2014).*

2. *At the time of the Reorganisation, Nice Empire operated a Western style restaurant The BellBrook. Due to the unsatisfactory business performance of The BellBrook, we renovated its premises, relocated Cecconi's Italian to such premises and recommenced the business of Cecconi's Italian on 6 July 2015 in view of the successful business of Cecconi's Italian at its previous location, its target customers and the size and location of the premises. Upon the relocation of Cecconi's Italian, Nice Empire, which formerly operated The BellBrook, commenced to operate Cecconi's Italian, which is an Italian style restaurant. In December 2015, we were approached by, a chef, an Independent Third Party (the "**Potential Buyer**"), who was interested in the premises and the fixtures and fittings therein. After due and careful consideration, our Directors are of the view that it is commercially beneficial for us to sell fixtures and fittings as Cecconi's Italian incurred loss after its relocation in July 2015. Accordingly, Cecconi's Italian was closed on 1 January 2016 for the purpose of completing such disposal. As at the Latest Practicable Date, the Potential Buyer, in view of the deteriorating market conditions and his personal reason, failed to complete the proposed sale and purchase transaction of the fixtures and fittings.*

3. *Strong Ace did not form part of the operating subsidiaries in the acquisition by our Company by means of a sale and purchase agreement dated 18 November 2014 since it was not incorporated until 11 December 2014. Its subscription share was issued to a nominee company which is an Independent Third Party. On 24 December 2014, Dining Concepts (Western) acquired such subscriber share at a nominal consideration of HK$1.00. For details, please refer to the section headed "History, development and Reorganisation — Reorganisation — Incorporation of Spectrum Rise, Trendy Move, Strong Ace, New Era, Strong Empire, Rich Ever, Success Glory and Winner Star" in this prospectus.*

(vi) *Acquisition of our restaurant management company which was running at a loss[Note]*

Our Company nominated Dining Concepts (Overseas) to acquire the entire issued shares of Dining Concepts from its shareholders for a nominal consideration of HK$1.00.

Note: Our Company agreed to pay a nominal consideration of HK$1.00 to acquire Dining Concepts which was running at a loss (represented by an accumulated loss recorded in the audited financial statements or the management accounts (as the case may be) of the relevant subsidiary available as at 31 March 2014).

(e) Incorporation of Spectrum Rise, Trendy Move, Strong Ace, New Era, Strong Empire, Rich Ever, Success Glory and Winner Star

Spectrum Rise is a company incorporated in Hong Kong with limited liability on 12 December 2014 with one subscriber share issued to a nominee company which is an Independent Third Party. On 24 December 2014, Dining Concepts (Casual) acquired such subscriber share at a nominal consideration of HK$1.00. After acquisition, Spectrum Rise became a wholly-owned subsidiary of Dining Concepts (Casual). The purpose of the incorporation of Spectrum Rise is to establish a restaurant in Hong Kong using a franchised brand pursuant to the area development agreement[Note] dated 1 December 2014 and entered into by Dining Concepts (Casual). On 28 February 2016, Le Pain Quotidien (Lee Tung Avenue), a Western style bakery restaurant, was opened. For details of Le Pain Quotidien (Lee Tung Avenue), please refer to the section headed "Business — Overview of restaurant operations and management — Our restaurants" in this prospectus.

Note: The area development agreement is a master agreement under which the franchisor and the franchisee shall enter into a separate franchising agreement for each restaurant to be opened under the area development agreement.

Trendy Move is a company incorporated in Hong Kong with limited liability on 12 December 2014 with one subscriber share issued to a nominee company which is an Independent Third Party. On 2 January 2015, Dining Concepts (Asian) acquired such subscriber share at a nominal consideration of HK$1.00. After such acquisition, Trendy Move became a wholly-owned subsidiary of Dining Concepts (Asian). The purpose of the incorporation of Trendy Move is to establish an Asian style restaurant, Ophelia, which was opened on 11 May 2016. For details of Ophelia, please refer to the section headed "Business — Overview of restaurant operations and management — Our restaurants" in this prospectus.

Strong Ace is a company incorporated in Hong Kong with limited liability on 11 December 2014 with one subscriber share issued to a nominee company which is an Independent Third Party. On 24 December 2014, Dining Concepts (Western) acquired such subscriber share at a nominal consideration of HK$1.00. After such acquisition, Strong Ace became a wholly-owned subsidiary of Dining Concepts (Western). The purpose of the incorporation of Strong Ace is to establish a Western style restaurant in Hong Kong. On 14 September 2015, London House, a Western style restaurant, was opened. For details of London House, please refer to the section headed "Business — Overview of restaurant operations and management — Our restaurants" in this prospectus.

New Era is a company incorporated in Hong Kong with limited liability on 22 March 2014 with one subscriber share issued to a nominee company which is an Independent Third Party. On 31 December 2014, Dining Concepts (Casual) acquired such subscriber share at a nominal consideration of HK$1.00. After acquisition, New Era became a wholly-owned subsidiary of Dining Concepts (Casual). The purpose of the incorporation of New Era is to establish a Western style restaurant for the year ending 31 March 2018.

Strong Empire is a company incorporated in Hong Kong with limited liability on 8 October 2015 with one subscriber share issued to a nominee company which is an Independent Third Party. On 26 October 2015, Dining Concepts (Casual) acquired such subscriber share at a nominal consideration of HK$1.00. On the same day, further 999,999 fully-paid shares of Strong Empire were allotted and issued to Dining Concepts (Casual) at a consideration of HK$999,999. After acquisition, Strong Empire became a wholly-owned subsidiary of Dining Concepts (Casual). The purpose of the incorporation of Strong Empire is to establish a Western style bakery restaurant, Le Pain Quotidien (Pacific Place), for the year ending 31 March 2017 pursuant to the area development agreement[Note] dated 1 December 2014 and entered into by Dining Concepts (Casual).

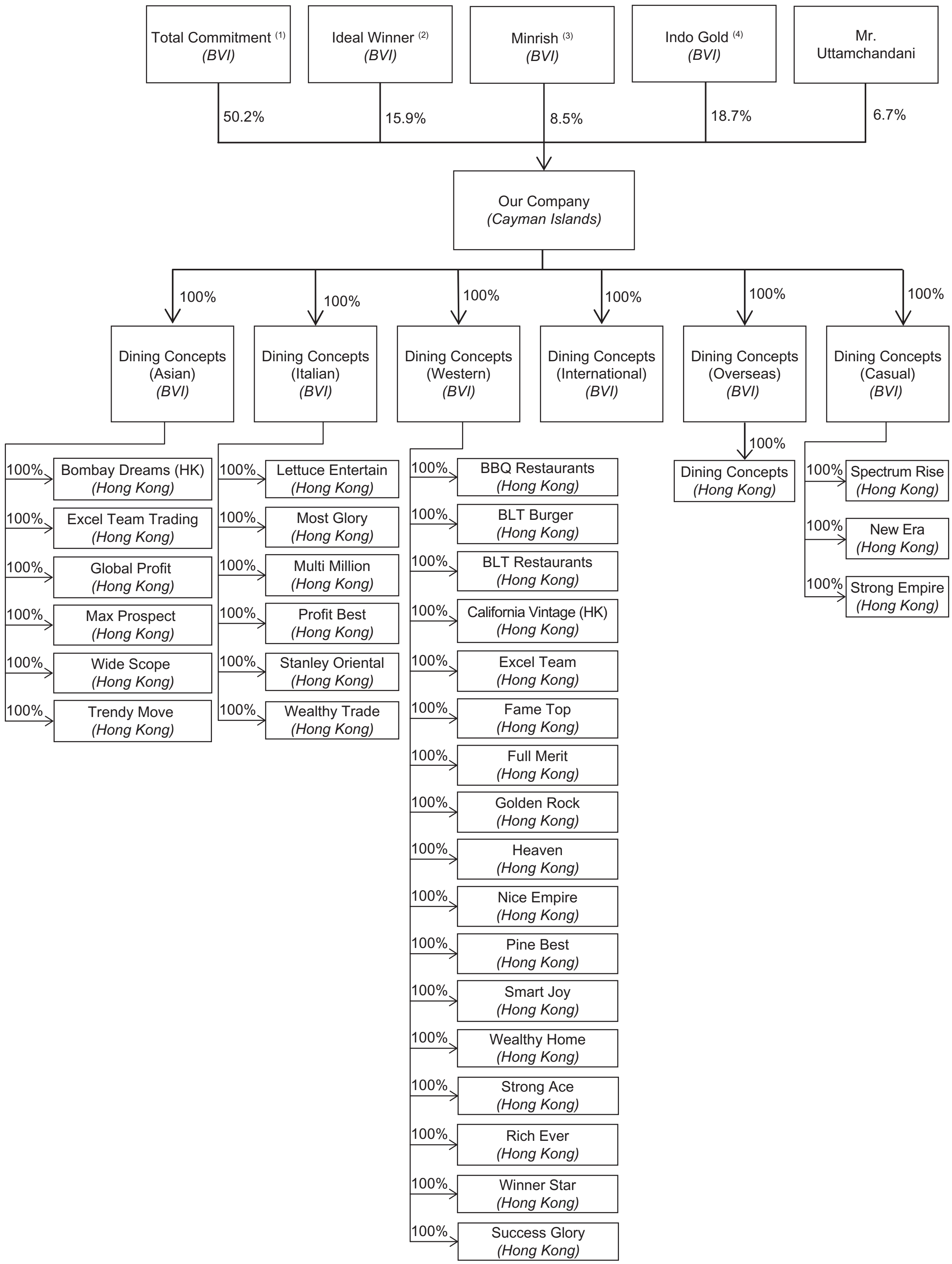
Rich Ever is a company incorporated in Hong Kong with limited liability on 24 December 2015 with one subscriber share issued to a nominee company which is an Independent Third Party. On 7 January 2016, Dining Concepts (Western) acquired such subscriber share at a nominal consideration of HK$1.00. After acquisition, Rich Ever became a wholly-owned subsidiary of Dining Concepts (Western). On 8 January 2016 and 11 January 2016, Rich Ever allotted 9,999 and 290,000 shares at the subscription price of HK$9,999 and HK$290,000 to Dining Concepts (Western) respectively. The purpose of the incorporation of Rich Ever is to establish a Western style restaurant in Hong Kong for the year ending 31 March 2018.

Winner Star is a company incorporated in Hong Kong with limited liability on 18 December 2015 with one subscriber share issued to a nominee company which is an Independent Third Party. On 20 January 2016, Dining Concepts (Western) acquired such subscriber share at a nominal consideration of HK$1.00. After acquisition, Winner Star became a wholly-owned subsidiary of Dining Concepts (Western). On 21 January 2016, Winner Star allotted 9,999 shares at the subscription price of HK$9,999 to Dining Concepts (Western). The purpose of the incorporation of Winner Star is to establish a Western style restaurant in Hong Kong for the year ending 31 March 2017.

Note: The area development agreement is a master agreement under which the franchisor and the franchisee shall enter into a separate franchising agreement for each restaurant to be opened under the area development agreement.

Success Glory is a company incorporated in Hong Kong with limited liability on 5 January 2016 with one subscriber share issued to a nominee company which is an Independent Third Party. On 20 January 2016, Dining Concepts (Western) acquired such subscriber share at a nominal consideration of HK$1.00. After acquisition, Success Glory became a wholly-owned subsidiary of Dining Concepts (Western). On 21 January 2016, Success Glory allotted 9,999 shares at the subscription price of HK$9,999 to Dining Concepts (Western). The purpose of the incorporation of Success Glory is to establish a Western style restaurant in Hong Kong for the year ending 31 March 2017.

The chart below illustrates the shareholding structure of our Group after the acquisition of our operating subsidiaries:



Notes:

1. *Total Commitment is wholly owned by Mr. Sekhri.*

2. *Ideal Winner is wholly owned by Ms. Dayaram.*

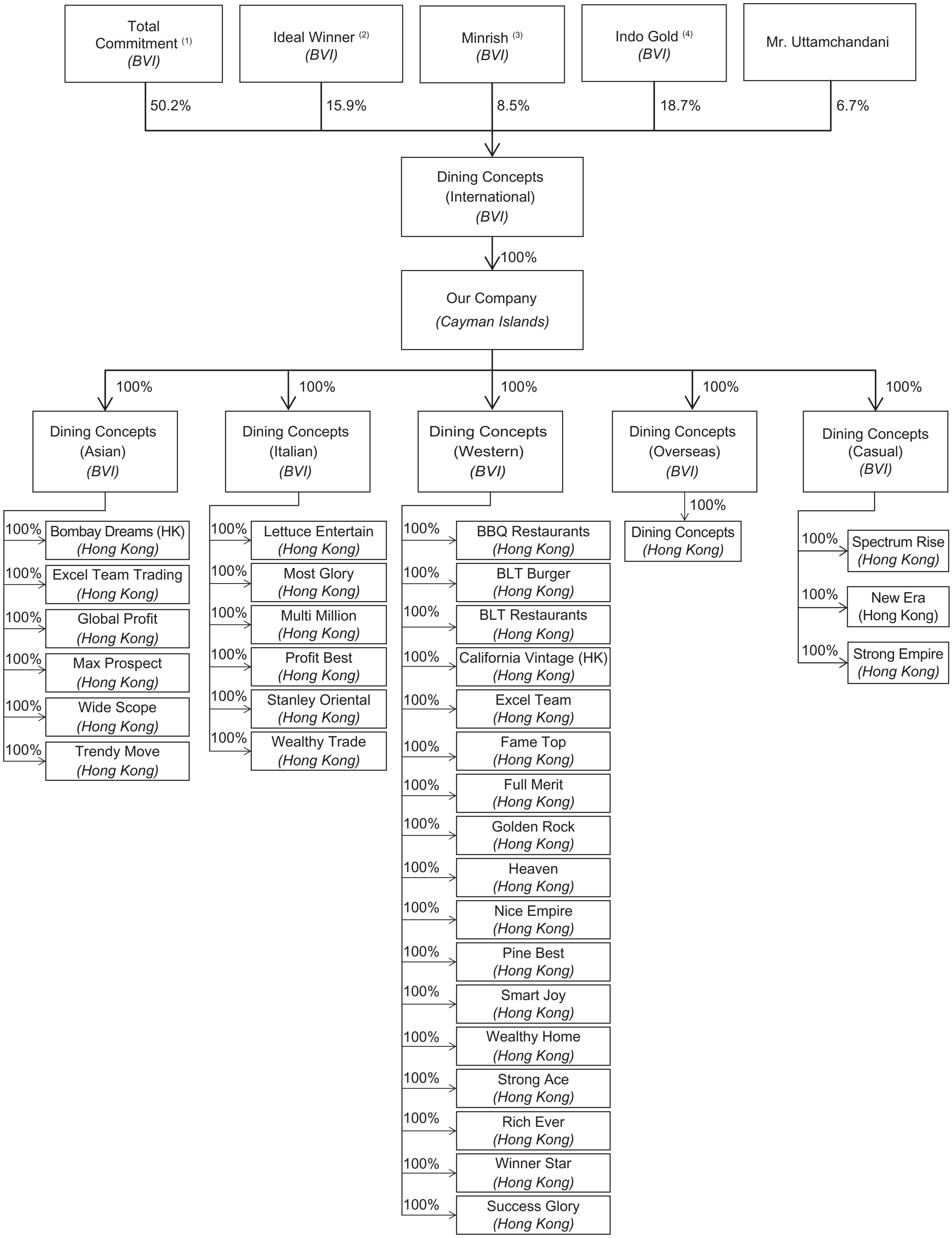
3. *Minrish is owned as to 50% by each of Mr. Mirpuri and Mrs. Mirpuri, respectively, who is the spouse of one another.*

4. *Indo Gold is owned as to 25% by each of Mr. Uttamchandani, Mr. P.W. Uttamchandani, Mrs. D.P. Uttamchandani and Mr. M. Uttamchandani, respectively, Mr. P.W. Uttamchandani and Mrs. D.P. Uttamchandani are the spouse of one another, and Mr. Uttamchandani and Mr. M. Uttamchandani are their children.*

(f) Share swap between Dining Concepts (International) and our Controlling Shareholders

On 18 November 2014, Total Commitment acquired one share of Dining Concepts (International), being the then entire issued share of Dining Concepts (International), from our Company at a nominal consideration of US$1.00. On the same date, by means of a sale and purchase agreement which was completed on the date of execution, each of Total Commitment, Ideal Winner, Minrish, Indo Gold and Mr. Uttamchandani transferred the entire issued shares of Bombay Dreams (HK), Excel Team Trading, Global Profit, Wide Scope, Lettuce Entertain, Profit Best, Multi Million, Stanley Oriental, BLT Burger, BLT Restaurants, California Vintage (HK), Fame Top, Heaven, Max Prospect, Most Glory, Nice Empire, Pine Best, Wealthy Home, Wealthy Trade, Excel Team, Full Merit, Smart Joy and BBQ Restaurants to our Company and in consideration of which, our Company allotted and issued 50,100, 15,900, 8,500, 18,700 and 6,700 consideration Shares to them, respectively. On the same date, Total Commitment, Ideal Winner, Minrish, Indo Gold and Mr. Uttamchandani, transferred 50,200, 15,900, 8,500, 18,700 and 6,700 Shares, respectively, being the entire issued Shares of our Company, to Dining Concepts (International), and in return Dining Concepts (International) allotted and issued 501, 159, 85, 187 and 67 shares to them, respectively. After the share swap, our Company became wholly owned by Dining Concepts (International) which was in turn owned as to 50.2% by Total Commitment, 15.9% by Ideal Winner, 8.5% by Minrish, 18.7% by Indo Gold and 6.7% by Mr. Uttamchandani, respectively.

The chart below illustrates the shareholding structure of our Group after the completion of the share swap between Dining Concepts (International) and our Controlling Shareholders:



Notes:

1. *Total Commitment is wholly owned by Mr. Sekhri.*

2. Ideal Winner is wholly owned by Ms. Dayaram.

3. Minrish is owned as to 50% by each of Mr. Mirpuri and Mrs. Mirpuri, respectively, who is the spouse of one another.

4. Indo Gold is owned as to 25% by each of Mr. Uttamchandani, Mr. P.W. Uttamchandani, Mrs. D.P. Uttamchandani and Mr. M. Uttamchandani, respectively, Mr. P.W. Uttamchandani and Mrs. D.P. Uttamchandani are the spouse of one another, and Mr. Uttamchandani and Mr. M. Uttamchandani are their children.

PRE-IPO INVESTMENTS

There have been two rounds of pre-IPO investments in our Company. The First Pre-IPO Investment Agreement was entered into with Prometheus Capital and was effective on 25 November 2014. It was later completed on 4 December 2014. The Second Pre-IPO Investment Agreement was entered into with CIS Strategic and was effective on 24 December 2014. It was later completed on 29 December 2014. The Second Exchangeable Bond was later redeemed fully on 2 September 2015.

(a) First Pre-IPO Investment

Overview

On 25 November 2014, our Company and some of our Controlling Shareholders (i.e. Dining Concepts (International), Total Commitment, Ideal Winner, Minrish, Indo Gold and Mr. Uttamchandani) entered into the First Pre-IPO Investment Agreement with Prometheus Capital, pursuant to which Dining Concepts (International) (i) issued the First Exchangeable Bond in the principal amount of US$4,000,000 (equivalent to approximately HK$31,120,000) to Prometheus Capital on 4 December 2014; and (ii) granted a security interest in 15,000 Shares, representing 15.0% of the then entire issued share capital of our Company, to Prometheus Capital pursuant to the First Share Charge Deed, which was entered into on 4 December 2014 to secure the obligations, restrictions and covenants undertaken by the covenantors(1) of the First Pre-IPO Investment Agreement. The First Pre-IPO Investment Agreement was subsequently varied and supplemented by three side letter agreements executed by the parties to the First Pre-IPO Investment Agreement on 4 December 2014, 14 January 2015 and 11 May 2016, respectively. The third side letter agreement to the First Pre-IPO Investment Agreement was to extend the term of the First Exchangeable Bond for a further six months to 3 December 2016.

The First Exchangeable Bond shall be automatically exchanged for our Shares on the first business day preceding the Listing Date whereby Dining Concepts (International) shall transfer 13,480 Shares to Prometheus Capital. Immediately upon completion of the Capitalisation Issue and the Placing, Prometheus Capital will directly hold approximately 10.11% of the entire issued share capital of our Company.

On 31 March 2015, Mr. Sekhri, our Company and parties to the First Pre-IPO Investment Agreement entered into the Deed of Novation, pursuant to which our Company, with the consent of the other parties to the First Pre-IPO Investment Agreement, assigned and novated to Mr. Sekhri, and Mr. Sekhri irrevocably assumed and undertook to perform all the rights and obligations of our Company under the First Pre-IPO Investment Agreement.

Principal terms of the First Pre-IPO Investment

The table below summarises the principal terms of the First Pre-IPO Investment:

Name of investor	Prometheus Capital
Date of investment	25 November 2014
Amount of consideration paid	US$4,000,000 (equivalent to approximately HK$31,120,000)
Payment date of the consideration	4 December 2014
Cost per Share paid by investor(2)	Approximately HK$0.38

Notes:

1. *Under the First Pre-IPO Investment Agreement, the covenantors include our Company and some of our Controlling Shareholders (i.e. Dining Concepts (International), Total Commitment, Ideal Winner, Minrish, Indo Gold and Mr. Uttamchandani).*

2. *For illustration purposes only, on the basis of our enlarged issued share capital immediately upon completion of the Placing (without taking into account the Shares to be issued upon the exercise of the Offer Size Adjustment Option or options granted or to be granted under the Share Option Schemes).*

Basis of determination of the consideration	Arm's length negotiations between Prometheus Capital, our Company and some of our Controlling Shareholders (i.e. Dining Concepts (International), Total Commitment, Ideal Winner, Minrish, Indo Gold and Mr. Uttamchandani) by reference to the audited balance sheets of our Group companies as at 31 March 2012 and 2013 and the related statements of income, cash flow and changes in shareholders' equity, together with the notes thereto
Discount to the IPO price*(Note)*	A discount of approximately 24.0% to the mid-point of the indicative Placing Price range of HK$0.40 to HK$0.60, on the basis of our enlarged share capital immediately upon completion of the Capitalisation Issue and the Placing
First Exchangeable Bond	Dining Concepts (International) issued the First Exchangeable Bond to Prometheus Capital, principal terms of which are described in the paragraph headed "First Pre-IPO Investment — Principal terms of the First Exchangeable Bond" in this section
First Share Charge Deed	Dining Concepts (International) entered into the First Share Charge Deed on 4 December 2014 in favour of Prometheus Capital, pursuant to which Dining Concepts (International) charged 15,000 Shares, representing 15.0% of the then issued share capital of our Company at the date of charge, to secure the obligations, restrictions and covenants undertaken by the covenantors of the First Pre-IPO Investment Agreement arising in connection with the First Pre-IPO Investment Agreement, the First Exchangeable Bond and the First Share Charge Deed The First Share Charge Deed will be fully discharged and released upon Listing

Note: For illustration purposes only, assuming the mid-point of the indicative Placing Price range of HK$0.40 and HK$0.60, on the basis of our enlarged issued share capital immediately upon completion of the Capitalisation Issue and the Placing (without taking into account the Shares to be issued upon the exercise of the Offer Size Adjustment Option or options granted or to be granted under the Share Option Schemes).

Use of proceeds	The entire net proceeds from the First Pre-IPO Investment (i.e. US$4,000,000) (equivalent to approximately HK$31,120,000) have been injected by Dining Concepts (International) to our Company as a loan on 4 December 2014 pursuant to the First Pre-IPO Investment Agreement. The repayment obligation of our Company to Dining Concepts (International) in relation thereto has been irrevocably waived by Dining Concepts (International) pursuant to the Deed of Waiver The capital injection by Dining Concepts (International) to our Company has been utilised as the general working capital of our Group as at the Latest Practicable Date
Strategic benefits to our Company	The First Pre-IPO Investment provided additional capital for the development and revenue growth of our Group. In addition, with the strong business connection network of Prometheus Capital, our Directors believe that Prometheus Capital can assist our Group to explore business opportunities
Shareholding in our Company held by Prometheus Capital upon the Listing*(Note)*	80,880,000 Shares, representing 10.11% of the entire issued Shares of our Company Upon the Listing, the shareholding of Prometheus Capital in our Company will be more than 10%. Accordingly, Prometheus Capital will be our substantial Shareholder and thus a core connected person, and all Shares to be held by Prometheus Capital upon the full exchange of the First Exchangeable Bond shall not be regarded as part of the public float of our Company for the purpose of Rule 11.23(1) of the GEM Listing Rules
Lock-up	All Shares held by Prometheus Capital at the Listing Date are subject to a lock-up period of six months from the Listing Date
Special rights	Prometheus Capital is entitled to the following special rights which will be terminated upon the Listing: • *Information right*. Covenantors of the First Pre-IPO Investment are entitled to procure our Company to provide the financial and accounting information and other books

Note: For illustration purposes only, on the basis of our enlarged issued share capital immediately upon completion of the Capitalisation Issue and the Placing (without taking into account the Shares to be issued upon the exercise of the Offer Size Adjustment Option or options granted or to be granted under the Share Option Schemes).

and records of our Group on a timely and regular basis. The form, content and timing of the information are to be agreed by Prometheus Capital

- *Indemnification.* Each of the covenantors under the First Pre-IPO Investment Agreement shall indemnify Prometheus Capital and hold it harmless from any claims arising from the inaccuracy in or breach of the warranties of the covenantors

- *Right of first refusal*. If any of the shareholders of Dining Concepts (International) as at the date of the First Pre-IPO Investment proposes to make a direct or indirect sale or transfer any shares in Dining Concepts (International) or our Company, Prometheus Capital shall have the right of first refusal to purchase all the offered shares on the terms and conditions stated in the invitation notice delivered by the transferring shareholder

- *Tag-along rights*. If Dining Concepts (International) or any of the shareholders of Dining Concepts (International) as at the date of the First Pre-IPO Investment proposes to transfer any shares in Dining Concepts (International) or our Company, and Prometheus Capital has decided not to exercise its right of first refusal, Prometheus Capital shall be entitled but not obligated to sell together with Dining Concepts (International) or the selling shareholder, pro-rata on an as-exchanged and fully diluted basis, Prometheus Capital's interests in Dining Concepts (International) and/or our Company at the same price and on other equal terms offered to Dining Concepts (International) or the relevant selling shareholders by the transferee

- *Right to appoint Director*. Prometheus Capital has the right to nominate a person to act as Director, and shall remove such Director so appointed prior to the submission of listing application to the Stock Exchange. Mr. He Zhijian, being the director nominated by Prometheus Capital, was appointed as our Director on 4 December 2014 and subsequently removed as director on 23 March 2015

Principal terms of the First Exchangeable Bond

The table below summarises the principal terms of the First Exchangeable Bond:

Name of issuer	Dining Concepts (International)
Holder of the First Exchangeable Bond	Prometheus Capital
Date of issue	4 December 2014
Aggregate principal amount	US$4,000,000 (equivalent to approximately HK$31,120,000)
Interest	Nil
Maturity date	3 December 2016, which is the last day of the 24 month period commencing from the date of issue
Right to exchange	Prometheus Capital was granted the right to exchange all or any part of the First Exchangeable Bond into our Shares, free of any and all encumbrance, at any time and from time to time after the date of issue and up to the first business day preceding the Listing Date
Automatic exchange	The outstanding principal amount of the First Exchangeable Bond shall automatically be exchanged into our Shares in whole, free of any and all encumbrance, on the first business day preceding the Listing Date
Number of our Shares to be exchanged	13,480 Shares, assuming there is no dilution event (i.e. the event of any reclassification, share split, issue of bonus shares, share dividends, consolidation of shares, combination, recapitalisations and such other events having a dilution effect on the shareholding of Prometheus Capital in our Company) or new equity event (i.e. our Company raises any equity or equity-linked financing other than the Placing at more favourable terms than those provided to Prometheus Capital in the transactions contemplated under the First Pre-IPO Investment Agreement) prior to the Listing Date, or adjustment events as provided in the First Exchangeable Bond For the avoidance of doubt, the Second Pre-IPO Investment is not regarded as a dilution event or a new equity event At the time of exchange, Dining Concepts (International) shall transfer the relevant number of Shares held by it to Prometheus Capital and no new Shares will be issued in connection with the exchange of the First Exchangeable Bond

Profit guarantee	If the profits attributable to shareholders (i.e. the audited consolidated net profit of our Group, after deducting taxation, for the year ending on or as at the relevant accounts date prepared in accordance with HKFRSs and as shown in the audited consolidated financial statements of our Company) for the year ending on 31 March 2015, subject to certain upward adjustment, is less than 110% of the adjusted profits of 2014 (i.e. profits attributable to shareholders for the year ended 31 March 2014 taking into account the assets write-off and intercompany loan write off) ("**2015 Profits Shortfall**"), Dining Concepts (International) shall pay to Prometheus Capital a sum in cash equal to the product of 2015 Profit Shortfall multiplied by a factor of 5.5, and by a percentage ratio of 13.48% within the prescribed time limit The profit guarantee shall not apply (i) where the revenue of our Group on a consolidated basis prepared and audited in accordance with HKFRSs ("**Audited Revenue**") for the year ending on or as at 31 March 2015 is not less than 110% of the Audited Revenue for the year ending on or as at 31 March 2014; or (ii) where an application for Listing has been filed and for so long as such application has not been subsequently withdrawn, rejected or has otherwise become inactive
Rights upon winding up	If, prior to the Listing, there occurs a return of capital upon liquidation and/or winding-up or a deemed liquidation event (i.e. the event of (i) any merger or consolidation of our Group other than one in which Dining Concepts (International) and Prometheus Capital collectively own a majority of voting power of the outstanding shares of the surviving or acquiring corporation; or (ii) any transaction involving a sale, lease, transfer or other disposition of all or substantially all of the assets of our Group) of our Company and/or Dining Concepts (International) prior to the Listing, the assets of our Company or Dining Concepts (International) shall be applied first in paying up, depending on the circumstances, the principal amount of the First Exchangeable Bond plus an amount representing an internal rate of return of 8% to Prometheus Capital by way of cash in priority to paying Dining Concepts (International), our Shareholders or holder of any other bonds or shares issued by our Company (if any) or Dining Concepts (International)

Redemption on events of default

Prometheus Capital shall be entitled but not obliged to redeem the First Exchangeable Bond by giving a redemption notice to Dining Concepts (International), if any of the following events of default occurs:

(1) a qualified initial public offering has not taken place or is not likely to take place on or before the tenth Business Day before the maturity date of the First Exchangeable Bond. A qualified initial public offering is defined as the initial public offering of the shares of the listing vehicle, namely our Company in the context, and listing on the approved stock exchange by way of a new issue and/or offer for sale and/or placement of its shares. "Approved stock exchange" is defined as the main board of the Stock Exchange, and such other boards and/or other stock exchanges as may be approved by Prometheus Capital;

(2) Mr. Sekhri leaves the employment of our Company or no longer assumes any management position of our Company, without obtaining the prior consent of Prometheus Capital;

(3) Mr. Sekhri breaches the term of his employment contract with our Company;

(4) there being any material breach of any representation, warranty, covenant, undertaking or other term or condition of any of the First Pre-IPO Investment Agreement, the First Exchangeable Bond, the First Share Charge Deed or the constitutional documents by our Company, the covenantors under the First Pre-IPO Investment Agreement or any member of our Group;

(5) there being any illegality of any representation, warranty, covenant, undertaking or other term or condition of any of the First Pre-IPO Investment Agreement, the First Exchangeable Bond, the First Share Charge or the transactions contemplated thereunder;

(6) if any action or steps are taken or legal proceedings are commenced (under applicable laws) by or against our Company, the covenantors under the First Pre-IPO Investment Agreement or any

member of our Group for its winding up, administration or reorganisation (save for the Reorganisation);

(7) if our Company changes or tries to change the core business (i.e. restaurant operations), or has discontinued or materially changed the nature of the core business (or attempted to do so), or merges or consolidates with any other person, without obtaining the prior proper approval by Prometheus Capital;

(8) if all or a material part of the properties or rights or interests of our Company, the covenantors under the First Pre-IPO Investment Agreement or any member of our Group are expropriated;

(9) there being any material impairment in the collateral rights or the guarantees of our Company, covenantors under the First Pre-IPO Investment Agreement or any member of our Group;

(10) if our Company, covenantors under the First Pre-IPO Investment Agreement or any member of our Group defaults, or receives notice of default, under any contract relating to any borrowing or indebtedness, or as a result of such default, any of its indebtedness becomes payable or capable of being declared payable before its stated maturity or is not paid when due, the amount of which exceeds either a single sum of US$500,000 (equivalent to approximately HK$3,890,000) or an aggregate sum of US$1,000,000 (equivalent to approximately HK$7,780,000) within one financial year;

(11) if our Company, covenantors under the First Pre-IPO Investment Agreement or any member of our Group defaults to pay when due any amount payable by it under any guarantee or indemnity in respect of any borrowing indebtedness of any other person, or any charge where the charged property of our Company, covenantors under the First Pre-IPO Investment Agreement or any member of our Group can be compulsorily seized or disposed of, the amount of which exceeds either a single sum of US$500,000 (equivalent to approximately HK$3,890,000) or an

aggregate sum of US$1,000,000 (equivalent to approximately HK$7,780,000) within one financial year;

(12) a distress, execution or other legal process is levied, enforced or sued upon or against any part of the property, assets or revenues of our Company, covenantors under the First Pre-IPO Investment Agreement or any member of our Group is not discharged or stayed within 30 days (or such longer time period as may be agreed by Prometheus Capital), the amount of which exceeds either a single sum of US$500,000 (equivalent to approximately HK$3,890,000) or an aggregate sum of US$1,000,000 (equivalent to approximately HK$7,780,000) within one financial year; and

(13) any events or incidents which would have similar effects of the above items (1) to (12) inclusive under any applicable laws or jurisdictions

Unless previously redeemed or exchanged, if the events of default mentioned above occur, the outstanding principal amount of First Exchangeable Bond shall automatically be redeemed in whole on the last day of the 24-month period commencing from the date of issue

The redemption price payable upon redemption of the First Exchangeable Bond shall be the principal amount of the First Exchangeable Bond plus an amount representing an internal rate of return of 8% as accrued and calculated from the date of issue (i.e. 4 December 2014) up to and including the day Prometheus Capital actually receives the redemption price, deducting therefrom the aggregate amount of all the return already paid to the registered holder of the First Exchangeable Bond in relation to the relevant portion of the principal amount of the First Exchangeable Bond so redeemed

Background of Prometheus Capital

Prometheus Capital is an Independent Third Party (other than being our Shareholder upon the automatic exchange of the First Exchangeable Bond) and is wholly owned by Mr. Wang Sicong, an Independent Third Party. Prometheus Capital is a private investment company which focuses on investments in companies in Hong Kong and the PRC, mainly in their start-up and growth stage with potential to become sectors' leaders.

(b) Second Pre-IPO Investment

Overview

On 24 December 2014, some of our Controlling Shareholders (i.e. Dining Concepts (International), Total Commitment, Ideal Winner, Minrish, Indo Gold and Mr. Uttamchandani) entered into the Second Pre-IPO Investment Agreement with CIS Strategic, pursuant to which Dining Concepts (International) (i) issued the Second Exchangeable Bond in the principal amount of HK$30,000,000 to Convoy Investment[(1)] on 29 December 2014; and (ii) granted a security interest in 9,000 ordinary Shares, representing 9% of the then entire issued share capital of our Company, to CIS Strategic pursuant to the Second Share Charge Deed which was entered into on 29 December 2014 to secure the obligations, restrictions and covenants undertaken by the covenantors[(2)] of the Second Pre-IPO Investment Agreement.

On 2 September 2015, Dining Concepts (International) received a redemption notice in respect of the whole of the Second Exchangeable Bond from Convoy Investment. On the same date, the Second Exchangeable Bond was redeemed fully by Dining Concepts (International) at the redemption price of HK$32,649,863, being the principal amount of the Second Exchangeable Bond together with the return at an internal rate of 13%, by way of a cheque to CIS Strategic, pursuant to the terms and conditions of the Second Exchangeable Bond.

On 2 September 2015, Dining Concepts (International) and CIS Strategic entered into the Deed of Release, pursuant to which CIS Strategic confirmed that, with effect from the date thereof, upon the receipt of the redemption price, the entire repayment obligations owed by Dining Concepts (International) to CIS Strategic and/or Convoy Investment under the Second Exchangeable Bond and the Second Share Charge Deed have been released and discharged fully and absolutely.

Notes:

1. *Before the redemption, Convoy Investment held the Second Exchangeable Bond for and on behalf of CIS Strategic at the investment account of CIS Strategic.*

2. *Under the Second Pre-IPO Investment, the covenantors include some of our Controlling Shareholders (i.e. Dining Concepts (International), Total Commitment, Ideal Winner, Minrish, Indo Gold and Mr. Uttamchandani).*

Principal terms of the Second Pre-IPO Investment

The table below summarises the principal terms of the Second Pre-IPO Investment:

Name of investor	CIS Strategic
Date of investment	24 December 2014
Amount of consideration paid	HK$30,000,000
Payment date of the consideration	29 December 2014
Cost per Share paid by investor *(Note)*	Approximately HK$0.51
Basis of determination of the consideration	Arm's length negotiations between CIS Strategic and some of our Controlling Shareholders (i.e. Dining Concepts (International), Total Commitment, Ideal Winner, Minrish, Indo Gold and Mr. Uttamchandani) by reference to the audited balance sheets of our Group companies as at 31 March 2012 and 2013 and the related statements of income, cash flow and changes in shareholders' equity, together with the notes thereto

Note: For illustration purposes only, on the basis of our enlarged issued share capital immediately upon completion of the Capitalisation Issue and the Placing (without taking into account the Shares to be issued upon the exercise of the Offer Size Adjustment Option or options granted or to be granted under the Share Option Schemes).

Discount/premium to the IPO price(Note)	A premium of approximately 2.0% to the mid-point of the indicative Placing Price range of HK$0.40 to HK$0.60, on the basis of our enlarged share capital immediately upon completion of the Capitalisation Issue and the Placing
Second Exchangeable Bond	Dining Concepts (International) issued the Second Exchangeable Bond to Convoy Investment (held for and on behalf of CIS Strategic), principal terms of which are described in the paragraph headed "Second Pre-IPO Investment — Principal terms of the Second Exchangeable Bond" in this section The Second Exchangeable Bond was redeemed fully by Dining Concepts (International) on 2 September 2015 at the redemption price of HK$32,649,863, upon receipt of a redemption notice issued by Convoy Investment on 2 September 2015
Second Share Charge Deed	Dining Concepts (International) entered into the Second Share Charge Deed on 29 December 2014 in favour of CIS Strategic, pursuant to which Dining Concepts (International) charged 9,000 Shares, representing 9% of the then issued share capital of our Company at the date of charge, to secure the obligations, restrictions and covenants undertaken by the covenantors of the Second Pre-IPO Investment Agreement arising in connection with the Second Pre-IPO Investment Agreement, the Second Exchangeable Bond and the Second Share Charge Deed The Second Share Charge Deed was fully discharged and released on 2 September 2015 under the Deed of Release
Use of proceeds	The entire net proceeds from the Second Pre-IPO Investment were fully utilised by Dining Concepts (International) by subscribing for 9,835 new Shares on 20 January 2015 The capital generated from the subscription of new Shares has been utilised as the repayment of outstanding shareholders' loans of our Company as at the Latest Practicable Date

Note: For illustration purposes only, assuming the mid-point of the indicative Placing Price range of HK$0.40 and HK$0.60, on the basis of our enlarged issued share capital immediately upon completion of the Capitalisation Issue and the Placing (without taking into account the Shares to be issued upon the exercise of the Offer Size Adjustment Option or options granted or to be granted under the Share Option Schemes).

Strategic benefits to our Company	The Second Pre-IPO Investment provided additional capital to our Company for repayment of the outstanding shareholders' loans to our Shareholders
Special rights	CIS Strategic is entitled to the following special rights which will be terminated upon the Listing:

- *Information right*. Covenantors of the Second Pre-IPO Investment are entitled to procure our Company to provide the financial and accounting information and other books and records of our Group on a timely and regular basis. The form, content and timing of the information are to be agreed by CIS Strategic

- *Indemnification.* Each of the covenantors under the Second Pre-IPO Investment Agreement shall indemnify CIS Strategic and hold harmless from any claims arising from the inaccuracy in or breach of the warranties of the covenantors

- *Right of first refusal*. If any of the shareholders of Dining Concepts (International) as at the date of the Second Pre-IPO Investment proposes to make direct or indirect sale or transfer any shares in Dining Concepts (International) or our Company, CIS Strategic shall have the right of first refusal to purchase all the offered shares on the terms and conditions stated in the invitation notice delivered by the transferring shareholder

- *Tag-along rights*. If Dining Concepts (International) or any of the shareholders of Dining Concepts (International) as at the date of the Second Pre-IPO Investment proposes to transfer any shares in Dining Concepts (International) or our Company, and CIS Strategic has decided not to exercise its right of first refusal, CIS Strategic shall be entitled but not obligated to sell together with Dining Concepts (International) or the selling shareholder, pro-rata on an as-exchanged and fully diluted basis, CIS Strategic's interests in Dining Concepts (International) and/or our Company if any at the same price and on other equal terms offered to Dining Concepts (International) or the relevant selling shareholders by the transferee

Principal terms of the Second Exchangeable Bond

The table below summarises the principal terms of the Second Exchangeable Bond:

Name of issuer	Dining Concepts (International)
Holder of the Second Exchangeable Bond	Convoy Investment (holding for and on behalf of CIS Strategic)
Date of issue	29 December 2014
Aggregate principal amount	HK$30,000,000
Interest	Nil
Maturity date	28 June 2016, which is the last day of the 18-month period commencing from the date of issue
Right to exchange*(Note)*	Convoy Investment was granted the right to exchange all or any part of the Second Exchangeable Bond into our Shares, free of any and all encumbrance, at any time and from time to time after the date of issue and up to the first business day preceding the Listing Date
Automatic exchange*(Note)*	The outstanding principal amount of the Second Exchangeable Bond shall automatically be exchanged into our Shares in whole, free of any and all encumbrance, on the first business day preceding the Listing Date, unless previously redeemed or exchanged
Number of our Shares to be exchanged*(Note)*	9,835 Shares, assuming there is no dilution event (i.e. the event of any reclassification, share split, issue of bonus shares, share dividends, consolidation of shares, combination, recapitalisations and such other events having a dilution effect on the shareholding of CIS Strategic in our Company) or new equity event (i.e. our Company raises any equity or equity-linked financing other than the Placing at more favourable terms than those provided to CIS Strategic in the transactions contemplated under the Second Pre-IPO Investment Agreement) prior to the Listing Date, or adjustment events as provided in the Second Exchangeable Bond At the time of exchange, unless previously redeemed or exchanged Dining Concepts (International) shall transfer the relevant number of Shares held by it to CIS Strategic and no new Shares will be issued in connection with the exchange of the Second Exchangeable Bond

Profit guarantee(Note)	If the actual valuation of our Group (i.e. the product of profits attributable to shareholders for the year ended 31 March 2014 multiplied by a factor of 8.5) is less than the expected valuation of our Group as at the issue date of the Second Exchangeable Bond, HK$335,027,500, for 5% ("**Valuation Shortfall**"), Total Commitment, Ideal Winner, Minrish, Indo Gold and Mr. Uttamchandani shall pay to Convoy Investment a sum in cash equal to the Valuation Shortfall multiplied by a percentage ratio of 8.95% within the prescribed time limit If the actual valuation of our Group (i.e. the product of profits attributable to shareholders for the year ended 31 March 2014 multiplied by a factor of 8.5) is more than the expected valuation of our Group, HK$335,027,500, for 5% ("**Valuation Surplus**"), Convoy Investment shall pay to Total Commitment, Ideal Winner, Minrish, Indo Gold and Mr. Uttamchandani a sum in cash equal to the Valuation Surplus multiplied by a percentage ratio of 8.95% within the prescribed time limit Dining Concepts (International) and Convoy Investment agreed that the cash payable under the profit guarantee shall be capped at HK$4,000,000
Rights upon winding up(Note)	If, prior to the Listing, there occurs a return of capital upon liquidation and/or winding-up or a deemed liquidation event (i.e. the event of (i) any merger or consolidation of our Group other than one in which Dining Concepts (International) and Convoy Investment collectively own a majority of voting power of the outstanding shares of the surviving or acquiring corporation; or (ii) any transaction involving a sale, lease, transfer or other disposition of all or substantially all of the assets of our Group) of our Company or Dining Concepts (International) prior to the Listing, the assets of our Company or Dining Concepts (International) shall be applied first in paying up, depending on the circumstances, the principal amount of the Second Exchangeable Bond plus an amount representing an internal rate of return of 13% to Convoy Investment by way of cash in priority to paying Dining Concepts (International), our Shareholders and/or holder of any other bonds or shares issued by our Company (if any) or Dining Concepts (International)

Note: The right to exchange, automatic exchange, number of our Shares to be exchanged, profit guarantee and rights upon winding up are no longer applicable since the Second Exchangeable Bond was redeemed fully by Dining Concepts (International) on 2 September 2015 at the redemption price of HK$32,649,863, upon receipt of a redemption notice issued by Convoy Investment on 2 September 2015.

Redemption on events of default

Convoy Investment shall be entitled but not obliged to redeem the Second Exchangeable Bond by giving a redemption notice to Dining Concepts (International), if any of the following events of default occurs:

(1) a qualified initial public offering has not taken place or is not likely to take place on or before the tenth Business Day before the maturity date of the Second Exchangeable Bond. A qualified initial public offering is defined as the initial public offering of the shares of the listing vehicle, namely our Company in the context, and listing on the approved stock exchange by way of a new issue and/or offer for sale and/or placement of its shares. "Approved stock exchange" is defined as the main board of the Stock Exchange, and such other boards and/or other stock exchanges as maybe approved by CIS Strategic;

(2) Mr. Sekhri leaves the employment of our Company or no longer assumes any management position of our Company, without obtaining the prior consent of Convoy Investment;

(3) Mr. Sekhri breaches the term of his employment contract with our Company;

(4) there being any material breach of any representation, warranty, covenant, undertaking or other term or condition of any of the Second Pre-IPO Investment Agreement, the Second Exchangeable Bond, the Second Share Charge Deed or the constitutional documents by our Company, the covenantors under the Second Pre-IPO Investment Agreement or any member of our Group;

(5) there being any illegality of any representation, warranty, covenant, undertaking or other term or condition of any of the Second Pre-IPO Investment Agreement, the Second Exchangeable Bond, the Second Share Charge or the transactions contemplated thereunder;

(6) if any action or steps are taken or legal proceedings are commenced (under applicable laws) by or against our Company, the covenantors under the Second Pre-IPO Investment Agreement or

any member of our Group for its winding up, administration or reorganisation (save for the Reorganisation);

(7) if our Company changes or tries to change the core business (i.e. restaurant operations), or has discontinued or materially changed the nature of the core business (or attempted to do so), or merges or consolidates with any other person, without obtaining the prior proper approval by CIS Strategic;

(8) if all or a material part of the properties or rights or interests of our Company, the covenantors under the Second Pre-IPO Investment Agreement or any member of our Group are expropriated;

(9) there being any material impairment in the collateral rights or the guarantees of our Company, covenantors under the Second Pre-IPO Investment Agreement or any member of our Group;

(10) if our Company, covenantors under the Second Pre-IPO Investment Agreement or any member of our Group defaults, or receives notice of default, under any contract relating to any borrowing or indebtedness, or as a result of such default, any of its indebtedness becomes payable or capable of being declared payable before its stated maturity or is not paid when due, the amount of which exceeds either a single sum of US$500,000 (equivalent to approximately HK$3,890,000) or an aggregate sum of US$1,000,000 (equivalent to approximately HK$7,780,000) within one financial year;

(11) if our Company, covenantors under the Second Pre-IPO Investment Agreement or any member of our Group defaults to pay when due any amount payable by it under any guarantee or indemnity in respect of any borrowing indebtedness of any other person, or any charge where the charged property of our Company, covenantors under the Second Pre-IPO Investment Agreement or any member of our Group can be compulsorily seized or disposed of, the amount of which exceeds either a single sum of US$500,000 (equivalent to approximately HK$3,890,000) or an aggregate sum of US$1,000,000 (equivalent to approximately HK$7,780,000) within one financial year;

(12) a distress, execution or other legal process is levied, enforced or sued upon or against any part of the property, assets or revenues of our Company, covenantors under the Second Pre-IPO Investment Agreement or any member of our Group is not discharged or stayed within 30 days (or such longer time period as may be agreed by CIS Strategic), the amount of which exceeds either a single sum of US$500,000 (equivalent to approximately HK$3,890,000) or an aggregate sum of US$1,000,000 (equivalent to approximately HK$7,780,000) within one financial year; and

(13) any events or incidents which would have similar effects of the above items (1) to (12) inclusive under any applicable laws or jurisdictions

The redemption price payable upon redemption of the Second Exchangeable Bond shall be the principal amount of the Second Exchangeable Bond plus an amount representing an internal rate of return of 13% as accrued and calculated from the date of issue (i.e. 29 December 2014) up to and including the day Convoy Investment actually receives the redemption price, deducting therefrom the aggregate amount of all the return already paid to the registered holder of the Second Exchangeable Bond in relation to the relevant portion of the principal amount of the Second Exchangeable Bond so redeemed

The Second Exchangeable Bond was redeemed fully by Dining Concepts (International) on 2 September 2015 at the redemption price of HK$32,649,863, upon receipt of a redemption notice issued by Convoy Investment on 2 September 2015.

Background of CIS Strategic

CIS Strategic is an Independent Third Party (other than being our Shareholder upon the automatic exchange of the Second Exchangeable Bond) and is owned as to 66.67% by Mr. Lun Shunhua and 33.33% by Mr. Kwok Pak Kuen, both of whom are Independent Third Parties. CIS Strategic is a company incorporated in the BVI on 8 December 2014 which focuses on investments in companies in Hong Kong and the PRC.

Compliance with requirements

On the basis that the investment by the First Pre-IPO Investor was completed more than 28 clear days before the date of the first submission of the first listing application form in respect of the Listing, the terms of the First Exchangeable Bond as described above are fixed in nature which should not prejudice the interests of public investors, the Sole Sponsor is not aware of any special circumstances or incidents that could lead to their belief that the First Pre-IPO Investment did not comply with the Interim Guidance on Pre-IPO Investments announced by the Listing Committee of the Stock Exchange or that the disclosure in relation to the First Pre-IPO Investment does not comply with the disclosure requirements set out in the Guidance Letters HKEx-GL 43-12 and HKEx-GL 44-12 issued by the Stock Exchange, to the extent applicable.

In respect of the Second Pre-IPO Investment, the Second Exchangeable Bond was redeemed fully in accordance with the terms and conditions of the Second Exchangeable Bond and such redemption does not constitute any change of terms thereof.

(c) Subsequent events after the issuance of the First Exchangeable Bond and the Second Exchangeable Bond

Subscription of new Shares

The entire net proceeds from the Second Pre-IPO Investment (i.e. HK$30,000,000) have been fully utilised by Dining Concepts (International) by subscribing for 9,835 new Shares on 20 January 2015. Upon the completion of such subscription, the issued share capital of our Company increased from US$1,000 divided into 100,000 Shares to US$1,098.35 divided into 109,835 Shares.

Share restructuring

By means of a sale and purchase agreement dated 3 February 2015, which was completed on the date of execution:

(A) Ideal Winner acquired the following number of Shares from Dining Concepts (International):

(A-X-Y)*15.9% = 13,757 Shares

(B) Minrish acquired the following number of Shares from Dining Concepts (International):

(A-X-Y)*8.5% = 7,354 Shares

(C) Indo Gold acquired the following number of Shares from Dining Concepts (International):

(A-X-Y)*18.7% = 16,179 Shares

(D) Mr. Uttamchandani acquired the following number of Shares from Dining Concepts (International):

(A-X-Y)*6.7% = 5,797 Shares

A = 109,835 Shares, being the entire issued Shares upon the subscription of 9,835 new Shares by Dining Concepts (International) on 20 January 2015 as mentioned above

X = 13,480 Shares, being the number of Shares to be transferred from Dining Concepts (International) to Prometheus Capital upon full exchange of the First Exchangeable Bond

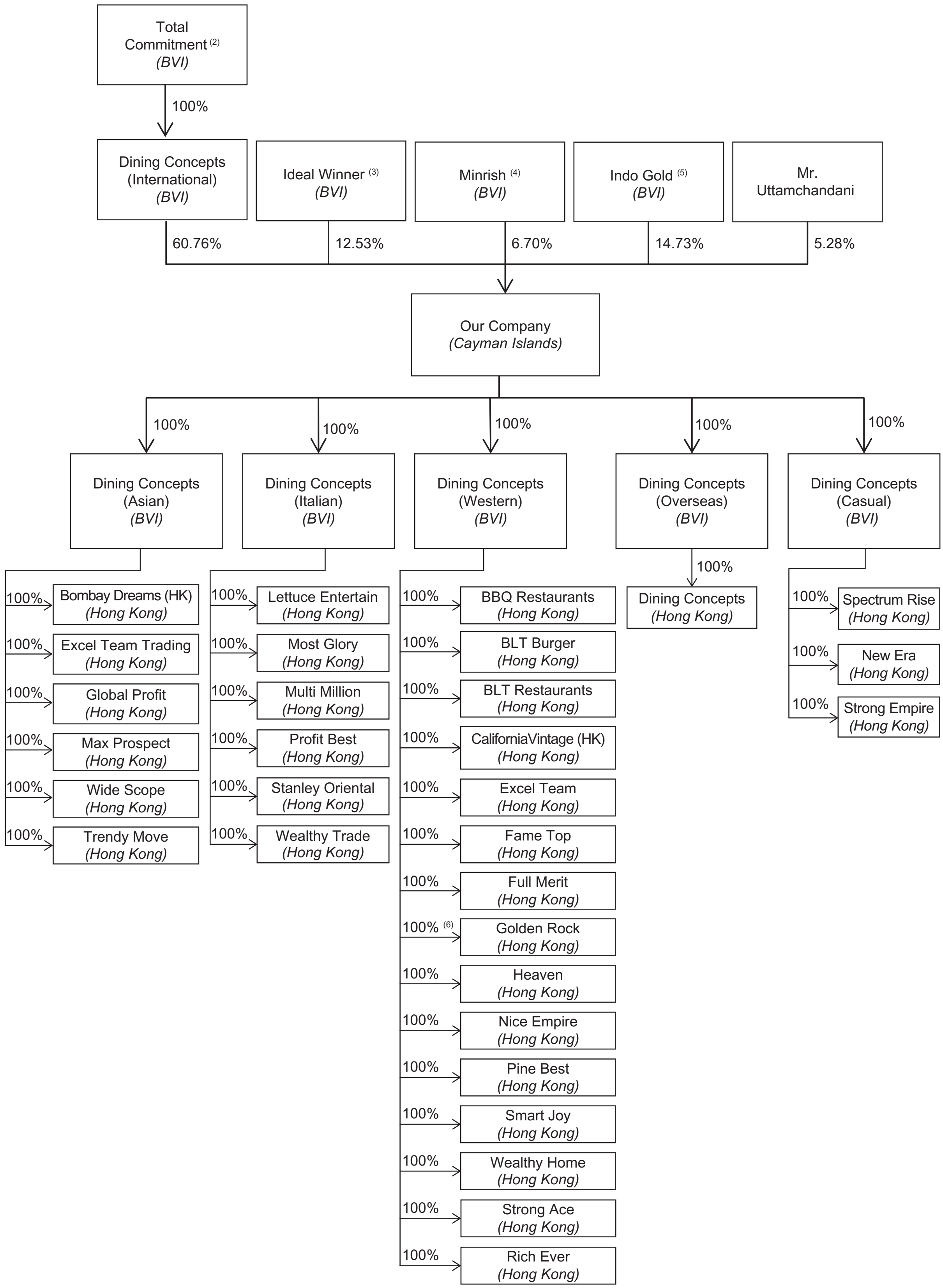
Y = 9,835 Shares, being the number of Shares intended to be transferred from Dining Concepts (International) to CIS Strategic upon full exchange of the Second Exchangeable Bond prior to its redemption

In consideration of the above acquisitions of Shares, Ideal Winner, Minrish, Indo Gold and Mr. Uttamchandani transferred 159, 85, 187 and 67 shares of Dining Concepts (International), respectively, being the entire issued shares of Dining Concepts (International) held by each of them to Dining Concepts (International) for cancellation.

After the completion of the share restructuring, the entire issued shares of Dining Concepts (International) decreased from 1,000 shares to 502 shares, which were wholly-owned by Total Commitment, and our Company was owned as to 60.76% by Dining Concepts (International), 12.53% by Ideal Winner, 6.70% by Minrish, 14.73% by Indo Gold and 5.28% by Mr. Uttamchandani, respectively.

Upon the redemption of the Second Exchangeable Bond on 2 September 2015, Dining Concepts (International) was released from its obligation to transfer 9,835 Shares to CIS Strategic.

The chart below illustrates the shareholding structure upon completion of the First Pre-IPO Investment, the Second Pre-IPO Investment, the share restructuring, the redemption of the Second Exchangeable Bond and before the disposal of Golden Rock:



Notes:

1. *The shareholding structure in connection with the full exchange of the Second Exchangeable Bond is no longer applicable since the Second Exchangeable Bond was redeemed fully by Dining Concepts (International) on 2 September 2015.*

2. *Total Commitment is wholly owned by Mr. Sekhri.*

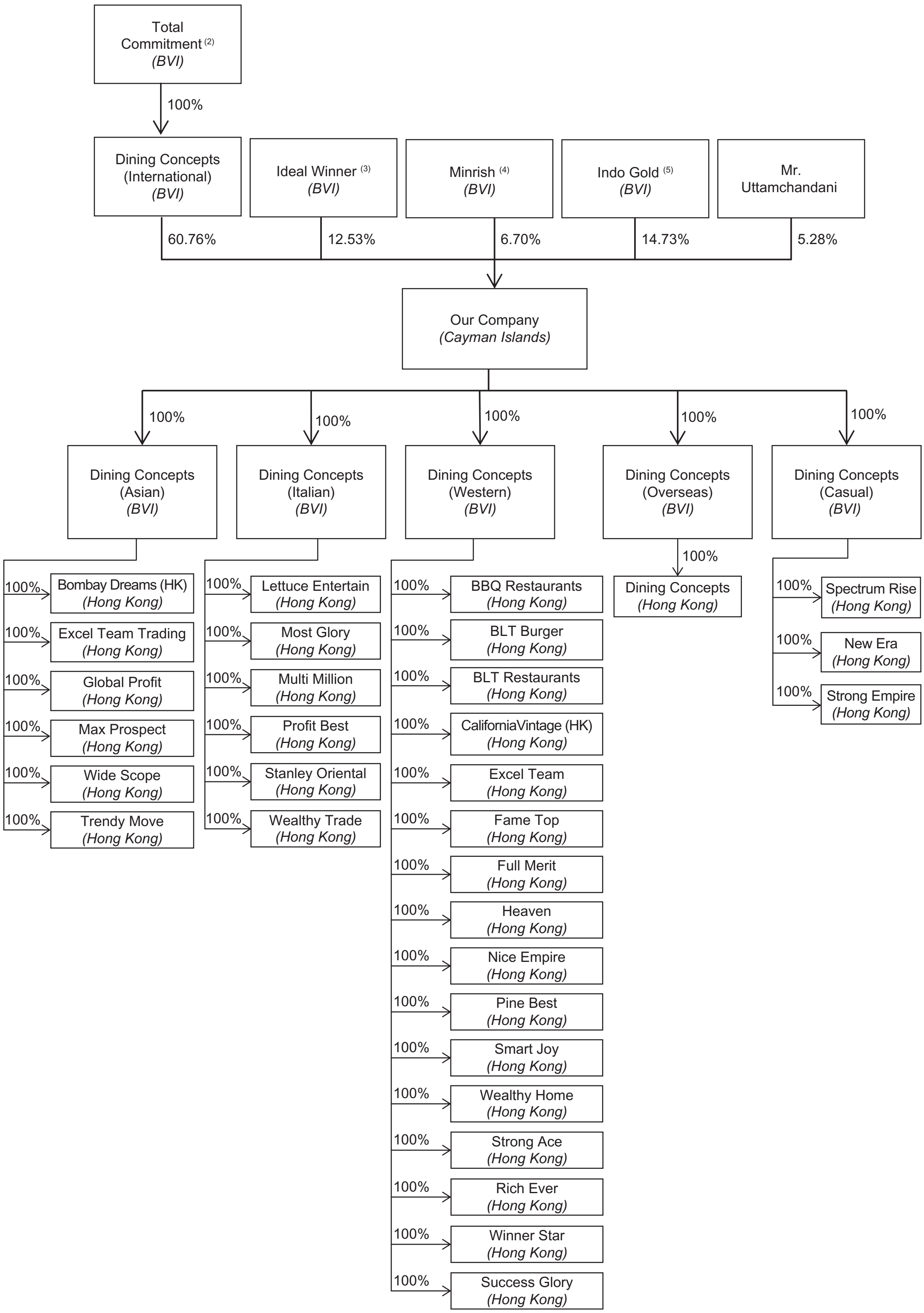
3. *Ideal Winner is wholly owned by Ms. Dayaram.*

4. *Minrish is owned as to 50% by each of Mr. Mirpuri and Mrs. Mirpuri, respectively, who is the spouse of one another.*

5. *Indo Gold is owned as to 25% by each of Mr. Uttamchandani, Mr. P.W. Uttamchandani, Mrs. D.P. Uttamchandani and Mr. M. Uttamchandani, respectively, Mr. P.W. Uttamchandani and Mrs. D.P. Uttamchandani are the spouse of one another, and Mr. Uttamchandani and Mr. M. Uttamchandani are their children.*

6. *On 11 March 2015, Dining Concepts (Western) and Gioma (UK) entered into an option agreement ("**Option Agreement**") in connection with a franchising agreement dated 20 December 2014 entered into between Golden Rock and Gioma (UK), which was completed on the date of execution, under which Dining Concepts (Western) granted an option to Gioma (UK), pursuant to which Gioma (UK) may have the right to acquire one share, representing 50% of the total issued shares of Golden Rock from Dining Concepts (Western), at a consideration of £1 (equivalent to approximately US$1.49). Pursuant to the Option Agreement, Gioma (UK) may exercise the option from 10 April 2015 to 10 October 2016, at an exercise price calculated by multiplying half of 12-month period EBITDA of Gaucho by a multiple of 2.85 times, provided that the exercise price shall be no lower than US$1,500,000 (equivalent to approximately HK$11,670,000). On 15 January 2016, Dining Concepts (Western) entered into a sale and purchase agreement with Gaucho Grill, an Independent Third Party, with regard to the entire issued shares of Golden Rock. Upon completion, Golden Rock ceased to be a wholly-owned subsidiary of Dining Concepts (Western). For details, please refer to the paragraph headed "Reorganisation — Incorporation of Golden Rock" in this section.*

The chart below illustrates the shareholding structure upon the disposal of Golden Rock and before the full exchange of the First Exchangeable Bond(1):



Notes:

1. *The shareholding structure in connection with the full exchange of the Second Exchangeable Bond is no longer applicable since the Second Exchangeable Bond was redeemed fully by Dining Concepts (International) on 2 September 2015.*

2. *Total Commitment is wholly owned by Mr. Sekhri.*

3. *Ideal Winner is wholly owned by Ms. Dayaram.*

4. *Minrish is owned as to 50% by each of Mr. Mirpuri and Mrs. Mirpuri, respectively, who is the spouse of one another.*

5. *Indo Gold is owned as to 25% by each of Mr. Uttamchandani, Mr. P.W. Uttamchandani, Mrs. D.P. Uttamchandani and Mr. M. Uttamchandani, respectively, Mr. P.W. Uttamchandani and Mrs. D.P. Uttamchandani are the spouse of one another, and Mr. Uttamchandani and Mr. M. Uttamchandani are their children.*

Upon full exchange of the First Exchangeable Bond and before the Capitalisation Issue and the Placing, Dining Concepts (International) shall transfer 13,480 Shares to Prometheus Capital whereby our Company will be owned as to 48.50% by Dining Concepts (International), 12.53% by Ideal Winner, 6.70% by Minrish, 14.73% by Indo Gold, 5.28% by Mr. Uttamchandani and 12.27% by Prometheus Capital.

Compliance with applicable laws and regulations

As confirmed by our Directors, each of the share transfers made in the Reorganisation was properly and legally completed and settled. No approval is required from relevant regulatory authorities. The Reorganisation was completed on 3 February 2015.

Pre-IPO Share Option Scheme, Capitalisation Issue, sale of the Sale Shares by the Selling Shareholder and Placing

For details of the Pre-IPO Share Option Scheme, please refer to the section headed "Share Option Schemes" in Appendix IV to this prospectus.

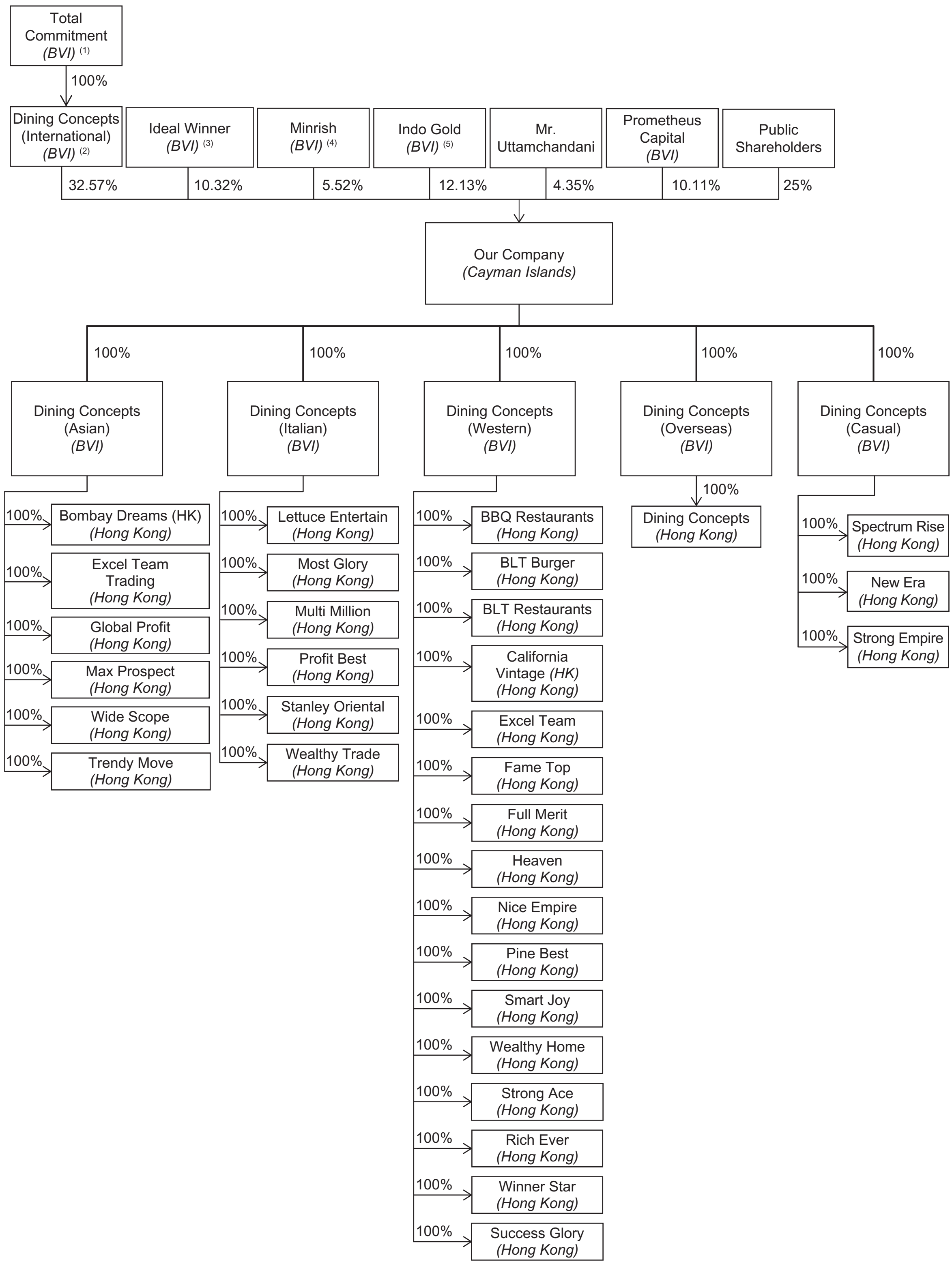
For details of the Capitalisation Issue, please refer to the section headed "Further information about our Company — Written resolutions of our Shareholders passed on 14 July 2016" in Appendix IV to this prospectus.

As part of the Placing, the Selling Shareholder will offer Sale Shares (of 59,010,000 Shares) for purchase. For details of the Sale Shares by the Selling Shareholder, please see the section headed "Structure and conditions of the Placing" in this prospectus.

It is anticipated that immediately after the Capitalisation Issue and the Placing (assuming no exercise of the Offer Size Adjustment Option or options granted or to be granted under the Share Option Schemes), the public will hold not less than 25% of the issued share capital of our Company.

Post-listing corporate structure

The diagram below illustrates the shareholding structure after the Capitalisation Issue and the Placing (without taking into account the Offer Size Adjustment Option or the options granted or to be granted under the Share Option Schemes).



Notes:

1. *Total Commitment is wholly owned by Mr. Sekhri.*

2. *Dining Concepts (International) will hold 260,598,000 Shares, representing approximately 32.57% of the total issued share capital of our Company (without taking into account the Shares to be issued upon the exercise of the Offer Size Adjustment Option).*

3. *Ideal Winner is wholly owned by Ms. Dayaram.*

4. *Minrish is owned as to 50% by each of Mr. Mirpuri and Mrs. Mirpuri, respectively, who is the spouse of one another.*

5. *Indo Gold is owned as to 25% by each of Mr. Uttamchandani, Mr. P.W. Uttamchandani, Mrs. D.P. Uttamchandani and Mr. M. Uttamchandani, respectively, Mr. P.W. Uttamchandani and Mrs. D.P. Uttamchandani are the spouse of one another, and Mr. Uttamchandani and Mr. M. Uttamchandani are their children.*

COMPANIES EXCLUDED FROM THE REORGANISATION

A number of companies controlled by our Controlling Shareholders, the principal businesses of which are similar to our restaurant business, were excluded from our Group as a result of the Reorganisation. The details are set out below:

Excluded Macau restaurant

Some of our Controlling Shareholders have interests in, or control of, Dining Concepts (Macau) which operates an Italian style restaurant in Macau under the name of "Pizza Pizza". Dining Concepts (Macau) is currently owned as to 60% by Indo Gold, 25% by Mr. Sekhri and 15% by Ms. Dayaram. In view of the different geographical locations and the fact that the restaurant industry of Macau is separate, distinct and clearly delineated from the restaurant industry of Hong Kong, Dining Concepts (Macau) was not included in our Group. As at the Latest Practicable Date, our Controlling Shareholders did not have any interest in, or control of any restaurant in Hong Kong or otherwise other than the restaurants of our Group. Our Directors are not aware of any current plan of the Controlling Shareholders to inject Dining Concepts (Macau) into our Group in the future.

Our Directors are satisfied that our Group is capable of functioning, operating and carrying on our business operations independently, and is financially independent from the excluded restaurant business in Macau. For details of Dining Concepts (Macau) and the reasons for excluding it from our Group, please refer to the section headed "Relationship with our Controlling Shareholders — Excluded restaurant business — Dining Concepts (Macau)" in this prospectus.

Excluded Hong Kong restaurants

Big Sky was owned as to 20% by Total Commitment, 20% by Ideal Winner, 40% by Indo Gold and 20% by Minrish immediately before its dissolution by deregistration on 24 July 2015. Its principal business was to operate a Western style restaurant in Yau Tsim Mong District under the name of "ViCool". In view of its unsatisfactory business performance, the then shareholders and directors of Big Sky resolved to close down such business on 31 August 2014 and applied for deregistration of Big Sky on 24 December 2014. As Big Sky ceased its restaurant business on 31 August 2014 and no longer engages in restaurant business in Hong Kong, having considered that Big Sky was dissolved by deregistration on 24 July 2015, the business of Big Sky was not included in our Group.

Fast Fortune was owned as to 20% by Total Commitment, 20% by Ideal Winner, 40% by Indo Gold and 20% by Minrish immediately before its dissolution by deregistration on 24 July 2015. Its principal business was to operate a Western style restaurant in Central and Western District under the name of "Carnevino". To improve the business performance of Carnevino, the then directors of Fast Fortune decided to change the restaurant concept with a view to operate a new restaurant under a franchised brand. Given that Fast Fortune recorded net liabilities as at 31 March 2014, a new subsidiary, Golden Rock, was incorporated to operate the new restaurant. As a result, the then shareholders and directors of Fast Fortune resolved to close down such business on 31 July 2014 and applied for deregistration of Fast Fortune on 24 December 2014. As Fast Fortune ceased its restaurant business on 31 July 2014 and no longer engages in restaurant business in Hong Kong, having considered that Fast Fortune was dissolved by deregistration on 24 July 2015, the business of Fast Fortune was not included in our Group.

Great Honest was owned as to 10% by Total Commitment, 14% by Ideal Winner, 56% by Indo Gold and 20% by Minrish immediately before its dissolution by deregistration on 4 September 2015. Its principal business was to operate Prime Steak. Before the expiration of the then existing lease of the restaurant and in preparation of the opening of a new restaurant at the same premises, a new lease was entered into between the landlord and Fame Top, with its term of lease commencing on 1 July 2013. On 30 June 2013, the directors of Great Honest resolved to cease the business operations of Great Honest. Since it took several months to prepare for the opening of the new restaurant, during the transitional period from 1 July 2013 to 23 February 2014, we operated Prime Steak under Fame Top. On 21 March 2014, Fame Top opened Toro at the same premises. As Great Honest had not carried out any business since the expiration of the then lease in June 2013, the then shareholders and directors of Great Honest applied for deregistration of Great Honest on 24 December 2014. As Great Honest ceased its restaurant business on 30 June 2013 and no longer engages in restaurant business in Hong Kong, having considered that Great Honest was dissolved by deregistration on 4 September 2015, Great Honest was not included in our Group.

Gourmet Express was wholly-owned by Total Commitment prior to its dissolution by deregistration on 24 July 2015. Its principal business was the provision of takeaway food services in Sheung Wan under the name of "Pizza Pizza". In view of its unsatisfactory business performance, the then shareholders and directors of Gourmet Express resolved to close down such business on 31 January 2012 and applied for deregistration of Gourmet Express on 27 January 2015. As Gourmet Express ceased its restaurant business on 31 January 2012 and no longer engages in takeaway food services in Hong Kong, having considered that Gourmet Express was dissolved by deregistration on 24 July 2015, the business of Gourmet Express was not included in our Group.

For details of the above deregistered companies, please refer to the section headed "Relationship with our Controlling Shareholders — Excluded restaurant business" in this prospectus.

OVERVIEW

We are a restaurant group in Hong Kong serving a variety of cuisines at varying prices under different brands to a diversified customer base. Since the opening of the first restaurant, Bombay Dreams, in December 2002, we have been expanding our network in Hong Kong through our multi-brand business model and "cluster" management strategy. As at the Latest Practicable Date, we owned and operated restaurants (including 21 full-service restaurants, one clubhouse restaurant and one bakery restaurant) and one takeaway outlet under 21 brands, of which nine full-service restaurants and one bakery restaurant were under franchised or licensed brands such as Bread Street Kitchen, BLT Steak, BLT Burger, Lupa, Mamasan, Le Pain Quotidien and London House. The remaining 12 full-service restaurants, one clubhouse restaurant and one takeaway outlet were under our self-owned brands such as Bombay Dreams, Bistecca and Tango. Restaurants of different brands are strategically placed in the same district to create a "cluster" effect. Under this strategy, we have successfully established a cluster of restaurant locations in prime areas in Hong Kong including Soho, Wyndham Street, Lan Kwai Fong, Causeway Bay, Wan Chai and Tsim Sha Tsui and major shopping malls in Hong Kong including Elements, Times Square, and Harbour City.

We strive to uphold our core value, "Value for Money", through providing our customers with a boutique dining experience of quality dishes, attentive service and a relaxing environment. Among our accolades, we have been recently voted as one of Hong Kong's most valuable companies in 2014 and 2015 by MediaZone Hong Kong. Moreover, 12 of our restaurants have been awarded as the Hong Kong's Best Restaurants by HK Tatler Publication in 2016. Four of our restaurants have been selected as Bib Gourmand restaurants by the Michelin Guide Hong Kong Macau in 2015. In addition to the provision of dine-in services, we also provide event hosting in our restaurants and outdoor catering services. For details of our restaurants, please refer to the paragraph headed "Overview of business operations and management — Our restaurants" in this section.

For each of the years ended 31 March 2014, 2015 and 2016, our total revenue amounted to approximately HK$389.8 million, HK$468.2 million and HK$462.9 million, respectively, and our net profit amounted to approximately HK$39.6 million, HK$23.4 million and HK$18.1 million, respectively. For details, please refer to the section headed "Financial information" in this prospectus.

COMPETITIVE STRENGTHS

Our Directors believe that the following competitive strengths have contributed to our success and enabled us to compete effectively in the restaurant industry in Hong Kong:

Specialty restaurants offering boutique dining experience of quality dishes, attentive service and relaxing environment

We believe our dedication to delivering value-for-money dining experience with boutique dining experience, attentive service and relaxing environment is our key to success in our business operations.

We strive to ensure high quality, consistent and tasty dishes are served at our specialty restaurants. Our dishes are prepared in accordance with the recipes which are either developed by us or obtained under the franchising/licence agreements. In order to keep up with the changing taste and preferences of our customers, new dishes are introduced to our restaurants periodically in order to generate more customer traffic and attract a broader customer base. We formulated and imposed stringent standardised internal control from the choice of food ingredient suppliers to storage, cooking and serving of dishes across all our restaurants to ensure food safety and the delivery of consistent and delicious dishes to our customers. For details, please refer to the paragraph headed "Quality control" in this section.

Our Group provides comfortable dining environment coupled with attentive service to its customers. All our restaurants are uniquely designed by our design team led by director of design. Our design team take into account the types of cuisine, the theme and brand images of the restaurants, the target customers and the locations of the restaurants. Some of our restaurants are accompanied by harbour views. Our restaurant staff are required to be properly uniformed during working hours. We also provide specific guidelines on food knowledge, food handling, personal hygiene and manners to project a professional image.

Our Directors believe the boutique dining experience offered by our specialty restaurants helps to attract more customers with strong spending power and enhanced customer loyalty, which in turn drives our business growth.

Cooperation with well-recognised chefs and brands

We operate a number of well-recognised brands such as Bread Street Kitchen, BLT Steak, BLT Burger, London House, Lupa and Mamasan, in Hong Kong through the entering into of franchising/licence agreements. It is part of our business strategy to identify and cooperate with well-recognised chefs and brands in order to leverage their existing resources in brand building and status to ensure our return on investment. We usually cooperate with brands or chefs based on, among other things, their reputations, restaurant concepts, networks and the value-adding element to our existing brand image and profile. For example, we entered into licence agreements to operate Bread Street Kitchen and London House because of the reputation and fame of the owner of the licensor, Gordon Ramsay. Gordon Ramsay is a celebrity chef and presenter of a famous cookery reality show. We entered into a licence agreement to operate Lupa because of the reputation and fame of the owner of the licensor, Mario Batali. Mario Batali is an award-winning author and television personality. We entered into a licence agreement to operate Al Molo because of the popularity of the owner of the licensor, Michael White. Michael White is a multi-Michelin star winner and a renowned restaurateur. We believe our ability to identify and introduce into Hong Kong well-recognised overseas chefs and brands helps to strengthen our brand recognition. Our continuous cooperation with well-recognised chefs and brands also increases our cost efficiency by strengthening our bargaining power when dealing with our suppliers, lessors, and other service providers and reinforce loyalty of our customers.

In recognition of our successful operations and ability to add value to our restaurant brands, established property developers/landlords may approach us from time to time for the opening of new restaurants in their major shopping malls, thereby we are able to solicit prime locations for our restaurants.

Diversification of our customer base through our multi-brand business model

We believe our multi-brand business model allows us to target different customer segments with mid to high spending power through the offering of a variety of cuisines mainly Asian, Western and Italian, at varying prices. As at the Latest Practicable Date, we owned and operated restaurants under 21 brands which are franchised or licensed or self-owned brands. For details of our restaurants, please refer to the paragraph headed "Overview of restaurant operations and management — Our restaurants" in this section. We are able to maintain flexibility in our operations and in planning our future expansion strategy.

Our restaurants operating under franchised/licensed brands show faster revenue growth than restaurants operating under our self-owned brands during the Track Record Period. With our multi-brand business model, we are able to benefit from the diversification of revenue sources.

We believe the diversity of restaurants and cuisines offered by our Group allows us to adapt to the tastes and preferences of customers in different market segments and broaden our customer base, thereby reducing our reliance on and exposure to risk in any particular customer segment, increasing our market share and providing support to our continual expansion in the future.

Strategic locations and clustering effect of our restaurants

Our Directors believe that the locations of our restaurants are vital for reaching target customers with mid to high spending power. Our restaurants are strategically located in prime areas including Soho, Wyndham Street, Lan Kwai Fong, Causeway Bay, Wan Chai and Tsim Sha Tsui and major shopping malls in Hong Kong including Elements, Times Square and Harbour City.

In order to better leverage the synergies and manage resources among our brands, restaurants of different brands are strategically placed in the same district to create a "cluster" effect. Only one operation manager is required for four to five restaurants, depending on the number of our restaurants in the respective districts under such arrangement. By adopting such strategy, we are able to draw potential customers to and create traffic in the locations of our restaurants. Such strategy is also strengthened by the fact that a number of our restaurants are located in the same area, such as the transformation of Soho and Lan Kwai Fong into some of the most popular food and beverage areas in Hong Kong. Such "cluster" management strategy is complementary to our multi-brand business model as we believe it enables us to attract various customers in the same geographical locations and puts us in a better bargaining position with our lessors.

Our Directors are of the view that the strategic locations and clustering effect of our restaurants help to promote our brand image, provide us with flexibility in operation and human resources management and capture market share in the geographical location, thereby increasing the profitability of our operations.

Experienced management team and well-trained employees

Our management team consists of personnel with extensive experience and knowledge of the full-service restaurant industry and management. Our Group was founded in September 2002 by Mr. Sekhri who is our executive Director, chief executive officer and one of our Controlling Shareholders. Mr. Sekhri is an accomplished restaurateur with over 22 years of experience in hospitality and full-service restaurant industries in Hong Kong and India. Mr. Gupta, our executive Director, has over 11 and 12 years of experience in the hospitality and full-service restaurant industries in Hong Kong and India respectively.

Save for our director of design, each of the other senior management members of our Group also has extensive management and operational experience of over 11 years in their respective fields. For example, Mr. Kamal Sachar, our director of finance, who has been a financial controller of Dining Concepts since 2002, has extensive experience in accounting, finance, information technology, operations and management in restaurants and companies. For biographical details of our Directors and senior management, please refer to the section headed "Directors, senior management and employees" in this prospectus.

In order to ensure the smooth and effective implementation of our strategies and policies, our management team is supported by our well-trained employees. We have adopted internal operational policies to guide our employees and to ensure quality of our cuisines and services. Daily briefing sessions, orientation training and in-house trainings are conducted to provide our employees with the necessary knowledge, skill and information relating to the industry and our Group's internal policies. From time to time, we engage third party training companies to provide trainings to our staff to ensure that they are equipped with the most up-to-date and useful skill and knowledge in the industry.

Our Directors believe these training activities and internal policies ensure our employees are more easily integrated into our corporate culture, while maintaining the quality of our services. We believe that the solid experience and expertise of our management team, complemented by our high quality employees are crucial to our sustainable development.

BUSINESS STRATEGIES

We intend to implement the following business strategies to expand our market share in Hong Kong and enhance our brand recognition, service and cuisine quality:

Continue to expand our restaurant network

We believe our multi-brand business model and "cluster" management strategy are crucial to our success and we intend to continue to expand our restaurant network in Hong Kong through these strategies. We currently expect to open approximately four, four and four new restaurants in Hong Kong in the years ending 31 March 2017, 31 March 2018 and 31 March 2019, respectively. For details of our expansion plan in Hong Kong, please refer to the paragraph headed "Expansion plans and site selection development — Expansion plans in Hong Kong" in this section.

In order to expand efficiently and achieve economies of scale, opening more scalable restaurants, which are generally non-chef driven, will form part of our new business strategy. As we are able to consistently and efficiently replicate our restaurant operations through the opening of branches, such strategy allows us to expand our business without the need for intensive capital investments. Please refer to the paragraph headed "Expansion plans and site selection development" in this section for further details. On 11 May 2016, we opened Ophelia in the premises of Shops F39A and F41A, First Floor, Lee Tung Avenue, 200 Queen's Road East, Wan Chai, Hong Kong. Ophelia is operating under one of our operating subsidiaries, Trendy Move. For details of Ophelia, please refer to the paragraph headed "Overview of restaurant operations and management — Our restaurants" in this section.

In addition, we may explore any possibilities to expand into markets other than Hong Kong, including China if suitable opportunities arise. We will conduct business development studies and feasibility studies including market research, business, financial and legal analysis before expanding into other regions. We currently do not have any plan or timeframe for such expansion. Our Directors confirm that we did not identify any acquisition target as at the Latest Practicable Date.

Further enhance our brand recognition in Hong Kong

While we will adopt a new expansion strategy through the opening of more scalable restaurants, we will also keep up with our current strategies in promoting our brands and restaurants and increasing customer traffic and restaurant visits. Such current strategies include our marketing initiatives and cooperation with well-recognised brands and chefs. For details of our marketing strategy, please refer to the paragraph headed "Sales and marketing — Marketing" in this section.

Apart from regular maintenance, we will also upgrade some of our existing restaurants, through new renovations. The average time for the design and renovation process generally takes approximately three to six months. Such upgrades will be essential in order to stay competitive in the market and to attract new and returning customer traffic. We currently expect to upgrade (i) two restaurants under licensed brand in the year ending 31 March 2017; (ii) one restaurant under self-owned brand in the year ending 31 March 2018; and (iii) one restaurant under self-owned brand in the year ending 31 March 2019. The estimated total capital expenditures for upgrading these four restaurants are expected to be approximately HK$2.3 million; HK$1.0 million and HK$1.0 million respectively.

We will continue to devote resources in various marketing channels to promote our overall brand image and build customer awareness. We plan to (i) continue to collaborate with various credit card companies, membership clubs and shopping malls to access their established networks by offering discounts and promotions; (ii) take part in various promotion campaigns and events; and (iii) introduce promotional or festive dishes as part of our marketing campaign to enhance our brand recognition.

Enhance overall profitability of our restaurants

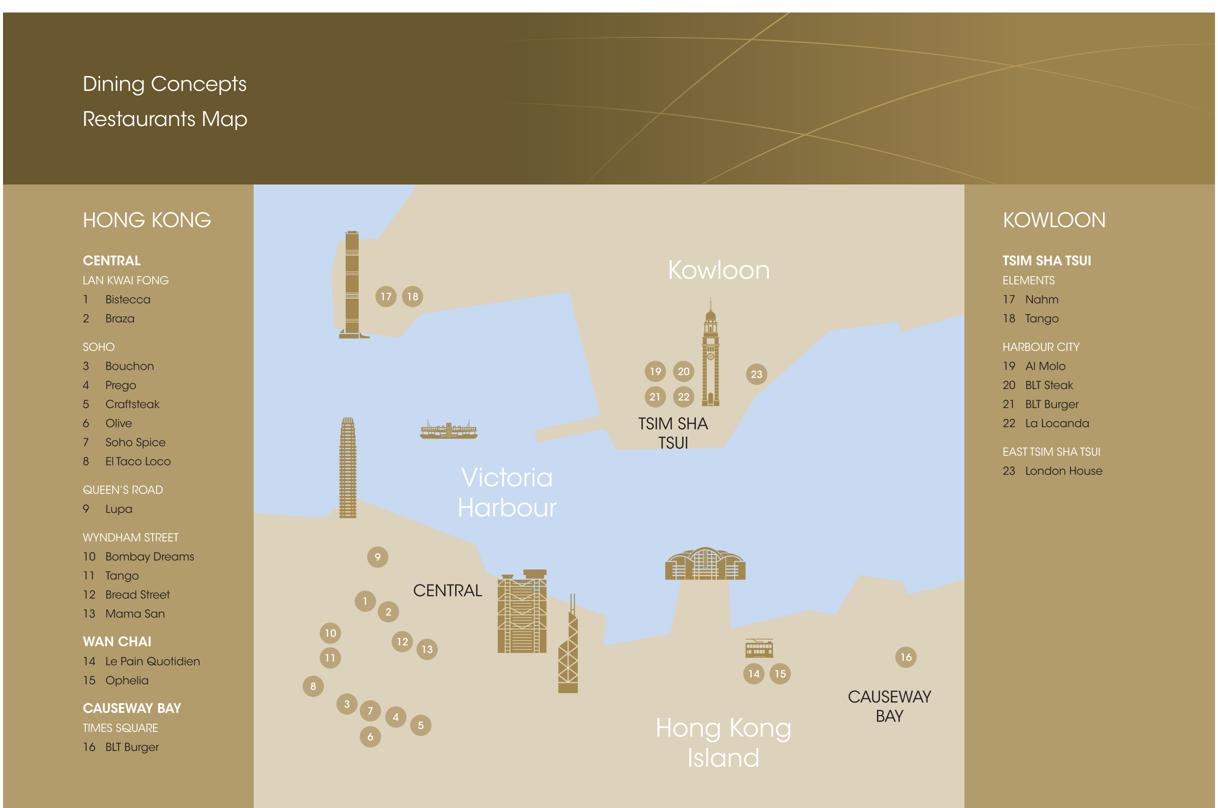
Apart from achieving higher restaurant sales through expansion of restaurant network and enhancement of brand awareness, we intend to increase our profitability by controlling our operating costs.

We believe our well-recognised restaurant brands will enhance our bargaining power with our existing and potential lessors and suppliers. We will continue to centralise our purchase negotiations with our suppliers to leverage our extensive restaurant network for reduced costs and lease negotiations with our lessors for leases of longer terms and favourable conditions so as to reduce our rental costs. We will also identify suitable information technology systems, quality kitchen and cooking tools, equipment and appliances to increase the efficiency of our restaurant operations and management. We will continue to increase cost savings and operational efficiency by further utilising our takeaway outlet. For details of our expansion plans, please refer to the paragraph headed "Expansion plans and site selection development — Expansion plans in Hong Kong" in this section.

We expect to continue with our training programmes and internal promotion initiatives with emphasis on training our own chefs and management personnel. These programmes and initiatives will minimise our need to hire chefs or managers externally at high costs, promote employee satisfaction and retention and reduce our employee replacement costs.

OVERVIEW OF RESTAURANT OPERATIONS AND MANAGEMENT

All of our restaurants are strategically located in prime areas in Hong Kong including Soho, Wyndham Street, Lan Kwai Fong, Causeway Bay, Wan Chai and Tsim Sha Tsui and major shopping malls in Hong Kong such as Elements, Times Square and Harbour City. The following map illustrates the locations of our restaurants in Hong Kong as at the Latest Practicable Date:



Our restaurants

As at 31 March 2014, 31 March 2015 and 31 March 2016, we were operating 20, 24 and 22 restaurants, of which two, four and two restaurants were newly established during each of the three years ended 31 March 2016, respectively and three closed and one disposed for the year ended 31 March 2016. As at the Latest Practicable Date, we were operating 21 full-service restaurants, one clubhouse restaurant, one bakery restaurant and one takeaway outlet. Subsequent to 31 March 2016 and up to the Latest Practicable Date, we opened one new restaurant and changed brand of one restaurant.

Central and Western District

As at the Latest Practicable Date, we operated 12 full-service restaurants and one clubhouse restaurant in Central and Western District, the financial service centre of Hong Kong, location of the offices of various local and international corporations. The table below sets forth the details of our restaurants in Central and Western District:

Name of restaurant	Date of commencement of operation of restaurant	Location	Self-owned brand/ franchised brand/ licensed brand	Cuisine served	Approximate floor area (sq. m.)	Approximate number of seating as at 30 June 2016	Number of employees as at 30 June 2016	Number of months required to achieve breakeven point[(1)]	Number of months required to achieve investment payback point[(1)]
Bread Street Kitchen BREAD STREET KITCHEN & BAR	29 August 2014	Mezzanine Floor, LKF Tower, 33 Wyndham Street and 55 D'Aguilar Street, Central, Hong Kong	Licensed brand	British European cuisine, with innovative cocktails and a large collection of world wines	365.91	120	38 (including 37 full-time and 1 part-time employees)	3	157[(2)]
Bouchon BOUCHON BISTRO FRANÇAIS	29 January 2011	Flat D, Ground Floor, 49, 49A, 49B and 49C Elgin Street, Central, Hong Kong	Self-owned brand	French cuisine, with a superb selection of appetisers, cold cuts, salads, soups, casseroles, plates, fittings, desserts and French wines	60.11	50	17 (including 15 full-time and 2 part-time employees)	2	59
Bombay Dreams BOMBAY DREAMS INDIAN CUISINE	25 December 2002	Flats A and B, 4th Floor, Carfield Commercial Building, 75 and 77 Wyndham Street, Central, Hong Kong	Self-owned brand	Authentic traditional Indian cuisine	172.29	80	18 (including 17 full-time and 1 part-time employees)	2	45

Name of restaurant	Date of commencement of operation of restaurant	Location	Self-owned brand/ franchised brand/ licensed brand	Cuisine served	Approximate floor area (sq. m.)	Approximate number of seating as at 30 June 2016	Number of employees as at 30 June 2016	Number of months required to achieve breakeven point[(1)]	Number of months required to achieve investment payback point[(1)]
Bistecca	5 September 2009	Offices A, B and C, 2nd Floor, Grand Progress Building, 58, 60 and 62 D'Aguilar Street and 15 and 16 Lan Kwai Fong, Central, Hong Kong	Self-owned brand	Italian steak, fresh pasta, wonderful antipasto and desserts, with an stunning array of Italian wines	165.86	80	34 (including 32 full-time and 2 part-time employees)	3	7
Craftsteak	29 May 2005	Shop A, Ground Floor, 27 and 29 Elgin Street, Central, Hong Kong	Self-owned brand	Open fire American steaks, poultry, seafood and vegetables, with a selection of individual sauces and a great selection of world wines	96.94	70	12 (all are full-time employees)	5	35
Taco Loco	11 July 2004	Lower Ground Floor, 7 Staunton Street, Central, Hong Kong	Self-owned brand	Fine Mexican cuisine, finger snacks, frijolesy, carne asada, tacos, burritos, quesadillas, nachos, margaritas and Mexican beers	38.63	20	7 (including 6 full-time and 1 part-time employees)	2	23

Name of restaurant	Date of commencement of operation of restaurant	Location	Self-owned brand/ franchised brand/ licensed brand	Cuisine served	Approximate floor area (sq. m.)	Approximate number of seating as at 30 June 2016	Number of employees as at 30 June 2016	Number of months required to achieve breakeven point[1]	Number of months required to achieve investment payback point[1]
Lupa	23 March 2012	3rd Floor, LHT Tower, 31 Queen's Road Central, Central, Hong Kong	Licensed brand	Fine Italian cuisine with an array of exotic cocktails	697.99	130 (with additional outdoor seating of 60)	37 (all are full-time employees)	2	N/A[3]
Mamasan	12 May 2014	Flats A and B and the water closet thereof, 1st Floor, Winning Centre, 46 and 48 Wyndham Street, Central, Hong Kong	Licensed brand	Southeast Asian cuisine	262.73	100	28 (all are full-time employees)	2	41[4]
Braza[5]	9 March 2015	Units A, B and C, 3rd Floor, Grand Progress Building, 58, 60 and 62 D'Aguilar Street, 15 and 16 Lan Kwai Fong, Central, Hong Kong	Self-owned brand	Traditional Brazilian cuisine and cocktails	155.07	90	25 (all are full-time employees)	2	37[6]
Olive	25 October 2004	Shop on Ground Floor including Cockloft, 32 Elgin Street, Central, Hong Kong	Self-owned brand	Fine Greek and Middle Eastern cuisine, including a range of mezza, mains, salads and sensational desserts and a fine selection of world wines	116.61	70	11 (all are full-time employees)	2	15

Name of restaurant	Date of commencement of operation of restaurant	Location	Self-owned brand/ franchised brand/ licensed brand	Cuisine served	Approximate floor area (sq. m.)	Approximate number of seating as at 30 June 2016	Number of employees as at 30 June 2016	Number of months required to achieve breakeven point[(1)]	Number of months required to achieve investment payback point[(1)]
Prego[(7)] PREGO	11 August 2015	Shop A, Ground Floor, Elgin Building, 43 Elgin Street, Central, Hong Kong	Self-owned brand	Traditional home-style Italian cuisine	119.23	70	7 (all are full-time employees)	8	N/A[(8)]
Soho Spice SOHO SPICE VIETNAMESE & THAI	11 December 2003	Ground Floor and the Yard and the Cockloft, 47B Elgin Street, Central, Hong Kong	Self-owned brand	Fine Vietnamese and Thai cuisine, with sensational desserts	90.00	39	13 (including 12 full-time and 1 part-time employees)	2	14
Tango (Central) TANGO argentinian steak house	5 November 2010	Flats A and B, 1st Floor, Carfield Commercial Building, 75 and 77 Wyndham Street, Central, Hong Kong	Self-owned brand	Open fire Argentinian steak, sizzling seafood, pasta and indulgent desserts, with an impressive array of Argentinian, Spanish and South American wines and classic cocktails	191.36	70	22 (including 19 full-time and 3 part-time employees)	2	12

Yau Tsim Mong District

As at the Latest Practicable Date, we operated seven full-service restaurants in Yau Tsim Mong District, a commercial and tourist centre in Kowloon. The table below sets forth the details of our restaurants in Yau Tsim Mong District:

Name of restaurant	Date of commencement of operation of restaurant	Location	Self-owned brand/ franchised brand/ licensed brand	Cuisine served	Approximate floor area (sq. m.)	Approximate number of seating as at 30 June 2016	Number of employees as at 30 June 2016	Number of months required to achieve breakeven point[(1)]	Number of months required to achieve investment payback point[(1)]
Al Molo	30 April 2011	Shop OT G63, Ground Floor, Ocean Terminal, Harbour City	Licensed brand	Fine Italian cuisine, homemade pasta, open fire pizza, exquisite desserts, with a superb selection of Italian and world wine	484.07	120	47 (all are full-time employees)	2	38
BLT Steak	12 January 2009	Shop OT G62, Ground Floor, Ocean Terminal, Harbour City	Licensed brand	Modern American steak, with an array of custom designed entrees, appetizers, salads, poultry, fish, shellfish, classic vegetable side dishes, classic American desserts and endless beverage options	243.31	90	46 (all are full-time employees)	2	24
BLT Burger (Harbour City)	26 November 2009	Shop OT 301 – OT 301A, Level 3, Ocean Terminal, Harbour City	Licensed brand	American burgers with Angus beef, turkey breast, fried chicken and Atlantic salmon, milkshakes, salads, fries and desserts	170.32	70	23 (all are full-time employees)	2	16

Name of restaurant	Date of commencement of operation of restaurant	Location	Self-owned brand/ franchised brand/ licensed brand	Cuisine served	Approximate floor area (sq. m.)	Approximate number of seating as at 30 June 2016	Number of employees as at 30 June 2016	Number of months required to achieve breakeven point(1)	Number of months required to achieve investment payback point(1)
La Locanda	27 March 2014	Shop 402, Level 4, Ocean Centre, Harbour City	Licensed brand	Classic Italian cuisine, pastas, risottos, super salads and mouthwatering Italian desserts, with wines from the finest Italian and international vineyards	193.51	80	19 (all are full-time employees)	4	130(9)
London House	14 September 2015	Shop G05, Ground Floor and UG15, UG Floor, Tsim Sha Tsui Centre, 66 Mody Road, Kowloon	Licensed brand	British food, beers and global wines	201.67	140	29 (all are full-time employees)	2	67(10)
Nahm	1 October 2007	Shops 1044 and 1045, First Level, Elements	Self-owned brand	Fine Vietnamese and Thai cuisine	207.61	110	25 (all are full-time employees)	1	36
Tango (Elements)(11)	7 July 2016	Shop R008, Roof Level, Elements	Self-owned brand	Open fire Argentinian steak, sizzling seafood, pasta and indulgent desserts, with an impressive array of Argentinian, Spanish and South American wines and classic cocktails	248.87	85 (with an additional outdoor seatings of 15)	18 (all are full-time employees)	N/A(12)	N/A(12)

Wan Chai and Eastern District

As at the Latest Practicable Date, we operated two full-service restaurant and one bakery restaurant in Wan Chai District, a commercial and tourist centre of Hong Kong. The table below sets forth the details of our restaurants in Wan Chai District:

Name of restaurant	Date of commencement of operation of restaurant	Location	Self-owned brand/ franchised brand/ licensed brand	Cuisine served	Approximate floor area (sq. m.)	Approximate number of seating as at 30 June 2016	Number of employees as at 30 June 2016	Number of months required to achieve breakeven point[(1)]	Number of months required to achieve investment payback point[(1)]
BLT Burger (Times Square)	17 July 2012	Shop B224A, Basement 2, Times Square, Causeway Bay, Hong Kong	Licensed Brand	American burgers with angus beef, turkey breast, fried chicken and Atlantic salmon, milkshakes, salads, fries and desserts	158.92	70	10 (all are full-time employees)	1	N/A[(13)]
Le Pain Quotidien (Lee Tung Avenue)	28 February 2016	Shops G40, G40A and G41, Ground Floor, Lee Tung Avenue, 200 Queen's Road East, Wan Chai, Hong Kong	Franchised brand	Artisanal and gourmet menu items served at sit-down communal and private tables, and the sale of bakery and gourmet specialty products served from a take-away retail counter for off-premises consumption	207.99	120	44 (all are full-time employees)	3	65[(14)]
Ophelia	11 May 2016	Shops F39A and F41A, First Floor, Lee Tung Avenue, 200 Queen's Road East, Wan Chai, Hong Kong	Self-owned brand	A high end restaurant and bar with a lounge like feel	380.01	150	28 (all are full-time employees)	N/A[(15)]	N/A[(15)]

Notes:

1. *Number of months required to achieve breakeven point and investment payback point are calculated based on the financial information of the operating subsidiaries since the commencement of their businesses and up to 31 May 2016.*

2. *As at 31 May 2016, Bread Street Kitchen did not achieve the investment payback point. Therefore, the number represents the expected number of months required for Bread Street Kitchen to achieve investment payback point.*

3. *As at 31 May 2016, Lupa did not achieve the investment payback point. Lupa was also loss making during the years ended 31 March 2015 and 31 March 2016, despite the fact that Lupa was profit making during the year ended 31 March 2014, and required two months to achieve breakeven point after its commencement of operation. Therefore, the expected number of months required for Lupa to achieve investment payback point is not applicable.*

4. *As at 31 May 2016, Mamasan did not achieve the investment payback point. Therefore, the number represents the expected number of months required for Mamasan to achieve investment payback point.*

5. Braza was formerly known as "Mayta Peruvian Kitchen & Pisco Bar", which was a licensed brand. Due to the unsatisfactory business performance of Mayta, we renovated the premises and recommenced its business on 9 March 2015 under a self-owned brand developed by our Group, "Braza Churrascaria Brazilian Steakhouse". All the mentioned restaurants operated under BBQ Restaurants and the location remain unchanged and the style of cuisine served remain as Western.

6. As at 31 May 2016, Braza did not achieve the investment payback point. Therefore, the number represents the expected number of months required for Braza to achieve investment payback point.

7. As a result of the previous relocation of Cecconi's Italian and to develop a new casual Italian concept restaurant, we renovated the original premises of Cecconi's Italian, and changed its restaurant concept and name from "Cecconi's Italian" to "Prego" in August 2015. Stanley Oriental, which formerly operated Cecconi's Italian, commenced operation of Prego at the same premises. The style of cuisine served by Prego remains as Italian.

8. As at 31 May 2016, Prego did not achieve investment payback point. Prego was loss making during the year ended 31 March 2016. Therefore, the expected number of months required for Prego to achieve breakeven point and investment payback point are not applicable.

9. As at 31 May 2016, La Locanda did not achieve the investment payback point. Therefore, the number represents the expected number of months required for La Locanda to achieve investment payback point.

10. As at 31 May 2016, London House did not achieve the investment payback point. Therefore, the number represents the expected number of months required for London House to achieve investment payback point.

11. Tango (Elements) was first known as "Prime Steak House" which was a self-owned brand developed by us. Prior to 1 July 2013, Prime Steak was operated under Great Honest, our excluded restaurant business. Before the expiration of the then existing lease of the restaurant, and in preparation of the opening of a new restaurant at the same premises, a new lease was entered into between the landlord and Fame Top, with its lease term commencing on 1 July 2013. Since it took several months to prepare for the opening of Toro, during the transitional period from 1 July 2013 to 23 February 2014, we operated Prime Steak under Fame Top. On 21 March 2014, Fame Top opened Toro. Due to the unsatisfactory business performance of Toro, we renovated the premises of Toro and recommenced the business under our self-owned brand as our Tango (Elements) on 7 July 2016 in view of the successful business of Tango (Central). The location of all the mentioned restaurants remain unchanged and the style of cuisine served remain as Western. Please refer to the section headed "Relationship with our Controlling Shareholders — Excluded restaurant business — Great Honest" in this prospectus for details.

12. Tango (Elements) commenced its business on 7 July 2016, which is subsequent to 31 May 2016. Therefore, the expected number of months required for Tango (Elements) to achieve breakeven point and investment payback point are not applicable.

13. As at 31 May 2016, BLT Burger (Times Square) did not achieve the investment payback point. BLT Burger (Times Square) was also loss making during the years ended 31 March 2015 and 31 March 2016, despite the fact that BLT (Burger) (Times Square) was profit making during the year ended 31 March 2014, and required one month to achieve breakeven point after its commencement of operation. Therefore, the expected number of months required for BLT Burger (Times Square) to achieve investment payback point is not applicable.

14. As at 31 May 2016, Le Pain Quotidien (Lee Tung Avenue) did not achieve the investment payback point. Therefore, the number represents the expected number of months required for Le Pain Quotidien (Lee Tung Avenue) to achieve investment payback point.

15. As at 31 May 2016, Ophelia did not achieve the breakeven point and investment payback point. Ophelia commenced its business on 11 May 2016, less than one month before the latest management account became available. Therefore, the expected number of months required for Ophelia to achieve breakeven point and investment payback point are not applicable.

In addition to the provision of dine-in service, we provide event hosting and outdoor catering services.

Event hosting services

Our restaurants provide our customers with suitable venues for event hosting such as corporate dinners, product launches, parties, functions and weddings. Our event hosting services include customised menus, furnished accommodations and other out-of-restaurant items upon request. Such out-of-restaurant items include audiovisual equipment, entertainment or flower displays. To promote the services, we publish the latest information of our offerings through our websites and distribute brochures.

Outdoor catering services

We provide outdoor catering services to our customers for various occasions including office or home catering, picnic, sporting event and other occasions. While we offer signature dishes from our restaurants in our catering menu, our outdoor catering services allow our customers to personalise their menus and customise tailor-made dishes upon request. Food offered in outdoor catering services is prepared at our takeaway outlet and/or the respective restaurants. We promote the outdoor catering services through our distributed brochures.

Our Directors are of the view that providing diversifying services such as event hosting and outdoor catering can enhance the profile of our restaurants portfolio within the restaurant industry.

Catering management and design services

During the Track Record Period, our Group received service income for catering management and design services provided to our related companies, including Cuisine Courier, Fast Fortune and Great Honest, and Independent Third Parties. Such back office supports are provided by our administrative staff and design team. For each of the years ended 31 March 2014, 2015 and 2016, the revenue generated from such services amounted to approximately HK$557,000, HK$312,000 and HK$40,000, respectively, representing approximately 0.1%, 0.1% and 0.0% of our total revenue for the corresponding year.

The following images show some of the signature dishes served by our restaurants and the dining environment.


TANGO
COMPADRE
SAINETE
Música

Operating data of our restaurants

The following table sets forth the operating data of each of our restaurants for the three years ended 31 March 2016 and for the three months ended 30 June 2016.

	Year ended 31 March 2014						Year ended 31 March 2015						
	Number of customer visit	Number of operation days	Approximate average spending per customer per meal[1]	Approximate average daily revenue[2]	Approximate daily table turnover rate[3]	Approximate revenue	Number of customer visit	Number of operation days	Approximate average spending per customer per meal[1]	Approximate average daily revenue[2]	Approximate daily table turnover rate[3]	Approximate revenue	Approximate increase/ (decrease) in revenue for the year in percentage
			(HK$)	*(HK$)*	*(times)*	*(HK$'000)*			*(HK$)*	*(HK$)*	*(times)*	*(HK$'000)*	*(%)*
Al Molo	152,254	365	330	139,400	2.98	50,898	146,811	365	340	137,800	2.87	50,291	(1.19)
Bistecca	58,737	365	560	90,800	2.01	33,127	56,988	365	530	83,500	1.95	30,471	(8.02)
BLT Burger (Harbour City)	135,196	365	230	86,700	5.29	31,634	170,737	365	180	85,700	6.68	31,292	(1.08)
BLT Burger (Times Square)	83,388	365	160	36,100	3.26	13,172	77,896	365	160	34,700	3.05	12,665	(3.85)
BLT Steak	119,881	361	410	136,800	3.02	49,400	118,978	365	420	136,000	2.96	49,653	N/A[4]
Bombay Dreams	48,897	365	370	49,300	1.67	17,988	48,124	365	380	49,500	1.65	18,055	0.37
Bouchon	27,627	365	300	22,400	1.51	8,172	32,458	365	280	25,200	1.78	9,210	12.70
Bread Street Kitchen	N/A[5]	N/A[5]	N/A[5]	N/A[5]	N/A[5]	N/A[5]	49,931	214	630	147,500	1.94	31,574	N/A[5]
California Vintage	N/A[6]	N/A[6]	N/A[6]	N/A[6]	N/A[6]	N/A[6]	23,421	304	240	18,700	2.57	5,691	N/A[6]
Cecconi's Italian	25,447	365	370	25,600	1.00	9,356	24,125	362	370	24,600	0.95	8,902	N/A[4]
Craftsteak	23,757	365	440	28,300	0.93	10,341	22,435	365	430	26,300	0.88	9,582	(7.34)
Gaucho	N/A[8]	N/A[8]	N/A[8]	N/A[8]	N/A[8]	N/A[8]	16,382	169	1,010	98,300	0.81	16,621	N/A[8]
La Locanda	456	5	350	31,700	0.83	159	74,243	364	260	54,000	1.85	19,660	N/A[4]
London House	N/A[9]	N/A[9]	N/A[9]	N/A[9]	N/A[9]	N/A[9]	N/A[9]	N/A[9]	N/A[9]	N/A[9]	N/A[9]	N/A[9]	N/A[9]
Lupa	89,210	365	500	121,000	1.29	44,159	69,725	365	560	106,500	1.01	38,867	(11.98)
Mamasan	N/A[10]	N/A[10]	N/A[10]	N/A[10]	N/A[10]	N/A[10]	44,273	321	460	63,000	1.38	20,237	N/A[10]
Manzo[11]	56,325	365	320	50,100	1.42	18,287	43,609	365	330	39,400	1.10	14,391	(21.30)
Braza[12]	26,787	362	420	31,200	0.82	11,280	18,434[12]	328[12]	360[12]	20,400[12]	0.62[12]	6,694[12]	N/A[4]
Nahm	133,418	365	170	61,500	3.32	22,447	108,018	365	210	61,200	2.69	22,355	(0.41)
Olive	24,772	365	330	22,600	0.97	8,266	21,210	360	340	19,800	0.84	7,123	N/A[4]
Prego[13]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Soho Spice	35,453	365	230	22,400	2.49	8,166	35,939	365	230	22,300	2.52	8,137	(0.36)
Taco Loco	20,653	361	260	15,000	2.86	5,413	20,130	365	260	14,200	2.76	5,182	N/A[4]
Tango (Central)	39,003	365	620	65,900	1.53	24,039	38,045	365	620	64,600	1.49	23,570	(1.95)
The BellBrook[14]	22,763[14]	350[14]	460[14]	29,700[14]	0.93[14]	10,401[14]	21,785	365	420	24,900	0.85	9,088	N/A[4]
Toro[15]	31,404[15]	249[15]	390[15]	49,500[15]	1.26[15]	12,337[15]	51,891	365	360	50,900	1.42	18,580	N/A[4]
Le Pain Quotidien (Lee Tung Avenue)	N/A[16]	N/A[16]	N/A[16]	N/A[16]	N/A[16]	N/A[16]	N/A[16]	N/A[16]	N/A[16]	N/A[16]	N/A[16]	N/A[16]	N/A[16]
Ophelia	N/A[19]	N/A[19]	N/A[19]	N/A[19]	N/A[19]	N/A[19]	N/A[19]	N/A[19]	N/A[19]	N/A[19]	N/A[19]	N/A[19]	N/A[19]

	Year ended 31 March 2016							For the three months ended 30 June 2016					
	Number of customer visit	Number of operation days	Approximate average spending per customer per meal(1)	Approximate average daily revenue(2)	Approximate daily table turnover rate(3)	Approximate revenue	Approximate increase/(decrease) in revenue for the year in percentage	Number of customer visit	Number of operation days	Approximate average spending per customer per meal(1)	Approximate average daily revenue(2)	Approximate daily table turnover rate(3)	Approximate revenue
			(HK$)	*(HK$)*	*(times)*	*(HK$'000)*	*(%)*			*(HK$)*	*(HK$)*	*(times)*	*(HK$'000)*
Al Molo	122,192	366	350	116,800	2.38	42,746	(15.0)	28,970	91	340	109,400	2.27	9,951
Bistecca	53,798	366	510	74,600	1.84	27,290	(10.4)	12,441	91	530	71,800	1.71	6,532
BLT Burger (Harbour City)	161,221	359	190	85,300	6.42	30,625	(2.1)	37,135	91	190	76,900	5.83	6,998
BLT Burger (Times Square)	67,791	366	160	29,600	2.65	10,826	(14.5)	14,474	91	160	26,000	2.27	2,363
BLT Steak	95,794	366	430	111,800	2.38	40,931	(17.6)	22,509	91	420	103,100	2.25	9,385
Bombay Dreams	52,155	366	350	49,700	1.78	18,188	0.7	13,077	91	340	48,500	1.80	4,409
Bouchon	29,255	366	310	24,800	1.60	9,071	(1.5)	7,035	91	310	23,900	1.55	2,171
Bread Street Kitchen	93,474	366	430	110,000	2.13	40,245	27.5	17,578	91	440	84,500	1.61	7,686
California Vintage	19,668	340	250	14,400	1.93	4,912	N/A(4)	N/A(6)	N/A(6)	N/A(6)	N/A(6)	N/A(6)	N/A(6)
Cecconi's Italian	13,985(7)	272(7)	380(7)	19,600(7)	0.73(7)	5,343(7)	N/A(4)	N/A(7)	N/A(7)	N/A(7)	N/A(7)	N/A(7)	N/A(7)
Craftsteak	19,630	366	410	22,200	0.77	8,122	(15.2)	5,213	91	410	23,400	0.82	2,127
Gaucho	30,175	289	660	69,000	0.87	19,952	N/A(4)	N/A(8)	N/A(8)	N/A(8)	N/A(8)	N/A(8)	N/A(8)
La Locanda	58,650	366	290	46,400	1.46	16,974	(13.7)	15,913	91	260	45,800	1.59	4,171
London House(9)	67,913	200	290	98,200	2.43	19,649	N/A(4)	27,962	91	270	82,800	2.19	7,538
Lupa	79,682	366	430	93,100	1.15	34,069	(12.3)	16,891	91	400	73,800	0.98	6,719
Mamasan	38,815	366	460	48,500	1.06	17,754	N/A(4)	10,178	91	440	48,800	1.12	4,443
Manzo(11)	30,621	354	330	28,400	0.79	10,050	N/A(4)	N/A(11)	N/A(11)	N/A(11)	N/A(11)	N/A(11)	N/A(11)
Braza(12)	48,695	366	430	56,800	1.48	20,806	N/A(4)	12,108	91	440	58,000	1.48	5,276
Nahm	130,914	366	170	62,000	3.25	22,708	1.6	32,550	91	170	61,900	3.25	5,633
Olive	22,640	366	300	18,700	0.88	6,846	(3.9)	5,964	91	340	22,300	0.94	2,029
Prego(13)	12,010	234	290	14,600	0.73	3,427	N/A(4)	5,235	91	390	22,500	0.82	2,047
Soho Spice	32,712	366	210	18,500	2.29	6,781	(16.7)	7,344	91	210	17,200	2.07	1,564
Taco Loco	34,077	366	140	13,500	4.66	4,939	(4.7)	5,632	91	190	12,000	3.09	1,095
Tango (Central)	34,454	366	620	58,700	1.34	21,487	(8.8)(4)	8,554	91	650	60,900	1.34	5,542
The BellBrook(14)	2,539	60	400	17,000	0.60	1,018	N/A(4)	N/A(14)	N/A(14)	N/A(14)	N/A(14)	N/A(14)	N/A(14)
Toro(15)	48,311	366	330	44,100	1.32	16,130	(13.2)	8,860	73(17)	310	38,100	1.21	2,779
Le Pain Quotidien (Lee Tung Avenue)	N/A(18)	33	N/A(18)	60,400	N/A(18)	1,992	N/A(4)	N/A(18)	91	N/A(18)	85,500	N/A(18)	7,781
Ophelia	N/A(19)	N/A(19)	N/A(19)	N/A(19)	N/A(19)	N/A(19)	N/A(19)	15,325	37(19)	270	111,800	2.76	4,138

Notes:

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

2. Average daily revenue is calculated from the revenue of the relevant restaurant divided by the number of operation days.

3. Daily table turnover rate is calculated from the approximate number of customer visit per operation day divided by the number of seating of the relevant restaurant.

4. Increase/(decrease) in revenue for the year is not applicable as the respective restaurant was not operating throughout the full year of each of the financial year under comparison. For details, please refer to the section headed "Financial Information — Principal factors affecting our results of operations — Opening of new restaurants" in this prospectus.

5. We commenced the business of Bread Street Kitchen on 29 August 2014. Therefore, operating data of Bread Street Kitchen for the year ended 31 March 2014 is not applicable.

6. We commenced the business of California Vintage on 3 June 2014. Therefore, operating data of California Vintage for the year ended 31 March 2014 is not applicable. It was closed on 6 March 2016.

7. Due to the unsatisfactory business performance of The BellBrook, we renovated its premises, relocated Cecconi's Italian to such premises and recommenced the business of Cecconi's Italian on 6 July 2015. For the year ended 31 March 2016, the respective (i) revenues of Cecconi's Italian as located at its previous location and Cecconi's Italian as located at its current location were approximately HK$2,002,000 and HK$3,341,000; (ii) approximate number of customer visits of Cecconi's Italian as located at its previous location and Cecconi's Italian as located at its current location were 5,622 and 8,363; (iii) number of operation days of Cecconi's Italian as located at its previous location and Cecconi's Italian as located at its current location were approximately 95 and 177; (iv) average spending per customer per meal of Cecconi's Italian as located at its previous location and Cecconi's Italian as located at its current location were approximately HK$360 and HK$400; (v) average daily revenues of Cecconi's Italian as located at its previous location and Cecconi's Italian as located at its current location were approximately HK$21,100 and HK$19,000; and (vi) daily table turnover rates of Cecconi's Italian as located at its previous location and Cecconi's Italian as located at its current location were approximately 0.85 and 0.67. It was closed on 1 January 2016.

8. We commenced the business of Gaucho on 14 October 2014. Therefore, operating data of Gaucho for the year ended 31 March 2014 is not applicable. We disposed Golden Rock, the operating subsidiary of Gaucho, on 15 January 2016.

9. We commenced the business of London House on 14 September 2015. Therefore, operating data of London House for the year ended 31 March 2014 and the year ended 31 March 2015 is not applicable.

10. We commenced the business of Mamasan on 12 May 2014. Therefore, operating data of Mamasan for the year ended 31 March 2014 is not applicable.

11. Manzo was closed on 20 March 2016.

12. Braza was formerly known as "Mayta Peruvian Kitchen & Pisco Bar" which was a licensed brand. Due to the unsatisfactory business performance of Mayta, we renovated the premises and recommenced its business on 9 March 2015 under a self-owned brand developed by our Group, "Braza Churrascaria Brazilian Steakhouse". For the year ended 31 March 2015, the respective (i) revenues of Mayta and Braza were approximately HK$5,887,000 and HK$807,000; (ii) approximate number of customer visit of Mayta and Braza were 16,766 and 1,668; (iii) number of operation days of Mayta and Braza were approximately 306 and 22; (iv) average spending per customer per meal of Mayta and Braza were approximately HK$350 and HK$480; (v) average daily revenues of Mayta and Braza were approximately HK$19,200 and HK$36,700; and (vi) daily table turnover rates of Mayta and Braza were approximately 0.61 and 0.84.

13. We commenced the business of Prego on 11 August 2015. Therefore, operating data of Prego for the year ended 31 March 2014 and the year ended 31 March 2015 is not applicable. As a result of the previous relocation of Cecconi's Italian and to develop a new casual Italian concept restaurant, we renovated the original premises of Cecconi's Italian, and changed its restaurant concept and name from "Cecconi's Italian" to "Prego" in August 2015.

14. We commenced the business of Laris (subsequently known as "The BellBrook") on 12 December 2012. As the founder of the licensor wished to change the restaurant concept, the restaurant changed its name from "Laris" to "The BellBrook" in October 2013. For the year ended 31 March 2014, the respective (i) revenues of Laris and The BellBrook were approximately HK$4,252,000 and HK$6,148,000; (ii) approximate number of customer visits of Laris and The BellBrook were 8,237 and 14,526; (iii) number of operation days of Laris and The BellBrook were approximately 181 and 169; (iv) average spending per customer per meal of Laris and The BellBrook were approximately HK$520 and HK$420; (v) average daily revenues of Laris and The BellBrook were approximately HK$23,500 and HK$36,400; and (vi) daily table turnover rates of Laris and The BellBrook were approximately 0.65 and 1.23. It was closed on 30 May 2015.

15. Toro was formerly known as "Prime Steak House" which was a self-owned brand developed by us. Prior to 1 July 2013, Prime Steak was operated under Great Honest, our excluded restaurant business. We changed the restaurant's name from "Prime Steak House" to "Toro Steakhouse & Gastro Bar" in March 2014. During the transitional period from 1 July 2013

to 23 February 2014, we operated Prime Steak under Fame Top. Please refer to the section headed "Relationship with our Controlling Shareholders — Excluded restaurant business — Great Honest" in this prospectus for details. For the year ended 31 March 2014, the respective (i) revenues of Prime Steak and Toro were approximately HK$11,864,000 and HK$473,000; (ii) approximate number of customer visit of Prime Steak and Toro were 30,313 and 1,091; (iii) number of operation days of Prime Steak and Toro were approximately 238 and 11; (iv) average spending per customer per meal of Prime Steak and Toro were approximately HK$390 and HK$430; (v) average daily revenues of Prime Steak and Toro were approximately HK$49,800 and HK$43,100; and (vi) daily table turnover rates of Prime Steak and Toro were approximately 1.27 and 0.99. Toro ceased to operate on 13 June 2016.

16. We commenced the business of Le Pain Quotidien (Lee Tung Avenue) on 28 February 2016. Therefore, operating data of Le Pain Quotidien (Lee Tung Avenue) for the year ended 31 March 2014 and the year ended 31 March 2015 is not applicable.

17. Due to the unsatisfactory business performance of Toro, we ceased the operation on 13 June 2016 and renovated as Tango (Elements) and recommenced the business on 7 July 2016.

18. In view of the bakery restaurant nature of Le Pain Quotidien (Lee Tung Avenue), which offers the sale of bakery and gourmet specialty products from a take-away retail counter for off-premises consumption, the operating data of approximate number of customer visit, average spending per customer per meal and the daily table turnover rate is not applicable.

19. We commenced the business of Ophelia on 11 May 2016. Therefore, operating data of Ophelia for the years ended 31 March 2014, 31 March 2015 and 31 March 2016 is not applicable.

Franchising agreements and licence agreements

As at the Latest Practicable Date, our bakery restaurant was operating under the area development agreement pending the execution of franchising agreement whereas nine of our full-service restaurants were operating under the licence agreements. For the three years ended 31 March 2014, 2015 and 2016, approximately 54.4%, 66.3% and 64.3%, respectively, of our revenue was attributable to the restaurants operated under franchising agreements and licence agreements, generating approximately 42.3%, 39.5% and 40.8% of our net profit (excluding the non-recurring Listing expenses and other gains and losses), respectively. The franchise/licence fees incurred during the Track Record Period were approximately HK$9.7 million, HK$14.0 million and HK$13.3 million, respectively. Please refer to the paragraph headed "Overview of restaurant operations and management — Our restaurants" in this section for details of our restaurants which are operating under franchised/licensed brands. As confirmed by our Directors, these franchising agreements and licence agreements were entered into with Independent Third Parties.

During the Track Record Period and up to the Latest Practicable Date, we had entered into an umbrella agreement with a licensor, whose owner is Gordon Ramsay, and an area development agreement with a franchisor, PQ Licensing S.A., a Belgian corporation. PQ Licensing S.A. has established and operated bakery restaurants under the name "Le Pain Quotidien". Le Pain Quotidien provides artisanal and gourmet menu items served at sit-down communal and private tables, and the sale of bakery and gourmet specialty products served from a take-away retail counter for off-premises consumption. PQ Licensing S.A. has a worldwide location of its bakery restaurants. We opened our first Le Pain Quotidien bakery restaurant, Le Pain Quotidien (Lee Tung Avenue), on 28 February 2016. Salient terms of the umbrella agreement and the area development agreement entered into by us are generalised below:

Fees payable and related basis	The umbrella agreement requires (i) one-off development fee of US$713,500 (equivalent to approximately HK$5,551,000) (ii) a sum of US$22,000 (equivalent to approximately HK$171,200) for every restaurant opened The area development agreement requires (i) a minimum guarantee of US$200,000 (equivalent to approximately HK$1,556,000) (ii) a sum of US$299,000 (equivalent to approximately HK$2,326,200) for the first restaurant opened (iii) a sum of US$224,200 (equivalent to approximately HK$1,744,300) for every restaurant subsequently opened
Role and obligations of the brand owner	In general, the brand owner is responsible for, among other things, providing standard operating guidelines on site approval package, store band, training, new restaurant opening, design, vendor selection and required menu items and services
Role and obligations of the developer	In general, the developer is responsible for, among other things, (i) purchasing insurance; (ii) operation and management of the business; (iii) ensuring the full compliance of the specified operation manual; and (iv) protecting and promoting the goodwill of the brands

Minimum number of restaurants to be opened	The umbrella agreement requires two restaurants to be opened within 24 months of the date of 28 March 2014 and one additional restaurant to be opened within 12 months thereafter[(1)] and we do not have any right to suspend the requirement under the umbrella agreement Failure to open the restaurant(s) under the umbrella agreement would entitle the brand owner to (i) receive an increased minimum annual guarantee for each of the restaurant opened or (ii) terminate the agreement and any rights granted thereunder if we fail to open such restaurant within 10 days of notice from the brand owner The area development agreement requires one restaurant to be opened at every anniversary of the date of 1 December 2014 for the term of 10 years[(2)] and we do not have any right to suspend the requirement under the area development agreement Failure to open the restaurants under the area development agreement would entitle the brand owner to (i) terminate the agreement; (ii) cancel the right of the developer to open the restaurant(s) operating under the area development agreement; or (iii) entitle the brand owner to develop the restaurant under the respective brand in Hong Kong or authorise any other person to do so during the term of the area development agreement
Minimum investment amount	Neither the umbrella agreement nor the area development agreement contains a minimum investment amount
Tenure	A fixed term of 10 years with an option to renew for another 10 years
Settlement term	The agreements do not provide for settlement term
Termination clause	The agreements may be terminated by prior written notice of the brand owner in certain circumstances, in accordance with the terms contained therein, such as a material breach of the agreements remaining uncured upon notice and the developer becoming insolvent or bankrupt

Notes:

1. *It was mutually agreed with the licensor that the opening schedule of the third restaurant was extended to 31 December 2017. The agreed extension shall take effect upon signing of a definitive agreement in writing by the parties.*

2. *We have obtained letter from PQ Licensing S.A., executed in accordance with the terms and conditions of the area development agreement, that it agreed to postpone the scheduled opening of one bakery restaurant for a further four months from 1 December 2015 to 31 March 2016. On 28 February 2016, we opened Le Pain Quotidien (Lee Tung Avenue) in the premises of Shops Nos. G40, G40A and G41, Ground Floor, Lee Tung Avenue, 200 Queen's Road East, Wan Chai, Hong Kong. As at the Latest Practicable Date, we executed another lease agreement for a second bakery restaurant with the leased premises of Unit 8, LG Floor, Pacific Place Phase I, 88 Queensway, Admiralty, Hong Kong and such bakery restaurant is expected to be opened during the year ending 31 March 2017.*

On 28 March 2014, we entered into our first licence agreement under the umbrella agreement and opened Bread Street Kitchen on 29 August 2014. On 9 March 2015, we entered into our second licence agreement under the umbrella agreement and opened London House on 14 September 2015.

Salient terms of the licence agreements entered into by us are generalised below:

Licence fees payable and related basis	Usually one-off contract fee in the range of US$30,000 (equivalent to approximately HK$233,400) to approximately US$703,100 (equivalent to approximately HK$5,470,100) plus the sum equivalent to 5% to 8% of monthly sales (i.e. gross revenue less, *among others*, staff tips, discounts, entertainment and service charges) according to the terms of the relevant licence agreement
Role and obligations of the licensor	In general, the licensor is responsible for, among other things, (i) granting the licensee the non-exclusive right to use the relevant trademark; (ii) providing operation instructions; (iii) providing consulting services in relation to the menu, design; (iv) marketing; and (v) at the cost of the licensee, training and providing the head chef, sous chef and general manager
Role and obligations of the licensee	In general, the licensee is responsible for, among other things, (i) provision of a restaurant designed and constructed in a manner consistent with the licensed brand; (ii) staff recruitment; and (iii) operation and management of restaurant
Minimum number of restaurants to be opened	Save for the umbrella agreement disclosed above, none of the licence agreements requires a minimum number of restaurants to be opened
Minimum investment amount	None of the licence agreements contains a minimum investment amount
Tenure	A fixed term of 10 years with an option to renew for a further five to 10 years according to the terms of the licence agreement

Settlement term	By mutual consultation between the parties and arbitration or mediation if necessary
Termination clause	The licence agreement may be terminated by prior written notice of either party in certain circumstances, in accordance with the terms contained therein, such as a material breach of the licence agreement and either party becoming insolvent or bankrupt

Salient terms of the franchising agreement entered into by us are generalised below:

Franchise fees payable and related basis	(i) One-off contract fee of US$30,000 (equivalent to approximately HK$233,400) (ii) A sum equivalent to 3% of monthly sales (i.e. gross revenue less, among others, staff tips, discounts, entertainment and service charges) is required
Role and obligations of the franchisor	In general, the franchisor is responsible for, among other things, (i) protect the intellectual property of the relevant trademark; (ii) provide training programme; (iii) provide key personnel; (iv) provide certain products from the designated suppliers; and (v) provide operational and technical support
Role and obligations of the franchisee	In general, the franchisee is responsible for, among other things, (i) purchasing certain products from the designated suppliers; (ii) operation and management of the business; and (iii) protect and promote the goodwill of the brands
Minimum number of restaurants to be opened	Save for the area development agreement disclosed above and the following: the franchising agreement for California Vintage requires the franchisee to open at least two restaurants by the end of 2016 and at least five restaurants by the end of 2019, failing which the franchise granted under the franchising agreement shall cease to be exclusive and that the granting of the option to renew and the terms of renewal shall fall within the sole discretion of the franchisor
Minimum investment amount	None of the franchising agreements contains a minimum investment amount
Tenure	A fixed term of eight years with an option to renew of five years

Settlement term	By mutual consultation between the parties and arbitration or mediation if necessary
Termination clause	The franchising agreement may be terminated by prior written notice of either party in certain circumstances according to the terms contained thereof such as a material breach of the franchising agreement and either party becoming insolvent or bankrupt

Note: As at the Latest Practicable Date, the franchisor of California Vintage agreed in principle to terminate the franchising agreement upon mutual agreement. We closed down California Vintage on 6 March 2016.

Depending on the terms of the relevant franchising/ licence agreements, we may be required to operate the restaurants in accordance with the operating standard provided by the franchisors/ licensors, which may cover the menu item. Alternatively, we may be required to consult with the franchisors/ licensors in respect of the pricing range of the food items, beverage and wines. The franchisors/ licensors may also be required to provide the menu for the restaurant operation.

Since 1 April 2016 and up to the Latest Practicable Date, we had not entered into any new franchising agreement or licence agreement. In relation to the 10 franchising agreements and licence agreements entered into by our Group (excluding (i) those which have been terminated during the Track Record Period and up to the Latest Practicable Date and (ii) the franchising agreement of Gaucho, the operating subsidiary of which was disposed by us on 15 January 2016), assuming no option to renew is exercised, four will expire during the period from the Latest Practicable Date to 31 March 2020. The remaining six will expire during the period from 1 April 2020 to 31 March 2025. In relation to the four franchising agreements and licence agreements which will expire before 31 March 2020, assuming no option to renew is exercised, one will expire in each of the years ending 31 March 2017 and 31 March 2018 and two will expire in the year ending 31 March 2020. In relation to the umbrella agreement and the area development agreement entered into by our Group, assuming no option to renew is exercised, all of them will expire on or before 31 March 2025.

Further, we may be required to consult or obtain approval from the franchisors/ licensors with regard to the terms of engagement of staff and the appointment and engagement of key personnel such as head chef, sous chef and general manager and to terminate the employment contract with such staff upon written notice of the franchisors/ licensors. We may also be required to appoint the candidates of such job positions as reasonably nominated by the franchisors/ licensors. The franchisors/ licensors may be required to select or assist to select the key personnel for the restaurant operation. Depending on the terms of the relevant franchising/ licence agreements, the franchisors/ licensors may have the right to recruit and appoint the key personnel.

In substance, the licence agreement and the franchising agreement are similar, save that a franchising agreement is more stringent than that of a licence agreement in that:

(i) the franchisee under the franchising agreement must, unless otherwise agreed, purchase certain products and/or raw materials from the franchisor and/or a designated supplier of the franchisor;

(ii) the franchisee under the franchising agreement must comply in all respect with the operating manual provided, failure of which would be deemed to constitute a breach of the agreement; and

(iii) the franchisor under the franchising agreement has a substantial control of the key employees of the restaurant, such key employees of the restaurant include head chef, general manager and bar manager, to the extent that the franchisee shall not terminate the employment or materially change the role of the key employees without prior written consent of the franchisor,

whilst there is no similar obligation under a licence agreement.

Furthermore, the salient terms of the franchising agreement and licence agreement, as disclosed above, are also applicable to the (i) licence agreement entered into under the umbrella agreement and (ii) franchising agreement entered into under the area development agreement. To the best knowledge of our Directors, there is no material breach of the franchising/licence agreements during the Track Record Period rendering such franchising/licence agreements invalid or voidable. No franchising/licence agreement has been terminated during the Track Record Period due to the fault of our Group. During the Track Record Period and up to the Latest Practicable Date, we (i) terminated three of our franchising/licence agreements upon mutual agreement with the franchisor/licensor in view of their unsatisfactory business performance; (ii) disposed of Golden Rock, the restaurant of which was operating under the franchising agreement; and (iii) closed down California Vintage which was operating under the franchising agreement. We have assigned our director of operations and director of finance to ensure our restaurants are operating in compliance with the terms of franchising/licence agreements. The director of operations and director of finance are required to report to our Board on the compliance of the franchising/licence agreements on a monthly basis. We are generally required to recruit head chefs and general managers designated by the franchisors or licensors who will constantly monitor the restaurant operations. Consulting chefs or representatives of the franchisors or licensors would usually be stationed at our restaurants for approximately one month during openings and visit our restaurants from time to time throughout the tenures to ensure the requirements of franchisors or licensors are met.

As mentioned in the paragraph headed "Competitive strengths — Cooperation with well-recognised chefs and brands" above in this section, our Directors believe that operating well-recognised brands under the franchising/licence agreements has positive impact on our performance and image, allowing us to leverage the synergies generated to build and develop our own brands.

OPERATIONAL MANAGEMENT

Management system and structure

Our management structure is designed to promote efficiency in supervising, directing and supporting our operations, quality control systems, recruitment processes and sales and marketing.

Headquarters management

The overall management of our business and operations is conducted at our headquarters in Hong Kong. Our headquarters is responsible for the corporate business and finance administration of our Group, interior design, operational management and supervision, such as financial planning, staff recruitment, property management, sales and marketing and legal compliance.

District management

All of our restaurants are located in three districts, Central and Western District, Yau Tsim Mong District, Wan Chai and Eastern District. Our operation managers, together with our corporate chefs, oversee restaurant operations in the particular district and report to our headquarters.

Restaurant-level management

Each of our restaurants is operated and managed by its own restaurant management team, consisting of the general manager and the head chef. The restaurant-level management team ensures that the restaurant operates efficiently. Certain management decisions and administrative roles, such as the purchasing of utensils and kitchen equipment and food ingredients, inventory control and quality control, are delegated to our restaurant management teams, to maintain flexibility in responding promptly to daily restaurant demands.

Takeaway outlet

Our takeaway outlet enables us to centralise our food preparation process and quality control of our takeaway food orders for Bombay Dreams. Our takeaway outlet prepares and distributes food orders under takeaway and outdoor catering services for Bombay Dreams. For details, please refer to the paragraph headed “Food preparation and new dish development — Food preparation” in this section.

Central bakery

During the Track Record Period, we had a central bakery supplying bread and dessert products to our own restaurants. Our central bakery was closed on 30 April 2015 upon the expiry of the lease since there was an expected increase of the rent. To substitute, part of the kitchen of Manzo, one of our existing restaurants, has been designated to operate as pastry kitchen to supply dessert products to our restaurants since May 2015. Taking into account the cost effectiveness of the operation of the central bakery, the capacity of our restaurants to prepare the bread on their own and the partial substitution of the kitchen of Manzo as pastry kitchen, our Directors consider that it is commercially viable to close our central bakery down. Upon the closure of Manzo on 20 March 2016, we designated part of the kitchen of Al Molo, one of our existing restaurants, to operate as pastry kitchen to substitute that of Manzo.

Finance and accounting

Our finance and accounting team oversees the accounting system and handles other finance and accounting related matters.

Human resources

Our human resources team handles administration, employee recruitment and the training of employees. For details, please refer to the paragraph headed ‘‘Employees’’ in this section.

Marketing

Our marketing team formulates and implements our marketing strategies, such as various dining promotions, frequent diner programme and advertising, to promote our image, brand awareness and reputation. Our marketing team is also responsible for handling and recording customer complaints of our restaurants.

EXPANSION PLANS AND SITE SELECTION DEVELOPMENT

We opened two, four and two new restaurants in Hong Kong for the three years ended 31 March 2014, 2015 and 2016, respectively. All of these new restaurants are operating under the relevant franchising/licence agreements. We intend to continue to grow in Hong Kong mainly by entering into franchising/licence agreements with well-recognised overseas chefs and brands.

Expansion plans in Hong Kong

We intend to open approximately four, four and four new restaurants in Hong Kong in the years ending 31 March 2017, 31 March 2018 and 31 March 2019, respectively. Among these 12 new restaurants, two, two and two new restaurants will be opened under self-owned brands for each of the three years ending 31 March 2019. Two, two and two new restaurants will be opened under franchised or licensed brands for each of the three years ending 31 March 2019. Among the two new restaurants to be opened under franchised or licensed brands for the year ending 31 March 2017, one will be opened under area development agreement. Among the two new restaurants to be opened under franchised or licensed brands for the year ending 31 March 2018, one will be opened under each of umbrella agreement and area development agreement respectively. Among the two new restaurants to be opened under franchised or licensed brands for the year ending 31 March 2019, both will be opened under area development agreement. The new restaurants will be opened in Central and Western District, Yau Tsim Mong District, Wan Chai District and Eastern District. As at the Latest Practicable Date, we executed the four lease agreements for the three and one new restaurants to be opened during the years ending 31 March 2017 and 31 March 2018, respectively, with the leased premises of LG Floor, Chinachem Hollywood Centre, 1, 3, 5, 7, 9, 11 and 13 Hollywood Road, Central, Hong Kong, Unit 8, LG Floor, Pacific Place Phase I, 88 Queensway, Admiralty, Hong Kong, 31st Floor, V Point, 18 Tang Lung Street, Causeway Bay, Hong Kong and Shop 06-G03, Ground Floor, Block C Dormitory, Central Police Station, 10 Hollywood Road, Central, Hong Kong, respectively.

In addition, we intend to upgrade some of our existing restaurants in Hong Kong through new renovations, adding new equipment and/or changing the themes of the relevant restaurants. We currently expect to upgrade (i) two restaurants under licensed brand in the year ending 31 March 2017; (ii) one restaurant under self-owned brand in the year ending 31 March 2018; and (iii) one restaurant under self-owned brand in the year ending 31 March 2019. The estimated total capital expenditures for such upgrades are expected to be approximately HK$2.3 million, HK$1.0 million and HK$1.0 million, respectively. They will be funded by our net proceeds from the Placing and our internal resources.

The total planned capital expenditure for our network expansion in Hong Kong is expected to be HK$38.1 million, HK$13.8 million and HK$30.4 million for the years ending 31 March 2017, 31 March 2018 and 31 March 2019, respectively. From 1 April 2016 and up to the Latest Practicable Date, we had incurred and committed to incur approximately HK$19.9 million and HK$21.2 million, respectively, for our network expansion in Hong Kong. For details, please refer to the paragraph headed "Financial information — Capital expenditures" in this prospectus.

Breakeven and return on investment

We opened eight new restaurants during the Track Record Period, of which two, four and two restaurants were opened during the three years ended 31 March 2014, 31 March 2015 and 31 March 2016, respectively. As at the Latest Practicable Date, all of the eight new restaurants had achieved a breakeven point. We changed the brands of three restaurants during the Track Record Period, of which one, one and one were changed brands during the three years ended 31 March 2016, respectively. As at the Latest Practicable Date, these restaurants (save for Tango (Elements) which changed the brand from Toro to Tango (Elements) and commenced its business on 7 July 2016, therefore the expected number of months required to achieve breakeven point is not available) had achieved a breakeven point. On average, all of our new restaurants required approximately three months to reach the breakeven point. As at 31 May 2016, 12 of our 23 existing restaurants had achieved the investment payback point, requiring an average of approximately 27 months from their respective commencement of business. The time required for each restaurant to achieve a breakeven point and investment payback point is dependent upon the individual restaurant size and the restaurant brand. We expect the average time for our new restaurants to achieve a breakeven point and investment payback point to be similar to our historical breakeven point and investment payback point during the Track Record Period.

We usually consider a restaurant as "underperforming" if it recorded a continuous negative EBITDA for six to eight months. We would then undertake certain measures which include cutting operational costs, launching marketing campaigns and promotions to turn the restaurant from a negative EBITDA position to a positive EBITDA position. However, if there is still not any positive impact for the coming four to six months, we would consider other measures including but not limited to changing the concept or closing down the restaurant with the consents from franchisor/ licensor (if any required) and the landlord.

The typical lead time from site selection to restaurant opening generally ranges from approximately three months to a year. The actual timing, number and geographical location of new restaurant openings in any given period will vary depending on a number of factors, such as competitive conditions, customer preferences and business environments, and are subject to a number of uncertainties. Our Directors confirm that the expansion plan carried out by our Group during the Track Record Period had been financed by our internal resources and interest free shareholders' loans. The shareholders' loan shall be settled fully upon the Listing.

Site selection process

We consider our ability to identify suitable locations for restaurants to be a critical factor in determining our long-term success. Our restaurants are strategically located in prime areas in Hong Kong, including Soho, Wyndham Street, Lan Kwai Fong, Causeway Bay, Wan Chai and Tsim Sha Tsui and major shopping malls in Hong Kong including Elements, Times Square and Harbour City. We take into consideration the following factors during our site selection process:

- spending power — which may be affected by the preferences of the local community, population density, existence of a critical mass and the spending power of the community;
- pedestrian traffic and convenience of the location — which may be affected by accessibility to public transportation and parking, proximity to office buildings, shopping malls, residential estates, tourist attractions and ease of entry;
- competition — which may be affected by the existence of actual or potential, direct or indirect competition, the number and business records of and proximity to the competitors; and
- lease — which may be affected by the rental cost, size and structure of the premises and restrictions on opening hours of the premises. A maximum rent limit has been fixed by our management to ensure the profit margin of each of our restaurants.

Site visits will be arranged to assess the pedestrian traffic and customer profile in the area. We generally select our restaurant sites strategically in order to increase our market penetration and establish restaurants under different brands to attract different customer segments in the same geographical area in order to minimise the dilution of traffic among our own restaurants.

New restaurant development procedures

The development process of a new restaurant mainly consists of the following key steps:

- concept development — the development of a new restaurant concept may be determined by the identification of suitable location, head chef or franchisor/licensor. Generally, we would approach chefs or brands for a potential cooperation through referrals. We may develop a new brand and search for a suitable location for the new restaurant together with the interested chef or brand. The concept of the restaurant will be finalised by our business development team, our general manager, our chief executive officer, the recruited chef and our franchisor/licensor, if any. Once the concept is determined, we will proceed to determine the pricing of the dishes, target customer segment and the menu;

- lease negotiation — once the feasibility study of the potential restaurant site is approved, we commence negotiation of the lease with the lessor. For new leases, we would generally require the term of the lease not less than three years with a rent-free period ranging from two to three months at the beginning of the lease term. The rent-free period is to allow sufficient time for us to renovate and decorate the premises. The terms of the lease are subject to the final review and approval of our chief executive officer;

- renovation — upon signing the lease agreement, our design team which is led by our director of design commence the interior design of the restaurant. The theme of the restaurant will be determined by the concept and cuisine to be served in the restaurant, the target customer segment, associated brand features and location of the premises. Upon receiving the final approval of the design by our chief executive officer and the relevant franchisor/licensor, if any, renovation will be carried out by independent contractors engaged by us. The average time for the design and renovation process generally requires approximately three to six months;

- licensing — during the same time as the renovation is being carried out, we will apply for various licences necessary for the operations of a restaurant. During the Track Record Period, we have engaged an independent licensing consultant responsible for the relevant applications and any subsequent modification of the licensing conditions. Approximately three to six months are generally required to obtain a provisional general restaurant licence to open a restaurant. For details of the licences necessary for the operations of a restaurant, please refer to the paragraph headed “Licensing” in this section and the section headed “Regulatory overview — Regulations and supervision of restaurant business in Hong Kong — Licences and approvals necessary for our business operations” in this prospectus; and

- staffing and purchasing — during the same time as the renovation is being carried out and pending the determination of our applications of all required licences and permits, our head chefs and general managers will start selecting and ordering the equipment and utensils and our human resources team will relocate employees from existing restaurants and place new employees to both the existing restaurants and new restaurant. During the one week before the “soft opening” of the restaurant, our head chef will be responsible for training the kitchen staff on food preparation and our general manager will be responsible for training the restaurant staff on services and operational details. We usually have a “soft-opening” of approximately two weeks for our restaurants before the grand opening by inviting a limited number of guests.

We take into account the requirements of franchisors/licensors and terms of franchising/licence agreements throughout the process. Representatives from the franchisor/licensor may participate in the location and size of the restaurant, design of the restaurant theme and the recruitment and training of employees.

FOOD PREPARATION AND NEW DISH DEVELOPMENT

It is an important part of our strategy to offer quality cuisine to maintain our existing customer base and to attract potential new customers.

Food preparation process

We understand the importance of food safety and quality control. Therefore we have adopted a series of stringent standardised quality control policies and procedures to ensure and maintain our food quality and safety.

Purchasing process

Head chef of each restaurant is responsible for monitoring the quality of food ingredients regularly and placing orders for food ingredients. Individual head chefs may request for samples before placing localised orders with suppliers chosen from our approved list. For details on supplier selection, please refer to the paragraph headed "Suppliers and raw materials" in this section. Upon delivery of the food ingredients, kitchen staff weighs the incoming food ingredients with an electronic scale, records the types and quantities of food ingredients and checks the information on the delivery notes against the orders placed before confirming receipt of the food ingredients. We return food ingredients falling below our quality control standards to our suppliers for replacement. We deliver delivery notes and invoices to our accounting team the next day following delivery. Our inventory control and cost management system records and monitors all the purchase and inventory of each type of food ingredients, beverages, equipment and utensils made by each restaurant. We generate variance reports from time to time, to identify unusual purchase quantity, unusual purchased items or purchase cost movements. Our head chefs will conduct inspection on the food ingredients to ensure that they are fresh and meet the quality standards.

Storage and preservation

Head chef and sous chef of each restaurant are responsible for ensuring proper processing and storage of food ingredients. Food ingredients are generally delivered to our restaurants daily. For food ingredients which are fresh and perishable, we keep a minimum level of food ingredients on hand and generally for not more than two days. For non-perishable food ingredients, we ensure an adequate stock is maintained in each of our restaurants based on the individual operation needs. Upon delivery of the food ingredients to our restaurants, we will store the food ingredients under appropriate temperature and storage conditions in accordance with our procedures and manuals. We will keep fresh fruits separate from meat, poultry or seafood in the refrigerator. Stock count is performed on a bi-weekly basis. In addition, hygiene supervisors are appointed in each of our restaurants to strengthen the food safety supervision in the restaurants.

We did not experience excessive accumulation of inventory of our food ingredients and beverages during the Track Record Period since all purchase orders are placed to match demand, deliveries are made daily and our inventories are closely monitored by head chefs, general managers and our accounting team.

Food preparation

Each restaurant has one head chef, who is responsible for the overall operation of the kitchen of that restaurant. Under the coordination of head chefs, there is division of labour for different processes for food preparation in accordance with the recipes to ensure efficiency and quality. The recipes are either developed by us or obtained under the franchising/licence agreements. Different divisions of restaurant staff are responsible for different parts of the food processing chain including washing, cutting, seasoning, cooking, serving and cleaning.

As at the Latest Practicable Date, we had one takeaway outlet. The takeaway outlet is to maintain the takeaway food services of Bombay Dreams and support its outdoor catering services.

The takeaway outlet was established in December 2012 in order to cater the then increasing demand for takeaway food orders of Bombay Dreams. All takeaway food orders of Bombay Dreams placed through the takeaway outlet or the food delivery hotlines of Cuisine Courier and Waiters on Wheels, the connected persons of our Company, are processed by the takeaway outlet. For details of the continuing connected transactions in respect of the procurement of food delivery services rendered by Cuisine Courier and Waiters on Wheels, please refer to the section headed "Connected transactions — Master agreements in respect of the procurement of food delivery services rendered by Cuisine Courier and Waiters on Wheels" in this prospectus. In addition, as our restaurants have developed to provide outdoor catering services, some of the food and beverage ordered for the outdoor catering services of Bombay Dreams are processed by the takeaway outlet.

According to our standardised quality control policies and procedures, kitchen staff will keep their hands clean before the preparation of the food and after handling raw materials. Different cutting boards and knives are used to handle fresh ready-to-eat fruits and raw materials. Cutting boards, knives and counter tops must be washed thoroughly with soap before and after food preparation.

We also adopt the same set of standardised quality control policies and procedures in each of our individual restaurants and our takeaway outlet.

Development of new dishes

We develop new menus for the opening of new restaurants and regularly modify our existing dishes and update our menu in response to the changing tastes of our customers, shifting food trends, nutrition trends, seasonal factors and feedback from our customers. Our marketing department works closely with our head chefs regularly to introduce promotional and festive dishes to attract potential customers. Our new dish development process mainly consists of the following key steps:

- proposal — our head chefs prepare proposals of new dishes after considering the market trends, seasonal factors, taste, target price, sales volume and food costs;

- approval — after we finalise the recipe setting out the food ingredients, seasoning, sauces and spices and cooking method, we will carry out cost analysis for the food ingredients to determine the cost of the new dish. The head chef will try to select food ingredients to ensure the food costs will account for no more than a certain percentage of the target price of the new dish. The finalised recipe and the price of the new dish will be reviewed and approved by our director of operations; and

- launch of the new dish — after we approve the new dish and secure the source of the key food ingredients, the menu will be designed again or updated and printed. The chefs will follow the new recipe when preparing the new dish.

SALES AND MARKETING

Seasonality

Our business is subject to seasonal fluctuations. During the Track Record Period, we generally recorded relatively higher monthly revenue in the fourth quarter of each calendar year and relatively lower monthly revenue during Chinese New Year. Our Directors are of the view that (i) the higher revenue recorded in the fourth quarter of each calendar year was mainly due to the higher customer spending during holiday and festival periods in October to December, such as the National Day Golden Week, the Christmas and the New Year Eve; and (ii) the lower revenue recorded during Chinese New Year was mainly due to the customer preferences to Chinese cuisine during Chinese New Year.

Pricing policy

As we adopt a multi-brand business model which allows us to target different customer segments with mid to high spending power, we do not fix a unified pricing range for our restaurants. Dishes of different restaurants are offered at varying prices, depending on the brand of the restaurant and the concept.

Generally, in determining the prices of the dishes, we take into account factors, including the cost of food ingredients, other operating costs, such as rent, labour costs and utility expenses, our target profit margin, the geographical location of the restaurant, the profile/concept of the restaurant, the extent of services provided, the anticipated market trends, the target customers' spending habits and the prices of similar dishes set by our competitors.

The overall cost of food ingredients are generally fixed not to exceed a certain percentage of the total revenue of a particular restaurant and a higher mark-up is set for the popular dishes. The cost of inventories consumed as a percentage of our total revenue remained at 25.0%, 25.1% and 25.5% for the years ended 31 March 2014, 31 March 2015 and 31 March 2016, respectively. We will carry out evaluation and adjustment, if necessary, from time to time to ensure our cost target can be achieved in response to the price fluctuations to the cost of food ingredients, operating cost and the general market trend.

We charge a standard service fee of 10% on all bills across all our restaurants.

Settlement

Majority of our customers settle their bills by cash or credit cards. We will receive non-refundable earnest money for reservation during special festivals or special occasions. We issue dining vouchers to our customers under our frequent diner programme and as prepaid vouchers.

The table below illustrates the breakdown of the revenue by types of settlement during the Track Record Period:

	Year ended 31 March		
	2014	**2015**	**2016**
	(HK$'000)	*(HK$'000)*	*(HK$'000)*
Settlement by way of:			
credit card	298,742	372,149	372,239
cash	72,396	82,047	76,405
others*(Note)*	18,655	14,045	14,277
	389,793	**468,241**	**462,921**

Note: Others mainly include dining voucher and cheque.

Credit cards

Our restaurants accept credit cards from most major credit card issuers for settlements of bills. We normally receive remittances from the relevant credit card issuers, net of service charges, on the second or third business day after the day on which the credit card transaction is approved. During the Track Record Period, service charge ranging from 1.6% to 3.0% was generally imposed by the credit card issuers.

Cash

Although most of our customers settle their bills by credit cards, our Group still handles certain amount of cash every day. To prevent misappropriation and illegal uses of cash, we have implemented a cash management system with a set of cash handling procedures including segregation of duties across all of our restaurants. We conduct reconciliations of sales recorded by summaries generated from our point-of-sales system with the actual cash receipts and cash deposits in bank of each restaurant on a daily basis. We keep spare cash for the purpose of sporadic procurement of supplies, cash received at a restaurant pending delivery to our banks and service tips in separate safes located in each restaurant. We deliver cash received from the previous day's operations in respect of each restaurant to our banks every business day. One employee from our head office is responsible for collecting and depositing cash into the bank accounts of the respective restaurants. We have taken out insurance in respect of cash kept at our restaurants. During the Track Record Period, our Directors confirm that there was no incident of any material cash misappropriation or theft of cash by our employees, customers or other third parties.

Dining vouchers

There are two types of dining vouchers. Our customer may purchase dining vouchers from our head office, our restaurants or members of our marketing team. Dining vouchers can be used in any of our restaurants and are normally valid for one year from the issue date. As confirmed by our director of finance, the issuance of dining vouchers will only be recognised as our liabilities and revenue upon using the dining vouchers. The expired dining vouchers are recognised as revenue in our consolidated statement of comprehensive income. Alternatively, we also issue dining vouchers to our customers under our frequent diner programme as part of our marketing policy. For our frequent diner programme, please refer to the paragraph headed "Marketing" in this section.

Our internal control policy includes measures and procedures to prevent occurrence of fraud, involving employees. Our employees are encouraged to report any suspected incidents of fraud to our executive Directors in accordance with our policies for further investigation.

Customers

Due to the nature of our business, the majority of our customers consist of retail customers from the general public. As such, our Directors consider that it is not practicable to identify the five largest customers of our Group for the Track Record Period and we did not rely on any single customer during the Track Record Period. Therefore, our largest customer and top five customers accounted for less than 5% and 30% of our revenue for each of the three years ended 31 March 2016. In line with the industry practice, during the Track Record Period and up to the Latest Practicable Date, we had not entered into any long-term contract with our customers. Our Directors confirmed that our Group had no material dispute with our customers during the Track Record Period and up to the Latest Practicable Date.

During the Track Record Period, since majority of our customers settle their bills by cash or credit cards, our Group's trade receivables mainly represented receivables from credit card issuers and certain corporate customers who held events in our restaurants. Since these corporate customers are considered well established, we have offered credit terms of 20 days. We normally receive remittances from the relevant credit card issuers, net of service charges, on the second or third business day after the day on which the credit card transaction is approved.

Marketing

We adopt a marketing strategy that leverages increased publicity and customer awareness. Our marketing department is responsible for the formulation and implementation of our Group's marketing strategies to promote our image, brand awareness and reputation.

Various dining promotions

We participate in dining promotions organised by the Hong Kong Tourism Board, credit card companies, membership clubs and shopping malls we located in. Special discounts are offered to our customers, credit card holders or shopping mall visitors with the coupons extracted from the shopping malls promotional materials. Our marketing department usually selects the credit card companies for these campaigns based on their networks and the general profile of their card holders, such as income level, number of family members and dining habits.

Frequent diner programme

We have launched a frequent diner programme which is designed to reward our members for dining frequently at our restaurants. Customers using our membership cards at any of our restaurants will receive one point for every one dollar spent on food and beverage items in our restaurants and the points will allow our members to redeem selected rewards before its expiration date. In addition, we cooperate with well-established travel reward programmes. Points accumulated through the travel reward programmes can be used at our restaurants. During the Track Record Period and up to the Latest Practicable Date, we had not recorded any compensation or material dispute in respect of these dining promotions and our frequent diner programme.

Advertising

Our marketing department arranges for advertisement placement in different channels, such as newspapers and food magazines. We entered into contracts on a yearly basis with a local English newspaper under which we have agreed to purchase 25 full-page colour advertisements in its Sunday magazine every year. We also devote our resources in electronic platforms, including our websites, social media platforms and food-critic websites, to publish the latest information of our restaurants, dishes and promotions. From time to time, our restaurants are featured on television shows for lifestyle and food.

Independent third party public relations companies are often engaged on a project basis for new opening promotions. For the years ended 31 March 2014, 31 March 2015 and 31 March 2016, we incurred expenses on advertising of approximately HK$2.7 million, HK$5.1 million and HK$5.4 million, representing approximately 0.7%, 1.1% and 1.2% of our revenue, respectively.

SUPPLIERS AND RAW MATERIALS

During the Track Record Period, our suppliers mainly included food ingredient suppliers, beverage suppliers and ancillary equipment and utensil suppliers. We have also engaged licensing consultants, renovation service providers, repair and maintenance service providers, cleaning companies and pest control companies on a regular basis. In line with the industry practice, during the Track Record Period and up to the Latest Practicable Date, we had not entered into any long-term contract with our approved suppliers. The terms and conditions set out in our purchase orders placed with our different types of approved suppliers may differ. As the number of suppliers is abundant, such arrangement helps our Group to maintain flexibility in operations and pricing. We had an average of over 8 years of long-term relationships with our top five food ingredient suppliers during the Track Record Period.

Our director of operations has maintained a list of approved food ingredient suppliers and beverage suppliers, comprising more than 200 suppliers as at the Latest Practicable Date. Our suppliers are selected carefully based on a set of selection criteria, which includes (i) capacity, reputation and business operations of the supplier; (ii) type, variety and quality of food ingredients, goods or services offered by the supplier; (iii) pricing of the food ingredients, goods or services; (iv) supply terms and conditions, such as payment terms, delivery schedule and discount; (v) past performance; and (vi) our relationship with the suppliers. New suppliers may be introduced by first passing our head chef's sample testing, followed by assessment and final approval by our director of operations. We will only choose potential suppliers as our approved supplier if the price quoted by the supplier is lower than the purchase prices generally offered by our existing approved suppliers or, if higher, justifiable by other reasons such as exclusivity. In order to secure a stable supply of food ingredients and beverages, there are at least two approved suppliers for each type of food ingredient and beverage when possible. Our procurement department constantly monitors the performance of suppliers to ensure we are able to immediately change suppliers if there is deterioration in the capacities, reliability or consistency of service and product quality of the suppliers. We may remove suppliers failing to meet our selection criteria or being susceptible of negative publicity from our supplier list.

Our Directors confirm that there is no rebate or kick back arrangement with any of our suppliers. To the best knowledge of our Directors, we had not encountered any incident that any of our Directors or employees was involved in any bribery or kickback 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 that had any material adverse impact on our business or results of operations.

The following table illustrates the profile of our top five suppliers based on our total purchases attributable to them during the Track Record Period:

For the year ended 31 March 2014

Rank	Our supplier	Principal business activities	Approximate years of business with our Group as at the Latest Practicable Date	Approximate % of our total purchases attributable to the suppliers	Food ingredients/ goods provided
1	Supplier A	Food ingredients supply	11	14.8	Frozen meat
2	Supplier B	Food ingredients supply	12	8.1	Frozen meat
3	Supplier C	Food ingredients supply	12	5.5	Fruits and vegetables
4	Supplier D	Food ingredients supply	12	4.1	Frozen meat and dairy products
5	Supplier E	Food ingredients supply	11	3.7	Chilled and frozen meat

For the year ended 31 March 2015

Rank	Our supplier	Principal business activities	Approximate years of business with our Group as at the Latest Practicable Date	Approximate % of our total purchases attributable to the suppliers	Food ingredients/ goods provided
1	Supplier A	Food ingredients supply	11	11.5	Frozen meat
2	Supplier B	Food ingredients supply	12	6.1	Frozen meat
3	Supplier D	Food ingredients supply	12	4.7	Frozen meat and dairy products
4	Supplier C	Food ingredients supply	12	4.7	Fruits and vegetables
5	Supplier F	Food ingredients supply	5	4.0	Fruits and vegetables

For the year ended 31 March 2016

Rank	Our supplier	Principal business activities	Approximate years of business with our Group as at the Latest Practicable Date	Approximate % of our total purchases attributable to the suppliers	Food ingredients/ goods provided
1	Supplier A	Food ingredients supply	11	10.8	Frozen meat
2	Supplier B	Food ingredients supply	12	5.6	Frozen meat
3	Supplier D	Food ingredients supply	12	5.1	Frozen meat and dairy products
4	Supplier F	Food ingredients supply	5	4.7	Fruits and vegetables
5	Supplier C	Food ingredients supply	12	4.1	Fruits and vegetables

None of our Directors, their respective close associates or any Shareholder (who or which, to the knowledge of our Directors owns more than 5% of the issued share capital of our Company) had any interest in any of our top five suppliers during the Track Record Period.

Food ingredients

During the Track Record Period, we mainly sourced through local importers (i) beef originating from Australia and the United States; (ii) pork and chicken originating from Brazil and the PRC; (iii) vegetables originating from Europe and the PRC; and (iv) seafood originating from a variety of countries such as Vietnam, the United States and Thailand. For the market price trends and our sensitivity analysis of the cost of inventories consumed during the Track Record Period, please refer to the section headed "Industry overview", and the section headed "Financial information — Sensitivity and breakeven analysis" in this prospectus, respectively.

To the best knowledge of our Directors, the prices of food ingredients were determined with reference to quality, specifications, seasonal factor, source of supply and relationship with our Group. Our Directors are of the view that the prices of the food ingredients purchased by our Group were consistent with the then prevailing market prices. Our Directors expect the purchase prices of the food ingredients will continue to follow market prices under normal operations and market conditions.

Our Directors believe that fresh seafood, fresh vegetables and fruits and fresh meats have shelf life of approximately three to 15 days, dried food has a shelf life of approximately six months and frozen food has a shelf life of approximately two weeks. During the Track Record Period, the turnover rate of our food inventory was faster than the shelf lives of the respective type of inventory. For details of the turnover days of our food inventory, please refer to the section headed "Financial information — Description and analysis of principal components in the consolidated statements of financial position" in this prospectus.

Beverages

In relation to beverages, the sommelier or general manager of each restaurant is responsible for monitoring the inventories and placing orders for beverages. We have entered into fixed price contracts with some of our beverage suppliers. The terms of the contracts are generally fixed for one year. For any single item exceeding HK$4,000, we will only make orders after obtaining approval from our director of wine and director of operations. Delivery notes and invoices are delivered to our accounting team.

Equipment, utensils and others

In relation to equipment and utensils, the head chef and general manager of each restaurant are responsible for placing orders as and when necessary. Our equipment and utensils may originate from the local market or overseas through local importers depending on our need. Before purchase orders can be placed, the general manager would notify our accounting team and a price quotation would be obtained. The orders are all subject to the approval of our director of operations. Delivery notes and invoices are delivered to our accounting team.

Purchase of equipment and utensils

For the years ended 31 March 2014, 31 March 2015 and 31 March 2016, all equipment and utensils originating from overseas were supplied through Global Hotelware, a connected person of our Company. Our purchase of utensils and kitchen equipment from Global Hotelware for the three years ended 31 March 2016 were approximately HK$3,406,000, HK$4,112,000 and HK$4,799,000, respectively. During the Track Record Period, we had agreed to pay for the purchases at a cost-plus basis at an agreed mark-up rate of not more than a certain percentage.

Procurement of food delivery services

For the years ended 31 March 2014, 31 March 2015 and 31 March 2016, our procurement of the food delivery services from Cuisine Courier, a connected person of our Company, were approximately HK$1,586,000, HK$1,667,000 and HK$1,415,000 respectively. Our procurement of the food delivery services from Waiters On Wheels, a connected person of our Company, for the same periods, were approximately HK$181,000, HK$156,000 and HK$60,000 respectively. During the Track Record Period, we had agreed to pay an annual fee, a commission of a certain percentage charged on the invoiced price of the cuisine delivered. An additional standard charge levied by credit card issuers is charged if the payments are made through credit cards by the customers.

For further details of the abovementioned transactions, please refer to the section headed "Connected transactions" in this prospectus, and the Accountants' Report set out in the Appendix I to this prospectus.

Inventory management

Our head chefs, pastry chefs and general managers are responsible for inventory management at each of our restaurants. Our accounting team is responsible for inputting, through stocktaking, the purchase orders received from each restaurant into the inventory control and cost management system in order to maintain a record of the purchases made. Our head chefs will conduct inspection on the food ingredients provided by suppliers regularly to ensure that they are fresh and meet quality standards. We did not engage any external independent inspection and testing agency in carrying out these inspections during the Track Record Period and up to the Latest Practicable Date. A report is generated by our system on a bi-weekly basis on the estimated quantity of inventory required for the two-week period, the remainder inventory level and purchase costs. Based on the report, our head chefs, pastry chefs, restaurant managers and sommeliers will conduct analysis of costing and inventory level and evaluate procurement guidance of each of our restaurants. We will also carry out stock taking to check the actual inventory level for any major variance. Stock taking is conducted by two personnel, conducted bi-weekly for our food and beverage inventory. If there is any major variance between the estimations and the actual inventory levels, our accounting team will be notified and we will hold discussions with the relevant head chefs, pastry chefs and restaurant managers to understand the reasons for such variances and take necessary remedial actions. Our Group assesses whether any provision is required to reflect the carrying value of inventory at the end of each reporting period or whenever circumstances in which the carrying amount may not be recoverable arise. An impairment loss is recognised for the amount by which the carrying amount of the inventories exceeds its recoverable amount. During the Track Record Period, no impairment loss on inventories was recognised by our Group.

Purchase cost control

The overall cost of food ingredients is generally fixed not to exceed a certain percentage of the total revenue of a particular restaurant. If there is any material increase in the purchase price for any food ingredient, we would have no difficulty in finding substitute suppliers as there is sufficient supply of comparable third party suppliers in the market. When the food ingredient is rare or exclusive to the particular supplier, we would consider reviewing and updating our menu to maintain our target purchase cost. However, we may not be able to implement timely responses to changes in purchase costs and implement menu price adjustments in the future to pass on the increases in the cost of food ingredients to our customer. Please refer to the section headed ''Risk factors — Risks relating to our business — The prices of food ingredients are subject to continuing fluctuation'' for the relevant risk.

With respect to the sensitivity analysis in relation to the cost of food ingredients, please see the section headed ''Financial information — Sensitivity and breakeven analysis".

We currently do not engage in any futures contracts or adopt other financial risk management strategies to mitigate against any potential price fluctuation in the cost of food ingredients.

Credit and payment terms

Our accounting team is responsible for processing all payments to suppliers. We usually settle our payments to suppliers on a monthly basis. We only approve payment when both invoices received upon delivery and monthly statements received from suppliers are reconciled. The monthly statement will be sent to the individual restaurant for confirmation if there is any unrecognisable item. We will then arrange the settlement of invoices within the agreed credit periods. Payment terms granted by our suppliers are normally 30 to 45 days after the monthly statement is issued. During the Track Record Period, most of the purchases made from our suppliers were denominated and settled in Hong Kong dollars.

QUALITY CONTROL

We have established formal quality management system in accordance with the assessment criteria of the Quality Tourism Services Scheme. The following table sets out our major certifications:

Recipient	Award	Awarding organisation or authority
Olive	Certification mark upon "Restaurants" category	Hong Kong Tourism Board
Cecconi's Italian	Certification mark upon "Restaurants" category	Hong Kong Tourism Board
Craftsteak	Certification mark upon "Restaurants" category	Hong Kong Tourism Board
Bombay Dreams	Certification mark upon "Restaurants" category	Hong Kong Tourism Board
BLT Steak	Certification mark upon "Restaurants" category	Hong Kong Tourism Board

Our quality control team has 48 members consisting of the head chef and the general manager of each of our restaurants. The team is headed by Mr. Sandip Gupta, our director of operations and Mr. Kamal Sachar, our director of finance. Most of our head chefs and general managers have extensive experience in restaurant industry ranging from four years to 12 years. For the biography and experience of Mr. Sandip Gupta and Mr. Kamal Sachar, please refer to the section headed "Directors, senior management and employees — Directors and senior management" in this prospectus.

Food safety and hygiene

Our food safety and quality control policies and procedures are closely integrated with our supplier selection process and food preparation process. Our general managers and head chefs are responsible for the quality control at each of our restaurants. They are responsible for inspecting food ingredients and supplies, overseeing the food preparation process and monitoring the dining environment and kitchen area. For details, please refer the paragraph headed "Food preparation and new dish development — Food preparation process" and the paragraph headed "Suppliers and raw materials" in this section. We clean and sanitise each of our restaurants, central bakery and takeaway outlet every night in accordance with our policies and procedures. We have engaged cleaning companies and pest control companies for monthly cleaning and pest control sessions under service contracts each with a fixed term of one year. We ensure the implementation of our quality control policies through (i) training and supervision of our employees; and (ii) evaluation of our procedures.

As confirmed by our Directors, no material complaints or claims on our food was received by us nor were our restaurants subject to any investigation on food hygiene by any government authorities or relevant consumer protection organisations due to any food safety incident during the Track Record Period and up to the Latest Practicable Date.

Service quality

Daily briefing sessions and evaluations are conducted by our general manager and head chef of each restaurant to ensure the quality of our services. We collect feedback from our customers through various channels: (i) our guest comment cards which are available in all our restaurants; (ii) our telephone hotline; (iii) our social media pages and emails; and (iv) food-critic websites. Our general managers will discuss the customer feedbacks during the daily briefing sessions and our marketing department will compile all the feedbacks and identify and evaluate the issues with the relevant personnel in order to improve our overall operations. Our general managers will also discuss the customer feedbacks with our senior management in order to improve our overall operations.

As soon as we receive a complaint from a customer in our restaurant, our general manager will try to resolve the matter to our customer's satisfaction at restaurant level. If the complaint cannot be resolved at restaurant level, a customer complaint record form will be completed and sent to our marketing department for record and further handling. The matter will be referred to our director of operations to follow up. We may provide our customers with a settlement sum if necessary.

During the Track Record Period and up to the Latest Practicable Date, as confirmed by our Directors, our Group did not receive any material complaints nor complaint filed by our customers to the Consumer Council and the Hong Kong Tourism Board. We were not aware of any incident of customer complaint claiming material compensation that could have a material adverse impact on our business, results of operations and financial position. During the Track Record Period, most of the customer complaints related to the food and service quality.

LICENSING

As at the Latest Practicable Date, we owned and operated 21 full-service restaurants, one clubhouse restaurant, a bakery restaurant and one takeaway outlet in Hong Kong. Save as disclosed in this paragraph and the paragraph headed "Legal proceedings and compliance" in this section, based on the legal opinion from our Hong Kong Legal Counsel, as at the Latest Practicable Date, we had obtained all the relevant licences, approvals, certificates and permits necessary to conduct our restaurant operations in Hong Kong. These licences, approvals, certificates and permits include (i) the relevant general restaurant licence, light refreshment restaurant licence and Certificate of Compliance required for all of our restaurants in Hong Kong; (ii) liquor licence and club liquor licence required for all of our restaurants on whose premises alcoholic beverages are offered; (iii) food factory licence required for our takeaway outlet on whose premises involving the preparation of food for sale for human consumption off the premises; and (iv) water pollution control licence required for all of our restaurants and takeaway outlet.

As at the Latest Practicable Date, as confirmed by our Directors, save for the five demerit points registered against Bombay Dreams (HK), no demerit point had been registered against any of our restaurant and none of our restaurants had been subject to suspension for operation.

The following table sets forth the remaining validity period of the licences for our operating restaurants in Hong Kong as at the Latest Practicable Date:

Type of licence	Validity period of within one year	Validity period of more than one year
General restaurant licence (1),(2)	21	Nil
Light refreshment restaurant licence	1	Nil
Certificate of Compliance (3)	1	Nil
Liquor licence (4)	5	17
Club liquor licence	Nil	1
Food factory licence	1	Nil
Water pollution control licence (5)	Nil	21

Notes:

1. As at the Latest Practicable Date, save for Bouchon, Olive, Tango (Elements) and Le Pain Quotidien (Lee Tung Avenue), 18 of the restaurant licences are granted with endorsements for the serving of restricted foods under the Food Business Regulation. As at the Latest Practicable Date, two of the restaurant licences are granted with endorsements for the outside seating accommodation under the Food Business Regulation.

2. On 8 June 2016, Bombay Dreams (HK) was convicted and fined for a sum of HK$1,500 by the magistrates' court as a result of causing the alteration of part of the heating equipment by replacing a new heating equipment as the old heating equipment was out of order without written permission of the DFEH, in contravention to sections 34(c), 35(1)(a) and 35(3)(b) respectively of the Food Business Regulation. On 8 April 2016, Bombay Dreams (HK) was registered five demerit points against it upon conviction of the said offence. For details of demerit points system, please refer to the section headed "Regulatory overview — Regulations and supervision of restaurant business in Hong Kong — (C) General compliance — Demerit points system" in this prospectus. The fine was settled on 10 June 2016. In view of the full settlement of the fine, as at the Latest Practicable Date, we were in compliance with sections 34(c), 35(1)(a) and 35(3)(b) of the Food Business Regulation.

3. Soho Spice was granted a certificate of compliance for club-houses under section (5)(2)(a) of the Clubs (Safety of Premises) Ordinance C/1285 on 1 March 2016, which will be expired on 28 February 2017. In order to standardise and facilitate our management of restaurants, our Company has applied for a general restaurant licence for Soho Spice in December 2015.

4. Our liquor licences were held by our full-time employees as at the Latest Practicable Date. For the relevant risks relating to our liquor licences, please refer to the section headed "Risk factors — Risks relating to our business — We may have to suspend or cease the sale of liquor in our restaurants if the relevant employees who hold the relevant liquor licences fail to transfer the licences in a timely manner" in this prospectus for details. As at the Latest Practicable Date, we had successfully changed the name of licensed premises of liquor licence of London House from the name of the old restaurant to London House. In relation to Tango (Elements), the liquor licence was issued under the previous restaurant name "Toro Steakhouse & Gastro Bar". As at the Latest Practicable Date, we had applied for the change of the restaurant name of licensed premises to Tango.

5. We did not obtain the water pollution control licences for certain restaurants during the Track Record Period. To rectify our non-compliance, we had made applications for the water pollution control licences for BLT Steak, BLT Burger (Times Square), BLT Burger (Harbour City), Taco Loco, Manzo and Bread Street Kitchen before October 2014 and other restaurants, central bakery and takeaway outlet after October 2014. As at the Latest Practicable Date, save for Le Pain Quotidien (Lee Tung Avenue), Ophelia and Tango (Elements), we had obtained valid water pollution control licences for our restaurants and takeaway outlet. The absence of water pollution control licences of these restaurants shall not be regarded as non-compliance since (i) in relation to Le Pain Quotidien (Lee Tung Avenue) and Ophelia, we will make the application for the licence at the earliest possible opportunity when the water metres are to be installed in August 2016; and (ii) in relation to Tango (Elements), we have applied for the change of discharge premises name as at 19 July 2016. Pursuant to section 12 of WPCO, no offence is committed if an application under section 14 has been made and the prescribed application fee paid when required and the applicant has not been notified of a refusal to grant a licence as required by section 15(2). Please refer to the paragraph headed "Legal proceedings and compliance" in this section for details of our non-compliance incidents relating to water pollution control licences.

The table below sets out details of the general restaurant licences, liquor licences, water pollution control licences and light refreshment restaurant licence, in respect of each of our restaurants as at the Latest Practicable Date:

	General restaurant licence			Light refreshment restaurant licence			Liquor licence			Water pollution control licence		
Name of the restaurant	**Holder**	**Licence number**	**Validity period of the current licence**	**Holder**	**Licence number**	**Validity period of the current licence**	**Holder**	**Licence number**	**Validity period of the current licence**	**Holder**	**Licence number**	**Validity period of the current licence**
Bread Street Kitchen	Pine Best	2218808351	3 Mar 2016 to 2 Mar 2017	N/A	N/A	N/A	Mr. Bhupendra Singh (Sous chef)	5218826169	2 Sept 2015 to 1 Sept 2016	Pine Best	WT00021901-2015	18 Jun 2015 to 30 Jun 2020
Bouchon	Excel Team	2213170073	28 Jan 2016 to 27 Jan 2017	N/A	N/A	N/A	Mr. Vinay Bahl (operation manager)	5213002007	17 July 2016 to 16 July 2018	Excel Team	WT00021029-2015	9 Mar 2015 to 31 Mar 2020
Bombay Dreams	Bombay Dreams (HK)	2218804702	17 May 2016 to 16 May 2017	N/A	N/A	N/A	Mr. Velusamy Muniyandi (chef)	5218820833	26 May 2016 to 17 May 2018	Bombay Dreams (HK)	WT00021031-2015	9 Mar 2015 to 31 Mar 2020
Bistecca	Lettuce Entertain	2218801183	11 Sept 2015 to 10 Sept 2016	N/A	N/A	N/A	Mr. Kamal Sachar (director of finance)	5218800123	25 Feb 2016 to 24 Feb 2018	Lettuce Entertain	WT00021043-2015	11 Mar 2015 to 31 Mar 2020
Craftsteak	Excel Team	2213117005	28 Jul 2015 to 27 Jul 2016(1)	N/A	N/A	N/A	Mr. Nitin Kumar Singh (restaurant manager)	5213002140	14 Oct 2015 to 13 Oct 2017	Excel Team	WT00021033-2015	9 Mar 2015 to 31 Mar 2020
Taco Loco	N/A	N/A	N/A	Mr. Sekhri	3113189389	15 Jun 2016 to 14 Jun 2017	Ms. Laxmi Subba (server)	5213003602	6 Mar 2016 to 5 Mar 2018	Full Merit	WT0015477-2013	18 Mar 2013 to 28 Feb 2018
Prego	Stanley Oriental	2218802007	2 Oct 2015 to 1 Oct 2016	N/A	N/A	N/A	Mr. Kwan Pui Dik, Dickson (restaurant manager)	5218801065	27 Mar 2016 to 26 Mar 2018	Stanley Oriental	WT00021036-2015	9 Mar 2015 to 31 Mar 2020
London House	Strong Ace	2261802137	2 Jan 2016 to 1 Jan 2017	N/A	N/A	N/A	Mr. Chawla Vaibhav (assistant manager)	5261800563	18 Jul 2016 to 17 Jul 2018	Strong Ace	WT00022755-2015	16 Nov 2015 to 30 Nov 2020
Lupa	Mr. Sekhri	2218805787	17 Sept 2015 to 16 Sept 2016	N/A	N/A	N/A	Mr. Sandip Gupta	5218822547	10 Feb 2016 to 9 Feb 2018	Most Glory	WT00021041-2015	11 Mar 2015 to 31 Mar 2020

Name of the restaurant	General restaurant licence			Light refreshment restaurant licence			Liquor licence			Water pollution control licence		
	Holder	Licence number	Validity period of the current licence	Holder	Licence number	Validity period of the current licence	Holder	Licence number	Validity period of the current licence	Holder	Licence number	Validity period of the current licence
Mamasan	Max Prospect	2218808218	19 Jan 2016 to 18 Jan 2017	N/A	N/A	N/A	Mr. Lau Yik Cheung (corporate services manager)	5218825847	20 May 2016 to 19 May 2017	Max Prospect	WT00021042-2015	11 Mar 2015 to 31 Mar 2020
Braza	BBQ Restaurants	2218804270	11 Nov 2015 to 10 Nov 2016	N/A	N/A	N/A	Mr. Shek Hoi Wah (restaurant manager)	5218820471	6 May 2016 to 5 May 2018	BBQ Restaurants	WT00021040-2015	11 Mar 2015 to 31 Mar 2020
Olive	Wide Scope	2213235523	23 May 2016 to 22 May 2017	N/A	N/A	N/A	Mr. Pereira Vianney (operation manager)	5213004359	9 Oct 2015 to 8 Oct 2017	Wide Scope	WT00021034-2015	9 Mar 2015 to 31 Mar 2020
Soho Spice	N/A(2)	N/A(2)	N/A(2)	N/A	N/A	N/A	Mr. Sekhri	5313000419(3)	7 Nov 2015 to 6 Nov 2017	Excel Team Trading	WT00021035-2015	6 Mar 2015 to 31 Mar 2020
Tango (Central)	Smart Joy	2213106463	17 Aug 2015 to 16 Aug 2016	N/A	N/A	N/A	Mr. Ashutosh Bisht (operation manager)	5213000807	25 Sept 2015 to 24 Sept 2017	Smart Joy	WT00020840-2015	5 Feb 2015 to 29 Feb 2020
Al Molo	Mr. Sekhri	2261807682	2 Nov 2015 to 1 Nov 2016	N/A	N/A	N/A	Mr. Kwong Wa Sang (sous chef)	5261822215	18 Feb 2016 to 17 Feb 2018	Profit Best	WT00020208-2014	17 Nov 2014 to 30 Nov 2019
BLT Steak	Mr. Sekhri	2261804629	22 Jun 2016 to 21 Jun 2017	N/A	N/A	N/A	Mr. Nicolas Ignacio Rega (assistant manager)	5261804228	9 Dec 2015 to 8 Dec 2017	BLT Restaurants	WT00020202-2014	17 Nov 2014 to 30 Nov 2019
BLT Burger (Harbour City)	BLT Burger	2261805817	24 Jun 2015 to 23 Jun 2016	N/A	N/A	N/A	Mr. Tang Hon Ming (restaurant manager)	5261824558	30 Oct 2015 to 29 Oct 2017	BLT Burger	WT00020277-2014	3 Dec 2014 to 31 Dec 2019
La Locanda	Mr. Sekhri	2261811542	3 Oct 2015 to 2 Oct 2016	N/A	N/A	N/A	Mr. Mohit Sharma (restaurant manager)	5261826794	11 Mar 2016 to 10 Mar 2017	Wealthy Trade	WT00020575-2014	7 Jan 2015 to 31 Jan 2020
Nahm	Global Profit	2261803158	26 Mar 2016 to 25 Mar 2017	N/A	N/A	N/A	Cheung Siu Lun, Alan (assistant manager)	5261802222	25 Sept 2015 to 24 Sept 2017	Global Profit	WT00020604-2014	16 Jan 2015 to 31 Jan 2020

Name of the restaurant	General restaurant licence			Light refreshment restaurant licence			Liquor licence			Water pollution control licence		
	Holder	Licence number	Validity period of the current licence	Holder	Licence number	Validity period of the current licence	Holder	Licence number	Validity period of the current licence	Holder	Licence number	Validity period of the current licence
Tango (Elements)	Fame Top	2261803228	2 Apr 2016 to 1 Apr 2017	N/A	N/A	N/A	Mr. Taranbir Singh Chadha (corporate chef)	5261802259[4]	11 Sept 2015 to 10 Sept 2017	Fame Top	WT00020603-2014[5]	16 Jan 2015 to 31 Jan 2020
BLT Burger (Times Square)	Wealthy Home	2212808030	28 Jan 2016 to 27 Jan 2017	N/A	N/A	N/A	Mr. Ma Chi Kit (head chef)	5212823405	28 Jun 2016 to 27 Jun 2018	Wealthy Home	WT00015569-2013	27 Mar 2013 to 31 Mar 2018
Le Pain Quotidien (Lee Tung Avenue)	Spectrum Rise	3812813208	25 Feb 2016 to 24 Aug 2016	N/A	N/A	N/A	Ms. Bakkouri Sonia (business development executive)	5212829625	25 Feb 2016 to 24 Aug 2016	N/A[6]	N/A[6]	N/A[6]
Ophelia	Trendy Move	3812813402	27 Apr 2016 to 26 Oct 2016	N/A	N/A	N/A	Mr. Eric Fung (operation manager)	5212829591[7]	27 Apr 2016 to 26 Oct 2016	N/A[6]	N/A[6]	N/A[6]

Notes:

1. As at the Latest Practicable Date, Craftsteak was granted a new general restaurant licence with validity period commencing from 28 July 2016 and expiring from 27 July 2017.

2. Soho Spice was granted a certificate of compliance for club-houses under section (5)(2)(a) of the Clubs (Safety of Premises) Ordinance C/1285 on 1 March 2016, which will be expired on 28 February 2017. Soho Spice was opened in December 2003, which is our second restaurant opened. In view of the less stringent licensing requirement of the certificate of compliance and thus a faster and more cost effective application process as compared with that of a general restaurant licence, we operate Soho Spice under a certificate of compliance for club houses so as to speed up the expansion of our restaurant business. In order to standardise and facilitate our management of restaurants, our Company applied for a general restaurant licence for Soho Spice in December 2015.

3. The liquor licence of Soho Spice is club liquor licence.

4. The liquor licence of Tango (Elements) was issued under the previous restaurant name "Toro Steakhouse & Gastro Bar". As at the Latest Practicable Date, we had applied for the change of the restaurant name of licensed premises to Tango.

5. The water pollution control licence of Tango (Elements) was issued under the previous restaurant name "Toro Steakhouse & Gastro Bar". As at the Latest Practicable Date, we have applied for the change of restaurant name of the discharge premises to Tango (Elements).

6. The absence of water pollution control licences of Le Pain Quotidien (Lee Tung Avenue) and Ophelia shall not be regarded as non-compliance since we will make the application for the licence at the earliest possible opportunity when the water metres are to be installed in August 2016. Pursuant to section 12 of WPCO, no offence is committed if an application under section 14 has been made and the prescribed application fee paid when required and the applicant has not been notified of a refusal to grant a licence as required by section 15(2).

7. On 19 July 2016, we had successfully changed the restaurant name of licensed premises to Ophelia.

The table below sets out details of the food factory licences and water pollution control licences, in respect of our takeaway outlet, as at the Latest Practicable Date:

	Food factory licence			Water pollution control licence		
Name of the takeaway outlet	**Holder**	**Licence number**	**Validity Period of the current licence**	**Holder**	**Licence number**	**Validity Period of the current licence**
Bombay Dreams To Go	Bombay Dreams (HK)	2918801366	26 Jun 2016 to 25 Jun 2017	Bombay Dreams (HK)	WT00021030-2015	9 Mar 2015 to 31 Mar 2020

In February 2015, in order to enhance the independency of our management, we arranged for the transfer of the holding of the relevant licences of our 22 restaurants, central bakery and takeaway outlet from Mr. Sekhri to our subsidiaries. As at the Latest Practicable Date, the holding of the relevant licences of our 14 restaurants (excluding that of Cecconi's Italian, Manzo, Gaucho and central bakery) and that of takeaway outlet had been transferred from Mr. Sekhri to our subsidiaries. As at the Latest Practicable Date, save for Bread Street Kitchen, Bouchon, BLT Burger (Times Square), BLT Burger (Harbour City), Mamasan, Nahm, Tango (Elements), Le Pain Quotidien (Lee Tung Avenue), London House, Bombay Dreams, Bistecca, Craftsteak, Prego, Braza, Olive, Tango (Central), Ophelia and Bombay Dreams to Go, the restaurant licences, light refreshment restaurant licence, or food factory licences (as the case may be) of each of our restaurants, central bakery and takeaway outlet, were held by our executive Director, Mr. Sekhri. Our Directors expect the licence transfer of the remaining restaurants will be completed by the end of 2016.

We had successfully renewed the relevant restaurant licences during the Track Record Period and up to the Latest Practicable Date since Mr. Sekhri first obtained such licences and had not experienced any licence-related disputes arising from such arrangements in the past. Mr. Sekhri had been holding the relevant licences for nil consideration on behalf of our Group and no cost had been incurred related thereto during the Track Record Period and up to the Latest Practicable Date.

To ensure we would be able to timely obtain and maintain all necessary licences for our operations in Hong Kong, we have assigned our accounting team to keep track of the expiry dates of all relevant licences and permits and apply for timely renewal. We will apply to renew the relevant licences in due course to ensure successful renewal before their expiry.

For further details of the regulatory regime of restaurant operations, please refer to the section headed "Regulatory overview" in this prospectus.

INFORMATION TECHNOLOGY

We have implemented the following information technology management systems to centralise and increase the efficiency of our restaurant operation and management:

- point-of-sales system — a report on the sales volume of each restaurant is generated every day. Based on the information generated, we perform reconciliation between the receipts issued to customers and cash at hand in the restaurants;

- inventory control and cost management system — a bi-weekly report on the estimated quantity of inventory required for the two-week period and the remainder inventory level is generated by our system based on the sales mix, customer count and estimated ingredients required by a single dish previously recorded in the system. The variance reports of each of the purchased items generated enable us to keep track of the purchase orders placed by each restaurant and identify unusual purchase amounts, unusual purchase items or purchase cost movements;

- table management system — a system which is connected to the point-of-sales system serving as a database of our frequent customer preferences, spending history and in and out records. The system also assists our restaurant staff in arranging seating and reservations;

- customer relationship management programme — a system which is connected to the point-of-sales system and the table management system serving as a database recording the data and account details of our customers enrolled under our frequent diner programme. The system also serves as the platform for sending marketing electronic mails; and

- accounting system — management accounts of each restaurant are generated on a monthly basis, allowing our management to monitor the performance of each restaurant.

INTELLECTUAL PROPERTY RIGHTS

We have branded our business in Hong Kong by using “Dining Concepts” as our brand name. As at the Latest Practicable Date, we were the registered owner of 21 trademarks in Hong Kong and had three trademark applications pending in Hong Kong. Detailed information of our intellectual property rights is set out in the section headed “Further information about the business of our Group — Intellectual property rights of our Group” in Appendix IV to this prospectus.

In Hong Kong, the Trade Marks Registry may reject a trademark registration application on, among other things, the grounds of lack of distinctiveness or that someone else has already registered or applied to register the same or similar trademark for the same or similar goods and services. Our applications for registration of the trademarks may be rejected by the Trade Marks Registry, if our applications fall within any of the above circumstances. For the associated risks, please refer to the section headed “Risk factors — Risks relating to our business — Our intellectual properties may not be adequately protected, which could adversely affect the value of our brands and our business” in this prospectus. As at the Latest Practicable Date, we did not have any registered trademark or trademark application pending in jurisdictions outside Hong Kong. Nevertheless, we will consider the registration of trademarks in other jurisdictions when we expand in new markets and when necessary.

In April 2014, we discovered an infringement of our intellectual property rights by another restaurant operator. Its use of our brand name of “Dining Concepts” amounted to infringement in relation to our intellectual property rights. After receiving a letter from our then handling solicitors, the infringing party has since discontinued the use of “Dining Concepts”. As disclosed in the paragraph headed “Overview of restaurant operations and management — Franchising agreements and licence agreements” in this section, we were granted rights to use the relevant trademarks of the franchisors/licensors in operating the relevant franchised/licensed restaurants during the Track Record Period.

As at the Latest Practicable Date, we did not receive any material claim against our Group 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.

EMPLOYEES

We had a total of approximately 499, 589 and 548 employees (including both full-time and part-time employees) as at 31 March 2014, 31 March 2015 and 31 March 2016, respectively. The following table shows a breakdown of our employees (including both full-time and part-time employees) by function as at the Latest Practicable Date:

	As at the Latest Practicable Date
Directors and heads of various departments/senior management	5
Finance and administration[(1)]	24
Chefs[(2)]	57
Marketing	14
Restaurant staff[(3)]	231
Kitchen staff	281
Total	612

Notes:

1. *Our finance and administration department comprised (i) our accounting team; (ii) our inventory control team; (iii) our human resources team; and (iv) our administration team.*

2. *Our chefs comprised (i) corporate chefs; (ii) head chefs; and (iii) sous chefs.*

3. *Our restaurant staff comprised (i) operation managers; (ii) general managers; (iii) restaurant managers; and (iv) waiters and waitresses.*

Restaurant operations are highly service-oriented and labour-intensive. Our staff costs, including all salaries and benefits payable to our employees and executive Directors, represented 23.2%, 26.0% and 27.2% of our total revenue for the years ended 31 March 2014 and 31 March 2015 and 31 March 2016, respectively. The salary level of employees in the full-service restaurant industry in Hong Kong has been steadily increasing in recent years due to changes in the labour law and local labour market trends. The lowest starting salaries offered by our Group to our restaurant staff in Hong Kong increased steadily during the Track Record Period and were higher than the then current applicable minimum wage requirements in Hong Kong. We expect our staff costs would continue to increase as a result of inflationary pressures in Hong Kong.

During the Track Record Period and up to the Latest Practicable Date, there had not been any labour strike within our Group and, save as disclosed in the paragraph headed "Legal proceedings and compliance" in this section, we did not experience any material labour disputes nor any material insurance claims related to employees' injuries. We had provided a defined contribution to the mandatory provident fund as required under the Mandatory Provident Fund Schemes Ordinance for our eligible employees in Hong Kong and complied with the statutory minimum wage provided under the Minimum Wage Ordinance and implemented by the Labour Department in Hong Kong during the Track Record Period and up to the Latest Practicable Date.

Employees safety

We are required to comply with various safety laws and regulations in Hong Kong. Our operations are also subject to occupational health and safety regulations issued by the relevant occupational health and safety authorities in Hong Kong. We have set up and implemented safety procedures and guidelines which set out our work safety policies in our offices and restaurants. We provide training to all of our new recruits and existing employees.

When an accident occurs in our restaurants, our general managers will report the accident to our director of operations immediately. Our Directors confirm that, save as disclosed in the paragraph headed "Legal proceedings and compliance" in this section, no significant workplace accident had occurred at our restaurants during the Track Record Period. During the Track Record Period and up to the Latest Practicable Date, we had recorded a total of 28 employee safety-related accidents resulting in litigations and claims pending or threatened against our Group. For details of these accidents, please refer to the paragraph headed "Legal proceedings and compliance" in this section.

Training programmes

Our training programmes aim to provide our employees with the necessary knowledge, skill and updated information on (i) our standards, procedures and corporate culture; (ii) work safety and health; and (iii) food and beverages. A training room is set up in our office for the conducting of mandatory training sessions by our general managers or third party training companies.

Training programmes designed by the third party training companies may be based on the training manuals provided by franchisors/licensors or materials provided by us. Training records of our employees are maintained to keep track of their participation rate.

We believe our training programmes enable us to (i) maintain and enhance our service quality; and (ii) increase our employee retention rate and secure stable supply of well-trained employees and management personnel by promoting education and promotion prospects. During the Track Record Period, we arranged employees of some of our restaurants which are operating under franchised/licensed brands to the overseas restaurants of the respective franchisors/licensors to attend training programmes. Such overseas training programmes range from one to two months.

Our new recruits are generally subject to a probation period of approximately three months. They will be confirmed as full-time employees if their respective general managers are satisfied with their performance during the probation period. New recruits are placed under the guidance of experienced employees regardless of whether they are eventually located to new or existing restaurants of our Group. As such, the operational risk in launching a new restaurant is greatly reduced. Under such arrangement, our new recruits are provided with the necessary support, while our experienced employees are provided with promotion prospects.

Recruitment

Recruitment in the full-service restaurant industry is highly competitive. We believe we are able to hire suitable candidates in the market by offering attractive remuneration packages, including competitive wages, benefits, discretionary bonus, employee dining discounts, ongoing training and promotion prospects, to our employees. Our human resources team together with our director of operations are responsible for recruiting our employees from the open market, through participating in job fairs organised by the Labour Department of the Hong Kong Government and referrals from our existing employees.

Employee retention

In order to retain our employees, other than offering attractive remuneration packages and a safe working environment, we organise staff relations activities such as annual parties regularly. Salary level of our employees are reviewed and adjusted from time to time based on their performance and the market conditions.

Any issue or complaint from our employees is first handled by their respective supervisors or managers. Issues or complaints that remained unresolved will then be transferred to our director of operations.

We have conditionally adopted the Share Option Schemes. The purpose of the Share Option Schemes is to enable us to grant options to the participants in recognition of their contributions made or to be made to our Group. For further details, please refer to the section headed "Share Option Schemes" in Appendix IV to this prospectus.

INSURANCE

We maintain (i) public liability insurance for claims of illness, injuries or damages to personal property of customers; (ii) property insurance for business furniture, fixtures and fittings and landlord's improvement, stock and signboard and loss and damages attributable to fire and fire extinguishing activities; (iii) business interruption insurance; (iv) theft insurance for loss of money kept in locked sage, drawer or cash register at business premises and for loss of money in transit; and (v) insurance for employees' compensation for injuries, illness or death in the course of the employment for our restaurants. We do not maintain insurance policies against all risks associated with our business.

Please see the section headed "Risk factors — Risks relating to our business — Our insurance coverage maybe insufficient to protect us against potential liabilities arising in the course of operations" in this prospectus for details.

Our Directors are of the view that our insurance coverage is adequate and customary for business of our size and type and in line with the standard industry practice in Hong Kong.

ENVIRONMENTAL MATTERS

We are subject to environmental protection laws and regulations promulgated by the Hong Kong Government. We will devote operating and financial resources to environmental compliance as required by Hong Kong laws and regulations in the future. During the Track Record Period, save as disclosed in the paragraph headed "Legal proceedings and compliance" in this section, we were in material compliance with applicable laws and regulations relating to the environment, in particular the Air Pollution Control Ordinance, the Water Pollution Control Ordinance and Noise Control Ordinance.

During the Track Record Period, we recorded insignificant amounts of expenses in order to comply with applicable rules and regulations for environmental matters, including grease tank cleaning expenses. The cost of compliance with such rules and regulations was approximately HK$0.9 million for the year ended 31 March 2016. We engaged independent companies to collect garbage, including, among others, food waste, used cooking oil and kitchen grease, from our restaurants, central bakery and takeaway outlet.

HONOURS AND AWARDS

The following table sets out major awards received by us in Hong Kong:

Brand/ Restaurant	Award	Awarding body	Year awarded
BLT Steak	Bib Gourmand	Michelin Guide Hong Kong Macau	2010-2015
	Hong Kong's Best Restaurants	HK Tatler Publication	2012-2016
Bombay Dreams	Bib Gourmand	Michelin Guide Hong Kong Macau	2011-2015
	Top 10 Restaurant Award — South & Southeast Asian	Word O Mouth Referrals	2014
	Top 10 Restaurant Award — Go Green Monday	Word O Mouth Referrals	2014
	Certificate of Excellence	TripAdvisor	2014
	Hong Kong's Best Restaurants	HK Tatler Publication	2015-2016
Olive	Hong Kong's Best Restaurants	HK Tatler Publication	2012-2016
	Certificate of Excellence	TripAdvisor	2015
Cecconi's Italian	Hong Kong's Best Restaurants	HK Tatler Publication	2012-2014
Soho Spice	Hong Kong's Best Restaurants	HK Tatler Publication	2012-2014, 2016
Bistecca	Hong Kong's Best Restaurants	HK Tatler Publication	2012-2014, 2016
Al Molo	Hong Kong's Best Restaurants	HK Tatler Publication	2012-2016
	Ospitalità Italiana	Italian Chamber of Commerce	2014-2015
	Bib Gourmand	Michelin Guide Hong Kong Macau	2012-2015
Mamasan	Hong Kong's Best Restaurants	HK Tatler Publication	2015-2016
Lupa	Hong Kong's Best Restaurants	HK Tatler Publication	2013-2016
	Hong Kong Top 10 Wine Pairing Restaurant Awards	Wine Luxe Magazine	2014

Brand/ Restaurant	Award	Awarding body	Year awarded
La Locanda	Top 10 Restaurant Award — Italian — Casual	Word O Mouth Referrals	2014
	Hong Kong's Best Restaurants	HK Tatler Publication	2015-2016
Tango (Central)	Hong Kong's Best Restaurants	HK Tatler Publication	2012-2015
Mayta	Hong Kong's Best Restaurants	HK Tatler Publication	2014
Toro	Hong Kong's Best Restaurants	HK Tatler Publication	2015
The BellBrook	Hong Kong's Best Restaurants	HK Tatler Publication	2014-2015
	Bib Gourmand	Michelin Guide Hong Kong Macau	2015
Bouchon	Hong Kong's Best Restaurants	HK Tatler Publication	2012-2016
Braza	Hong Kong's Best Restaurants	HK Tatler Publication	2016
Bread Street Kitchen	Hong Kong's Best Restaurants	HK Tatler Publication	2016

MARKET COMPETITION

There were approximately 8,532 full-service restaurants in Hong Kong in 2015. We believe the full-service restaurant industry in Hong Kong is highly competitive and fragmented by a large number of independent restaurant operators and chained restaurant operators. According to the Euromonitor Report, in 2015, independent restaurant operators in aggregate occupied approximately 81.2% of the share of foodservice value sales in Hong Kong, and the aggregated top five players in the industry accounted for approximately 5.5% of the total full-service restaurant value sales in terms of foodservice value sales. The full-service restaurant industry is mainly driven by the dining out culture and the diversity of restaurant concepts in Hong Kong. We believe the establishment of a sustainable business in the industry requires the support of sufficient funding and flexible strategies in order to cater a diversified customer base in Hong Kong. We intend to maintain our competitiveness over other competitors through strengthening and developing our competitive strengths. Details of our competitive strengths are set out in the paragraph headed "Competitive strengths" in this section.

For further details on the competitive landscape and market entry barriers of the industry in which we operate, please refer to the section headed "Industry overview" in this prospectus.

PROPERTIES

Except for one store room which was leased from Total Commitment (HK), as at the Latest Practicable Date, we leased a total of 43 properties in Hong Kong from Independent Third Parties. Two properties were used as our Hong Kong office premises, which were situated at Suites 1701-02 and 1704, 17th Floor and Suites 401-2, 4th Floor of Chinachem Hollywood Centre, 1, 3, 5, 7, 9, 11 and 13 Hollywood Road, Central, Hong Kong, respectively. 28 other properties with an aggregate gross floor area of approximately 5,770 square metres were used as our restaurants, one other property with an aggregate gross floor area of approximately 88 square metres were used as takeaway outlet, eight properties were used as our store rooms and the remaining four properties were used as dormitory of our staff. For details of our lease with Total Commitment (HK) in relation to the store room, please refer to the section headed "Connected transactions" in this prospectus. Our property rental and related expenses amounted to approximately 15.9%, 17.3% and 19.5% of our revenue for the years ended 31 March 2014, 31 March 2015 and 31 March 2016, respectively. As at the Latest Practicable Date, we did not own any property.

The following table sets out details of the properties leased by our Group from Independent Third Parties as at the Latest Practicable Date:

Number	Tenant	Address	Our use of property	Rental type	Term
1.	Profit Best	Shop OT G63, Ground Floor, Ocean Terminal, Harbour City	Restaurant (Al Molo)	An aggregate of basic rent and turnover rent	3 years commencing on 10 February 2016 and expiring on 9 February 2019
2.	BBQ Restaurants	Units A, B and C, 3rd Floor, Grand Progress Building, 58, 60 and 62 D'Aguilar Street, 15 and 16 Lan Kwai Fong, Central, Hong Kong	Restaurant (Braza)	Basic rent	3 years commencing on 15 March 2016 and expiring on 14 March 2019[(2)]
3.	Lettuce Entertain	Offices A, B and C, 2nd Floor, Grand Progress Building, 58, 60 and 62 D'Aguilar Street and 15 and 16 Lan Kwai Fong, Central, Hong Kong	Restaurant (Bistecca)	Basic rent	3 years commencing on 15 December 2014 and expiring on 14 December 2017 with an option to renew for a further 3 years
4.	BLT Burger	Shop OT 301 – OT 301A, Level 3, Ocean Terminal, Harbour City	Restaurant (BLT Burger (Harbour City))	An aggregate of basic rent and turnover rent	3 years commencing on 16 October 2014 and expiring on 15 October 2017
5.	Wealthy Home	Shop B224A, Basement 2, Times Square, Causeway Bay, Hong Kong	Restaurant (BLT Burger (Times Square))	An aggregate of basic rent and turnover rent	5 years commencing on 4 June 2012 and expiring on 3 June 2017
6.	BLT Restaurants	(a) Shop OT G62, Ground Floor, Ocean Terminal, Harbour City	Restaurant (BLT Steak)	An aggregate of basic rent and turnover rent	3 years commencing on 15 October 2013 and expiring on 14 October 2016
		(b) Store room G62S, Ocean Terminal, Harbour City	Store room	Basic rent	9 months commencing on 15 January 2016 and expiring on 14 October 2016
		(c) Store room 203S, Ocean Terminal, Harbour City	Store room	Basic rent	9.5 months commencing on 1 January 2016 and expiring on 14 October 2016
		(d) Storeroom Ramp, Ocean Terminal, Harbour City	Store room	Basic rent	3 years commencing on 15 October 2013 and expiring on 14 October 2016

Number	Tenant	Address	Our use of property	Rental type	Term
7.	Bombay Dreams (HK)	(a) Flats A and B, 4th Floor, Carfield Commercial Building, 75 and 77 Wyndham Street, Central, Hong Kong	Restaurant (Bombay Dreams)	Basic rent	2 years commencing on 1 August 2015 and expiring on 31 July 2017
		(b) 7th Floor (not including top roof), Harilela House, 79 Wyndham Street, Central, Hong Kong	Store room	Basic rent	2 years commencing on 16 January 2016 and expiring on 15 January 2018
		(c) Shop 1, Ground Floor and store, Mezzanine Floor, Po Thai Building, 9 Possession Street, Hong Kong	Takeaway outlet (Bombay Dreams To Go)	Basic rent	3 years commencing on 15 November 2013 and expiring on 14 November 2016
		(d) Flat E, 3rd Floor, Hollywood Building, 186 Hollywood Road, Central, Hong Kong	Dormitory	Basic rent	2 years commencing on 1 June 2015 and expiring on 31 May 2017
		(e) 9th Floor, 79 Des Voeux Road West, Hong Kong	Dormitory	Basic rent	3 years commencing on 20 December 2013 and expiring on 19 December 2016
		(f) Flat 702, Lam's Building, 6-10 Kau U Fong, Hong Kong	Dormitory	Basic rent	3 years commencing on 9 March 2015 and expiring on 8 March 2018
8.	Excel Team	(a) Flat D, Ground Floor, 49, 49A, 49B and 49C Elgin Street, Central, Hong Kong	Restaurant (Bouchon)	Basic rent	4 years commencing on 1 March 2014 and expiring on 28 February 2018
		(b) Shop A, Ground Floor, 27 and 29 Elgin Street, Central, Hong Kong	Restaurant (Craftsteak)	Basic rent	3 years commencing on 1 April 2014 and expiring on 31 March 2017
9.	Stanley Oriental	Shop A, Ground Floor, Elgin Building, 43 Elgin Street, Central, Hong Kong	Restaurant (Prego)	Basic rent	3 years commencing on 19 January 2016 and expiring on 18 January 2019(3)
10.	Full Merit	Lower Ground Floor, 7 Staunton Street, Central, Hong Kong	Restaurant (Taco Loco)	Basic rent	3 years commencing on 1 August 2013 and expiring on 31 July 2016

Number	Tenant	Address	Our use of property	Rental type	Term
11.	Fame Top	Shop R008, Roof Level, Elements	Restaurant (Tango (Elements))	An aggregate of basic rent and turnover rent	3 years commencing on 1 July 2013 and expiring on 30 June 2016 with an option to renew for a further 3 years(4)
12.	Wealthy Trade	Shop 402, Level 4, Ocean Centre, Harbour City	Restaurant (La Locanda)	An aggregate of basic rent and turnover rent	5 years commencing on 1 January 2014 and expiring on 31 December 2018
13.	Most Glory	3rd Floor, LHT Tower, 31 Queen's Road Central, Central, Hong Kong	Restaurant (Lupa)	An aggregate of basic rent and turnover rent	5 years commencing on 1 January 2012 and expiring on 31 December 2016 with an option to renew for a further 5 years
14.	Max Prospect	(a) Flat A, 1st Floor, Winning Centre, 46 and 48 Wyndham Street, Central, Hong Kong	Restaurant (Mamasan)	Basic rent	5 years commencing on 6 January 2014 and expiring on 5 January 2019 with an option to renew for a further 3 years
		(b) Flat B and the water closet thereof, 1st Floor, Winning Centre, 46 and 48 Wyndham Street, Central, Hong Kong	Restaurant (Mamasan)	Basic rent	5 years commencing on 6 January 2014 and expiring on 5 January 2019 with an option to renew for a further 3 years
		(c) Flat B, 18th Floor, Winning Centre, 46 and 48 Wyndham Street, Central, Hong Kong	Store room	Basic rent	2 years commencing on 15 April 2016 and expiring on 14 April 2018
15.	Global Profit	(a) Shops 1044 and 1045, First Level, Elements	Restaurant (Nahm)	An aggregate of basic rent and turnover rent	3 years and 8 months commencing on 1 July 2013 and expiring on 28 February 2017
		(b) 14th Floor, Man Ying Building, 10 Man Ying Street, Kowloon	Dormitory	Basic rent	2 years commencing on 1 June 2015 and expiring on 31 May 2017
16.	Wide Scope	Shop on Ground Floor including Cockloft, 32 Elgin Street, Central, Hong Kong	Restaurant (Olive)	Basic rent or turnover rent, whichever is the greater	4 years commencing on 11 September 2013 and expiring on 10 September 2017

Number	Tenant	Address	Our use of property	Rental type	Term
17.	Excel Team Trading	Ground Floor and the Yard and the Cockloft, 47B Elgin Street, Central, Hong Kong	Clubhouse restaurant (Soho Spice)	Basic rent	3 years commencing on 1 October 2015 and expiring on 30 September 2018
18.	Smart Joy	Flats A and B, 1st Floor, Carfield Commercial Building, 75 and 77 Wyndham Street, Central, Hong Kong	Restaurant (Tango (Central))	Basic rent	2 years commencing on 1 December 2015 and expiring on 30 November 2017 with an option to renew for a further one year
19.	Pine Best	(a) Mezzanine Floor, LKF Tower, 33 Wyndham Street and 55 D'Aguilar Street, Central, Hong Kong	Restaurant (Bread Street Kitchen)	Basic rent or turnover rent, whichever is the greater	5 years and 4 months commencing on 1 May 2014 and expiring on 31 August 2019 with an option to renew for a further 3 years
		(b) Flat E, 18th Floor, Ho Lee Commercial Building, 38-44 D'Aguilar Street, Central, Hong Kong	Store room	Basic rent	3 years commencing on 14 August 2014 and expiring on 13 August 2017
20.	Dining Concepts	(a) Suites 401-2, 4th Floor, Chinachem Hollywood Centre, 1, 3, 5, 7, 9, 11 and 13 Hollywood Road, Central, Hong Kong	Office	Basic rent	3 years commencing on 1 October 2013 and expiring on 30 September 2016
		(b) Suites 1701-02 and 1704, 17th Floor, Chinachem Hollywood Centre, 1, 3, 5, 7, 9, 11 and 13 Hollywood Road, Central, Hong Kong	Office	Basic rent	2 years commencing on 16 July 2014 and expiring on 15 July 2016(5)

Number	Tenant	Address	Our use of property	Rental type	Term
21.	Strong Ace	(a) Shop G05, Ground Floor and UG15, UG Floor, Tsim Sha Tsui Centre, 66 Mody Road, Kowloon, Hong Kong	Restaurant (London House)	An aggregate of basic rent and turnover rent	5 years commencing on 8 July 2015 and expiring on 7 July 2020
		(b) Shop UG60, UG Floor, Tsim Sha Tsui Centre, 66 Mody Road, Kowloon, Hong Kong	Store room	Basic rent	3 years commencing on 10 August 2015 and expiring on 9 August 2018
		(c) Shop 116, 1st Floor, Tsim Sha Tsui Centre, 66 Mody Road, Kowloon, Hong Kong	Store room	Basic rent	3 years commencing on 10 August 2015 and expiring on 9 August 2018
22.	New Era	Shop 06-G03, Ground Floor, Block C Dormitory, Central Police Station, 10 Hollywood Road, Central, Hong Kong	Restaurant (tentatively BRU Beer & Bite)(1)	An aggregate of basic rent and turnover rent	3 years commencing on the date of commencement under the handover notice, which shall be no later than February 2017, and expiring 3 years thereafter with an option to renew for a further one year
23.	Spectrum Rise	Shops G40, G40A and G41, Ground Floor, Lee Tung Avenue, 200 Queen's Road East, Wan Chai, Hong Kong	Restaurant Le Pain Quotidien (Lee Tung Avenue)	Basic rent and/ or turnover rent, as the case may be	5 years commencing on 16 December 2015 and expiring on 15 December 2020
24.	Trendy Move	Shops F39A and F41A, First Floor, Lee Tung Avenue, 200 Queen's Road East, Wan Chai, Hong Kong	Restaurant (Ophelia)	Basic rent and/ or turnover rent, as the case may be	5 years commencing on 16 December 2015 and expiring on 15 December 2020
25.	Strong Empire	Unit 8, LG Floor, Pacific Place Phase I, 88 Queensway, Admiralty, Hong Kong	Restaurant (tentatively "Le Pain Quotidien (Pacific Place)")(1)	An aggregate of basic rent and turnover rent	4 years commencing on 18 June 2016 and expiring on 17 June 2020

Number	Tenant	Address	Our use of property	Rental type	Term
26.	Winner Star	LG Floor, Chinachem Hollywood Centre, 1, 3, 5, 7, 9, 11 and 13 Hollywood Road, Central, Hong Kong	Restaurant (tentatively "Iron Fairies and J. Boroski")(1)	Basic rent	3 years commencing on 10 March 2016 and expiring on 9 March 2019 with an option to renew for a further 3 years
27.	Success Glory	31st Floor, V Point, 18 Tang Lung Street, Causeway Bay, Hong Kong	Restaurant (tentatively "Alto Bar & Grill")(1)	Basic rent and/or turnover rent, as the case may be	3 years commencing on 11 March 2016 and expiring on 10 March 2019 with two consecutive options to renew for a further 3 years each

Notes:

1. *The restaurants, "Le Pain Quotidien (Pacific Place)", "Iron Fairies and J. Boroski" and "Alto Bar & Grill" are expected to be opened in the year ending 31 March 2017 whilst "BRU Beer & Bite" is expected to be opened in the year ending 31 March 2018.*

2. *Subsequently on 3 February 2016, a supplemental agreement was executed pursuant to which the parties agreed to reduce the monthly rent for the first year of the term. The rental type remains basic rent.*

3. *On 3 February 2016, a supplemental agreement was executed pursuant to which the parties agreed to reduce the monthly rent for the first year of the term. The rental type remains basic rent.*

4. *As at the Latest Practicable Date, we executed, on our part, the lease agreement with a term of three years commencing on 1 July 2016 and expiring on 30 June 2019, pending the due execution on part of the landlord. Prior to such execution, we are leasing the premises by means of periodic tenancy.*

5. *As at the Latest Practicable Date, we executed the offer letter in relation to a lease for a term of three years, pending the preparation and execution of the formal lease agreement.*

The following table sets forth the summary of the lease agreements we leased from Independent Third Parties as at the Latest Practicable Date which will expire in each of the three years ending 31 March 2019 and beyond:

For the year ending 31 March 2017

	Number of leased properties	Approximate aggregate annual rental payable	Approximate aggregate floor area
Use of property as restaurant	5	HK$17,661,400	1,280 sq. m.
Other use of property	6	HK$ 1,953,100	370 sq. m.
Total	11	HK$19,614,500	1,650 sq. m.

For the year ending 31 March 2018

	Number of leased properties	Approximate aggregate annual rental payable	Approximate aggregate floor area
Use of property as restaurant	7	HK$16,553,800	1,040 sq. m.
Other use of property	5	HK$ 1,168,600	430 sq. m.
Total	12	HK$17,722,400	1,470 sq. m.

For the year ending 31 March 2019

	Number of leased properties	Approximate aggregate annual rental payable	Approximate aggregate floor area
Use of property as restaurant	9	HK$22,381,500	1,880 sq. m.
Other use of property	3	HK$ 615,600	180 sq. m.
Total	12	HK$22,997,100	2,060 sq. m.

For the years after 31 March 2019

	Number of leased properties	Approximate aggregate annual rental payable	Approximate aggregate floor area
Use of property as restaurant	7	HK$21,213,400(Note)	1,570 sq. m.(Note)
Other use of property	—	—	— sq. m.
Total	7	HK$21,213,400	1,570 sq. m.

Note: We have included the lease agreement of Tango (Elements) in aggregate annual rental payable and aggregate floor area. As at the Latest Practicable Date, we executed, on our part, the lease agreement with a term of three years commencing on 1 July 2016 and expiring on 30 June 2019, pending the due execution on part of the landlord. Prior to such execution, we are leasing the premises by means of periodic tenancy.

The following table sets out details of registration status of the properties leased by our Group which were used as our restaurants as at the Latest Practicable Date:

Number	Restaurant	Expiration profile (assuming no option to renew is exercised (if any))	Lease agreement registration status	Whether registration is expected to be completed before Listing
1.	Al Molo	9 February 2019	Not registrable because (i) it is not printed in black ink on one side only of white paper; and (ii) the lot number as set out on the lease agreement does not match with that as recorded in the Land Registry	No(1)
2.	Braza	14 March 2019	Registered	N/A
3.	Bistecca	14 December 2017	Not registered; in the process of negotiating with the respective landlord on the amendment of the lease agreement to rectify the defect for registration	No(2)
4.	BLT Burger (Harbour City)	15 October 2017	Not registrable because (i) it is not printed in black ink on one side only of white paper; and (ii) the lot number as set out on the lease agreement does not match with that as recorded in the Land Registry	No(1)
5.	BLT Burger (Times Square)	3 June 2017	Registered	N/A

Number	Restaurant	Expiration profile (assuming no option to renew is exercised (if any))	Lease agreement registration status	Whether registration is expected to be completed before Listing
6.	BLT Steak	14 October 2016	Not registrable because (i) it is not printed in black ink on one side only of white paper; and (ii) the lot number as set out on the lease agreement does not match with that as recorded in the Land Registry	No(1)
7.	Bombay Dreams	31 July 2017	Not registrable because its term does not exceed 3 years and no registration is required	N/A
8.	Bouchon	28 February 2018	Registered	N/A
9.	Craftsteak	31 March 2017	Registered	N/A
10.	Prego	18 January 2019	Registered	N/A
11.	Taco Loco	31 July 2016	Registered	N/A
12.	Tango (Elements)	30 June 2019(3)	Not registrable because the lease agreement is not executed by the landlord as at the Latest Practicable Date	N/A
13.	La Locanda	31 December 2018	Not registrable because (i) it is not printed in black ink on one side only of white paper; and (ii) the lot number as set out on the lease agreement does not match with that as recorded in the Land Registry	No(1)
14.	Lupa	31 December 2016	Could not be registered because the landlord does not allow us to	No(4)
15.	Mamasan	5 January 2019	Registered	N/A
16.	Nahm	28 February 2017	Registered	N/A
17.	Olive	10 September 2017	Registered	N/A
18.	Soho Spice	30 September 2018	Registered	N/A
19.	Tango (Central)	30 November 2017	Not registrable because its term does not exceed 3 years and no registration is required	N/A
20.	Bread Street Kitchen	31 August 2019	Registered	N/A
21.	London House	7 July 2020	Registered	N/A

Number	Restaurant	Expiration profile (assuming no option to renew is exercised (if any))	Lease agreement registration status	Whether registration is expected to be completed before Listing
22.	BRU Beer & Bite	No certain expiry date; a term of 3 years commencing on the date of commencement under the handover notice, which shall be no later than February 2017, and expiring 3 years thereafter	Not registrable because it does not contain any exact commencement date or expiry date of the term of the lease agreement	No(5)
23.	Le Pain Quotidien (Lee Tung Avenue)	15 December 2020	Registered	N/A
24.	Le Pain Quotidien (Pacific Place)	17 June 2020	Registered	N/A
25.	Ophelia	15 December 2020	Registered	N/A
26.	Iron Fairies and J. Boroski	9 March 2019	Registered	N/A
27.	Alto Bar & Grill	10 March 2019	Not registered; in the application process by the handling solicitor	No(6)

Notes:

1. *The restaurant is located in Harbour City, with a single landlord holding most, if not all, of the properties in the mall. In view of the very substantial transaction volume of any potential sale and purchase transaction of the mall, the barrier of entering into any such transaction is considerable. Accordingly, our Directors are of the view that, it is unlikely for there to be such a sale and purchase transaction. As between the parties to a lease agreement, the lease agreement will be binding on them, no matter whether it is registered at the Land Registry or not. However, if the landlord transfers or mortgages the property, a lease granted for a term of three years or more and any right or option created by the lease agreement (e.g. an option to renew) shall, as against the transferee or the mortgagee who has registered the transfer or mortgage document at the Land Registry properly, be null and void according to section 3(2) of the Land Registration Ordinance. According to the information available to our Company as at the Latest Practicable Date, our Company was not aware of any potential sale and purchase transaction of the mall.*

   Based on the above matters, our Directors are of the view that there is no material adverse impact on our Group with regard to the expected non-registration before the Listing. The Sole Sponsor concurs with the view of our Directors that, based on the unlikely sale and purchase of the mall, the failure to register the lease agreement before the Listing is not expected to have material adverse impact on our Group.

2. *We have been leasing the premises since 2006. In view of the longstanding relationship with the landlord, our Directors are of the view that, it is unlikely for there to be such an eviction. As between the parties to a lease agreement, the lease agreement will be binding on them, no matter whether it is registered at the Land Registry or not. However, if the landlord transfers or mortgages the property, a lease granted for a term of three years or more and any right or option created by the lease agreement (e.g. an option to renew) shall, as against the transferee or the mortgagee who has registered the transfer or mortgage document at the Land Registry properly, be null and void according to section 3(2) of the Land Registration Ordinance. For the three years ended 31 March 2016, the revenue attributable to Bistecca amounted to HK$33.1 million, HK$30.5 million and HK$27.3 million, representing approximately 8.5%, 6.5% and 5.9% of our total revenue respectively. In view of the relatively small proportion of revenue contribution, our Directors are of the view that any eviction would not have material impact on our financial performance. Moreover, our Directors are of the view that, we will be able to secure premises in the same building in case of eviction since we are leasing another premises in the same building for the operation of Braza. According to the information available to our Company as at the Latest Practicable Date, our Company was not aware of any potential sale and purchase transaction of the premises.*

3. *As at the Latest Practicable Date, we executed, on our part, the lease agreement with a term of three years commencing on 1 July 2016 and expiring on 30 June 2019, pending the due execution on part of the landlord. Prior to such execution, we are leasing the premises by means of periodic tenancy.*

4. *The restaurant is located in LHT Tower, with a single landlord holding most, if not all, of the properties in the complex. In view of the very substantial transaction volume of any potential sale and purchase transaction of the complex, the barrier of entering into any such transaction is considerable. Accordingly, our Directors are of the view that, it is unlikely for there to be such a sale and purchase transaction. As between the parties to a lease agreement, the lease agreement will be binding on them, no matter whether it is registered at the Land Registry or not. However, if the landlord transfers or mortgages the property, a lease granted for a term of three years or more and any right or option created by the lease agreement (e.g. an option to renew) shall, as against the transferee or the mortgagee who has registered the transfer or mortgage document at the Land Registry properly, be null and void according to section 3(2) of the Land Registration Ordinance. According to the information available to our Company as at the Latest Practicable Date, our Company was not aware of any potential sale and purchase transaction of the complex.*

   Based on the above matters, our Directors are of the view that there is no material adverse impact on our Group with regard to the expected non-registration before the Listing. The Sole Sponsor concurs with the view of our Directors that, based on the unlikely sale and purchase of the complex, the failure to register the lease agreement before the Listing is not expected to have material adverse impact on our Group.

5. *The restaurant is located in a conservation and revitalisation project site of the government. In view of the nature of the conservation and revitalisation project of the government, the barrier of entering into any sale and purchase transaction of the project site is considerable. Accordingly, our Directors are of the view that, it is unlikely for there to be such a sale and purchase transaction. According to the information available to our Company as at the Latest Practicable Date, our Company was not aware of any potential sale and purchase transaction of the project site. Moreover, it is expected that a supplemental agreement setting out the exact commencement date and expiry date of the term of the lease agreement will be entered once such dates are ascertained. We will register the said supplemental agreement subject to the clauses therein as soon as such supplemental agreement is available.*

6. *The restaurant is located in V Point, with a single landlord holding most, if not all, of the properties in the complex. In view of the very substantial transaction volume of any potential sale and purchase transaction of the complex, the barrier of entering into any such transaction is considerable. Accordingly, our Directors are of the view that, it is unlikely for there to be such a sale and purchase transaction. As between the parties to a lease agreement, the lease agreement will be binding on them, no matter whether it is registered at the Land Registry or not. However, if the landlord transfers or mortgages the property, a lease granted for a term of three years or more and any right or option created by the lease agreement (e.g. an option to renew) shall, as against the transferee or the mortgagee who has registered the transfer or mortgage document at the Land Registry properly, be null and void according to section 3(2) of the Land Registration Ordinance. According to the information available to our Company as at the Latest Practicable Date, our Company was not aware of any potential sale and purchase transaction of the complex.*

   Based on the above matters, our Directors are of the view, and the Sole Sponsor concurs, that there is no material adverse impact on our Group with regard to the expected non-registration before the Listing (in the event that the supplemental agreement is not entered into before the Listing).

We intended to renew the existing lease agreements upon expiry.

To the best of the knowledge and belief of our Directors, there is no indication from the landlords that the leases may not be renewed or that the rental expense will significantly increase.

Our management will generally make contact with the respective lessor of each leased property three to six months in advance of expiry of each lease in order to discuss renewal matters. Taking into consideration the existing financial position and cash flows from operating activities of our Group, our Directors confirm that we have the financial resources to renew existing lease agreements upon their expiry.

As at the Latest Practicable Date, we did not own any property and all of our places of operations are leased properties. We had no single property with a carrying amount of 15% or more of our total assets. On this basis, we are not required by Rules 8.01A and 8.01B of the GEM Listing Rules to include in this prospectus any valuation report. Pursuant to section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong), this prospectus is exempted from compliance with the requirements of section 342(1)(b) of the Companies (WUMP) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (WUMP) Ordinance, which requires a valuation report with respect to all of our interests in land or buildings.

LEGAL PROCEEDINGS AND COMPLIANCE

Particulars of litigations, arbitrations and claims pending or threatened against our Group

In the ordinary course of business, our Group had been subject to a number of claims and prosecutions during the Track Record Period, including personal injuries suffered by our employees and safety, health, environment and licensing-related violations. Our Directors are of the view that occurrence of such incidents are not uncommon in the full-service restaurant industry.

Save as disclosed below, our Directors confirm that all material information relating to all material litigation and potential claims against our Group has been disclosed in this prospectus and we had not been involved in any other litigation, proceedings, or claims during the Track Record Period and as at the Latest Practicable Date, the outcome of which we believed might, individually or taken as a whole, materially and adversely affect our business, operations or financial condition.

For details of prosecutions and charges against our Group in relation to, among other things, safety, health, environment and licensing-related violations of our restaurant business settled during the Track Record Period and up to the Latest Practicable Date, please refer to the table under the paragraph headed "Legal proceedings and compliance — Legal and regulatory compliance" in this section.

Potential claims and litigations against our Group as at the Latest Practicable Date

An employee who is injured in the course of his employment may be entitled to damages claimed under (i) personal injury of common law and (ii) statutory claim of Employees' Compensation Ordinance if the injury is caused to an employee by the negligence, breach of statutory duty or other wrongful act or omission of the employer. There were three outstanding employees' compensation claims and 25 employees' compensation claims settled, during the Track Record Period and up to the Latest Practicable Date. Among these 28 employee safety-related accidents, one personal injury claim was filed by the injured person. As such, these employees' compensation claims have the possibility of turning into personal injury claims. The potential personal injury claims under the common law against our Group had not commenced as at the Latest Practicable Date. All injured persons have suffered insignificant bodily injuries and to the best and latest knowledge of our Directors, all the claims have no material financial and operational impact on our Group. Since no civil action has commenced, and such injured persons have not yet filed claims with particulars and the claims, when filed, will be handled by solicitors appointed by the insurers, we are not in a position to assess the likely quantum of such potential claims. In any event, our Group has insurance cover for its liabilities of all these accidents. As at the Latest Practicable Date, notices of the accidents had been given to the insurers. For the 27 potential personal injury claims, it is expected that the injured persons would be fully covered by the mandatory insurance held by our Group.

In addition, there was one labour dispute claim settled during the Track Record Period and up to the Latest Practicable Date. The settlement sum is HK$19,343.41, which was duly settled on 14 September 2015. Accordingly, the claim has no material financial and operational impact on our Group.

Legal and regulatory compliance

During the Track Record Period and up to the Latest Practicable Date, save for the non-compliance incidents numbered one to eight below, we had been in compliance in all material aspects with the applicable laws and regulations in Hong Kong and obtained all necessary approvals, permits, licences and certificates that are material to our business operations from the relevant government authorities.

1. Water pollution control licence

During the Track Record Period, applications for the water pollution control licences had not been made for the following restaurants, central bakery and takeaway outlet before commencing the discharge of trade effluents into specific water control zones:

Name of subsidiary	Name of restaurant	Period of non-compliance
Nice Empire	Cecconi's Italian(1)	Since 12 December 2012 and up to 4 February 2015
Excel Team	Bouchon	Since 29 January 2011 and up to 8 March 2015
	Craftsteak	Since 31 March 2005 and up to 8 March 2015
Bombay Dreams (HK)	Bombay Dreams	Since 25 December 2002 and up to 8 March 2015
	Bombay Dreams To Go	Since 11 December 2012 and up to 8 March 2015
Lettuce Entertain	Bistecca	Since 19 March 2006 and up to 10 March 2015
Stanley Oriental	Prego(2)	Since 30 March 2007 and up to 8 March 2015
California Vintage (HK)	California Vintage	Since 3 June 2014 and up to 8 March 2015(3)
Most Glory	Lupa	Since 23 March 2012 and up to 10 March 2015
Max Prospect	Mamasan	Since 12 May 2014 and up to 10 March 2015
BBQ Restaurants	Braza(4)	Since 7 May 2010 and up to 10 March 2015
Wide Scope	Olive	Since 25 October 2004 and up to 8 March 2015
Excel Team Trading	Soho Spice	Since 11 December 2003 and up to 5 March 2015

Name of subsidiary	Name of restaurant	Period of non-compliance
Smart Joy	Tango (Central)	Since 5 November 2010 and up to 4 February 2015
Golden Rock	Gaucho	Since 14 October 2014 and up to 8 March 2015
Profit Best	Al Molo	Since 30 April 2011 and up to 16 November 2014
BLT Restaurants	BLT Steak	Since 12 January 2009 and up to 16 November 2014
BLT Burger	BLT Burger (Harbour City)	Since 26 November 2009 and up to 2 December 2014
Wealthy Trade	La Locanda	Since 27 March 2014 and up to 6 January 2015
Global Profit	Nahm	Since 1 October 2007 and up to 15 January 2015
Fame Top	Toro(5)	Since 1 July 2013 and up to 15 January 2015
Heaven	Topclean Bakery	Since 10 June 2006 and up to 8 March 2015

Notes:

1. *Cecconi's Italian was an Italian style restaurant operated under a self-owned brand developed by our Group. Our Group commenced the operation of Cecconi's Italian on 30 March 2007 under Stanley Oriental. Due to the unsatisfactory business performance of The BellBrook (formerly known as "Laris", which was a Western style restaurant of our Group during the Track Record Period operated under Nice Empire), we renovated its premises, relocated Cecconi's Italian to such premises and recommenced the business of Cecconi's Italian on 6 July 2015 in view of the successful business of Cecconi's Italian at its previous location, its target customers and the size and location of the premises. Upon the relocation of Cecconi's Italian, Nice Empire, which formerly operated The BellBrook, commenced to operate Cecconi's Italian. The style of cuisine served by The BellBrook was Western whilst that served by Cecconi's Italian is Italian. In December 2015, we were approached by, a chef, an Independent Third Party, (the "**Potential Buyer**"), who was interested in the premises and the fixtures and fittings therein. After due and careful consideration, our Directors are of the view that it is commercially beneficial for us to sell fixtures and fittings as Cecconi's Italian incurred loss after its relocation in July 2015. Accordingly, Cecconi's Italian was closed on 1 January 2016 for the purpose of completing such disposal. As at the Latest Practicable Date, the Potential Buyer, in view of the deteriorating market conditions and his personal reason, failed to complete the proposed sale and purchase transaction of the fixtures and fittings.*

2. *As a result of the previous relocation of Cecconi's Italian and to develop a new casual Italian concept restaurant, we renovated the original premises of Cecconi's Italian, and changed its restaurant concept and name from "Cecconi's Italian" to "Prego" in August 2015. Stanley Oriental, which formerly operated Cecconi's Italian, commenced operation of Prego at the same premises. The style of cuisine served by Prego remains as Italian.*

3. *Before 3 June 2014, California Vintage has been operating under California Vintage (HK), which was then owned by Independent Third Parties. We acquired California Vintage (HK) from Independent Third Parties on 3 June 2014, the day on which we regard as the date of the first day of the period of non-compliance for the purpose of this prospectus. We closed down California Vintage on 6 March 2016.*

4. *Braza was formerly known as "Mayta Peruvian Kitchen & Pisco Bar", which was a licensed brand. Due to the unsatisfactory business performance of Mayta, we renovated the premises and recommenced its business on 9 March*

2015 under a self-owned brand developed by our Group, "Braza Churrascaria Brazilian Steakhouse". All the mentioned restaurants operated under BBQ Restaurants and the location remain unchanged and the style of cuisine served remain as Western.

5. *Toro was first known as "Prime Steak House" which was a self-owned brand developed by us. Prior to 1 July 2013, Prime Steak was operated under Great Honest, our excluded restaurant business. Before the expiration of the then existing lease of the restaurant, and preparation of the opening of a new restaurant at the same premises, a new lease was entered into between the landlord and Fame Top, with its lease term commencing on 1 July 2013. Since it took several months to prepare for the opening of Toro, during the transitional period from 1 July 2013 to 23 February 2014, we operated Prime Steak under Fame Top. On 21 March 2014, Fame Top opened Toro. Due to the unsatisfactory business performance of Toro, we renovated the premises of Toro and recommenced the business under our self-owned brand as our Tango (Elements) on 7 July 2016 in view of the successful business of Tango (Central). The location of all the mentioned restaurants remain unchanged and the style of cuisine served remain as Western. Please refer to the section headed "Relationship with our controlling shareholders — Excluded restaurant business — Great Honest" in this prospectus for details.*

6. *As at the Latest Practicable Date, Bread Street Kitchen had obtained the water pollution control licence. For the purpose of this prospectus, we do not regard the absence of the water pollution control licence of Bread Street Kitchen during the period from 29 August 2014 to 17 June 2015 as a non-compliance since we made our application for the licence at the earliest possible opportunity when the water metre was installed. As advised by the Hong Kong Legal Counsel, pursuant to section 12 of the Water Pollution Control Ordinance, no offence is committed if an application under section 14 has been made and the prescribed application fee paid when required and the applicant has not been notified of a refusal to grant a licence as required by section 15(2).*

7. *As at the Latest Practicable Date, (i) Le Pain Quotidien (Lee Tung Avenue) and Ophelia had not obtained water pollution control licence; and (ii) the water pollution control licence of Tango (Elements) was issued under the previous restaurant name "Toro Steakhouse & Gastro Bar". For the purpose of this prospectus, we do not regard the absence of water pollution control licences of these restaurants as non-compliance since (i) in relation to Le Pain Quotidien (Lee Tung Avenue) and Ophelia, we will make our application for the licence at the earliest possible opportunity when the water metres are to be installed in August 2016; and (ii) in relation to Tango (Elements), we have applied for the change of discharge premises name as at 19 July 2016. As advised by the Hong Kong Legal Counsel, pursuant to section 12 of the WPCO, no offence is committed if an application under section 14 has been made and the prescribed application fee paid when required and the applicant has not been notified of a refusal to grant a licence as required by section 15(2).*

During the Track Record Period, we had engaged an external independent licensing consultant to apply for the relevant licences, save for the liquor licences and club liquor licences, for the operation of restaurants, central bakery and takeaway outlet on our behalf and to advise on other licensing matters. Our director of design and corporate services manager were responsible for monitoring and following up with the licensing consultant on work progress at the respective material times. Despite the fact that we applied for water pollution control licences for certain restaurants before the preparation of the listing application, we did so only upon request of the landlords for BLT Steak, BLT Burger (Times Square), BLT Burger (Harbour City) and Manzo and upon request of Environmental Protection Department for Taco Loco. With regard to the request of Environmental Protection Department for Taco Loco, as confirmed by our Directors, we received a request letter enclosed with an application form for the water pollution control licence from the Environmental Protection Department without any on-site inspection of the premises nor verbal warning by the officer of the Environmental Protection Department in advance. In the circumstances, our Directors believe that the request letter was issued on a random basis without identification of specific offender(s). Our Directors, after taking into account, among others, the advice from the external licensing consultant, were under the impression that the application of water pollution control licences were only required on a case-by-case basis and upon request basis and is not mandatory. Therefore, we did not apply for the water pollution control licence for other restaurants as no request or notice was made against other restaurants of our Group by the Environmental Protection Department or landlords. Our Directors consider the non-compliance incident was caused by the previous lack of comprehensive internal control measures to ensure compliance with the licensing requirements.

To rectify our non-compliance, we had made applications to the Environmental Protection Department for water pollution control licences for BLT Steak, BLT Burger (Times Square), BLT Burger (Harbour City), Taco Loco, Manzo and Bread Street Kitchen before October 2014 and other restaurants, central bakery and takeaway outlet after October 2014. As at the Latest Practicable Date, save for Le Pain Quotidien (Lee Tung Avenue), Ophelia and Tango (Elements), we had obtained valid water pollution control licences for our restaurants and takeaway outlet.

Pursuant to section 11(1) of the Water Pollution Control Ordinance, if we are convicted of having been in breach of section 9(1) of the Water Pollution Control Ordinance for any prohibited discharge thereunder, the maximum penalty is imprisonment for six months to which any or all of the directors of the operating subsidiary concerned shall be liable if it is proved that the directors have caused the breach and, in the case of a first offence, each company concerned is liable to pay a fine of HK$200,000, in the case of a subsequent offence, a fine of HK$400,000, and in the case of a continuing offence, an additional daily fine of HK$10,000. During the Track Record Period, there were 19 restaurants, one clubhouse restaurant, one takeaway outlet and one bakery without the water pollution control licences. As such, the total theoretical maximum penalties for these restaurants (including the clubhouse restaurant and bakery restaurant) and takeaway outlet will be HK$4.4 million.

In this connection, we, jointly with the Sole Sponsor, the legal advisers to the Sole Sponsor and the legal advisers to our Company, made a telephone enquiry to the Environmental Protection Department in relation to the water pollution licences on 2 February 2015. The officer of the Environmental Protection Department advised that it is not a prima facie criminal offence for restaurants operating without the water pollution control licence and that a restaurant will only be charged if it is proven, upon investigation and collection of water sample, that the quality of the discharged water does not meet the standard stipulated by law.

Further, as advised by our Hong Kong Legal Counsel, the likelihood of our Group being penalised for such violation or any regulatory action by the Environmental Protection Department, although cannot be ruled out completely, is remote, on the following basis:

(i) in relation to the abovementioned non-compliance, no proceedings had been initiated by the relevant authorities and warnings had been served and no action had been taken against us in relation to any alleged breach of the aforementioned requirements throughout the Track Record Period and up to the Latest Practicable Date; and

(ii) as at the Latest Practicable Date, save for Le Pain Quotidien (Lee Tung Avenue), Ophelia and Tango (Elements), each restaurant of our Group had obtained the water pollution control licences as required for its operations.

As advised by our Hong Kong Legal Counsel, the non-compliance in relation to the water pollution control licences is not material non-compliance since the water pollution control licence is not a precondition for application, renewal or transfer of food business licence under Food Business Regulation.

In view of the remote likelihood of prosecution of such violation, our Directors are of the view that the operational and financial impact of the penalty on our Group would be minimal.

2. General restaurant licence and liquor licence

The following restaurants had continued their business operations for a period of time without valid restaurant licences and/or liquor licences during the Track Record Period and up to the Latest Practicable Date:

Name of restaurant	Licence involved	Period of non-compliance
Mamasan	General restaurant licence	From 8 November 2014 to 18 January 2015
	Liquor licence	From 8 November 2014 to 27 January 2015
Bread Street Kitchen	General restaurant licence	From 26 February 2015 to 2 March 2015
	Liquor licence	From 26 February 2015 to 12 March 2015
Bombay Dreams	Liquor licence	From 18 May 2015 to 21 May 2015
		From 18 May 2016 to 25 May 2016

Before the commencement of the business operations of Mamasan and Bread Street Kitchen, we began the application process for their full general restaurant licences and liquor licences. As a part of normal procedure, Mamasan and Bread Street Kitchen were each granted a provisional general restaurant licence and a liquor licence when the restaurants commenced business in May 2014 and August 2014, respectively[(Note)]. The full general restaurant licences and the liquor licences will only be granted upon the fulfilment of certain conditions as set out in the letters to us respectively. However, the full general restaurant licences and liquor licences of Mamasan and Bread Street Kitchen were not granted to us until after the relevant expiration dates. As at the Latest Practicable Date, Mamasan had obtained (i) the general restaurant licence with validity period commencing from 19 January 2016 and expiring on 18 January 2017 and (ii) the liquor licence with validity period commencing from 20 May 2015 and expiring on 19 May 2016. As at the Latest Practicable Date, Bread Street Kitchen had obtained (i) the general restaurant licence with validity period commencing from 3 March 2016 and expiring on 2 March 2017 and (ii) the liquor licence with validity period commencing from 2 September 2015 and expiring on 1 September 2016.

Note: Provisional general restaurant licences are granted to new applicants who have fulfilled the basic requirements in accordance with the Food Business Regulation pending completion of all outstanding requirements for the issue of a full general restaurant licence, and a liquor licence will only be issued when the relevant premises have also been issued with a valid provisional or full restaurant licence.

Similarly for Bombay Dreams, we have applied for the renewal of the liquor licence three to four months before its expiration date. However, due to a procedural delay in the renewal application process on part of the relevant authorities, the liquor licence of Bombay Dreams was not granted to us until after its expiration date. As at the Latest Practicable Date, Bombay Dreams had obtained the liquor licence with validity period commencing from 26 May 2016 and expiring on 17 May 2018.

Our Directors consider that we were not able to obtain the full general restaurant licences and/or the liquor licences upon expiration of the relevant general restaurant licences and liquor licences because of a procedural delay in the application process on part of the relevant authorities. In relation to the granting of the full general restaurant licences of Mamasan and Bread Street Kitchen, to the best knowledge of our Directors, the normal processing time for the granting of the full general restaurant licence is approximately six months, being the validity period of the provisional general restaurant licence. During these six months, the relevant authorities would send letters to the applicant containing conditions to be fulfilled by the applicant before a full general restaurant is granted. No additional application for the full general restaurant licence is required since the granting of the full general restaurant licence is under review during the validity period of the provisional general restaurant licence. Since Mamasan and Bread Street Kitchen obtained their provisional general restaurant licences on 8 May 2014 and 26 August 2014 respectively and were only able to obtain their full general restaurant licences on 19 January 2015 and 3 March 2015 respectively, Mamasan and Bread Street Kitchen experienced a procedural delay of approximately three and one month(s) respectively.

In relation to the granting of the liquor licences of Mamasan and Bread Street Kitchen, since the liquor licence would only be granted when the relevant premises have been granted with a valid provisional or full general restaurant licence, the delay in granting the said licences is attributable to the procedural delay in granting the full general restaurant licences as explained above.

In relation to the granting of the renewed liquor licence of Bombay Dreams, our Directors consider that we were not able to obtain the liquor licence upon its expiration because of a procedure delay in application process on part of the relevant authorities since (i) the liquor license would only be granted when the relevant restaurant has been granted with a valid general restaurant licence; (ii) both general restaurant license and liquor license of Bombay Dreams expired in May 2016; and (iii) the valid general restaurant licence was granted by FEHD on 26 May 2016. Bombay Dreams has notified the Liquor Licensing Board once the valid general restaurant was obtained on 26 May 2016 and therefore the liquor license could only be granted on 26 May 2016.

Pursuant to sections 31(1) and 35(3)(a) of the Food Business Regulation, the maximum penalty is a fine of HK$50,000, imprisonment for six months to which any or all of the directors of the operating subsidiary concerned shall be liable and HK$900 for each day if the offence is proved to be continued and demerit points will be registered against the licensee.

The maximum penalty under section 17(3B) and 46(1) of the Dutiable Commodities Ordinance for selling liquor without a licence is a fine of HK$1,000,000 and imprisonment for two years to which any or all of the directors of the operating subsidiary concerned shall be liable.

There were three restaurants, namely Mamasan, Bread Street Kitchen and Bombay Dreams, which had continued their business operations for a period without valid restaurant licences and/or liquor licence. Pursuant to sections 31(1) and 35(3)(a) of the Food Business Regulation and sections 17(3B) and 46(1) of the Dutiable Commodities Ordinance as mentioned above, the total theoretical maximum penalties for these three restaurants will be approximately HK$4.1 million.

As advised by our Hong Kong Legal Counsel, the likelihood of our Group being penalised for such violation or any regulatory action by the Food and Environmental Hygiene Department, although cannot be ruled out completely, is remote, on the following basis:

(i) in relation to the abovementioned non-compliance, no proceedings had been initiated by the relevant authorities and no notices or warnings had been served and no action had been taken against us in relation to any alleged breach of the aforementioned requirements throughout the Track Record Period and up to the Latest Practicable Date; and

(ii) as at the Latest Practicable Date, we had obtained (a) the full general restaurant licence and the liquor licence for Mamasan; (b) the full general restaurant licence and the liquor licence for Bread Street Kitchen; and (c) the liquor licence for Bombay Dreams, without any charge being laid against us.

As advised by our Hong Kong Legal Counsel, the likely sentencing for the non-compliance should be a fine and would not affect the relevant general restaurant licences since we are not a repeat offender. Based on the abovementioned factors, our Directors are therefore of the view that the non-compliance in relation to the general restaurant licence and liquor licence is not a material non-compliance.

To the best knowledge of our Directors and based on a number of assumptions on a prudent basis, the estimated revenue and profit attributed to the abovementioned non-compliance amounted to approximately (i) HK$5.2 million and HK$0.9 million, for the year ended 31 March 2015; and (ii) approximately HK$28,000 and HK$6,000, for the year ended 31 March 2016, respectively.

3. Outside seating accommodation

During the Track Record Period, four of our restaurants, namely La Locanda, Lupa, Al Molo and BLT Steak, had used outside seating accommodation outside the restaurant premises for outdoor dining without the approval of the Food and Environmental Hygiene Department, contrary to sections 31(1) and 34C of the Food Business Regulation during the following periods of non-compliance.

Name of restaurant	Period of non-compliance
La Locanda	From 27 March 2014 to 26 April 2015
Lupa	From 23 March 2012 to 26 April 2015
Al Molo	From 30 April 2011 to 26 April 2015
BLT Steak	From 12 January 2009 to 26 April 2015

During the Track Record Period, we had engaged an external independent licensing consultant to apply for the relevant restaurant licences for the operation of restaurant, central bakery and takeaway outlet on our behalf and to advise on other licensing matters. Our director of design and corporate services manager were responsible for monitoring and following up with the licensing consultant on work progress at the respective material times. The licensing consultant did not advise us, and our Directors were not aware, that additional approval from the DFEH is required in order to use outside seating accommodation outside the restaurant premises. Our Directors consider the non-compliance incident was caused by the previous lack of comprehensive internal control measures to ensure compliance with the licensing requirements.

Section 31(1) of the Food Business Regulation requires restaurant to be operated in accordance with the licence granted. If there is a breach against section 31(1) of the Food Business Regulation, the licensees of the licence concerned (if the licensees of the licence concerned are the operating subsidiaries, their director(s)) are subject to a maximum fine of HK$50,000, imprisonment for 6 months and HK$900 for each day if the offence is proven to be continued. In addition, demerit points will be registered against the licensee.

Section 34C of the Food Business Regulation prohibits licensees from carrying on food business beyond the confines of the premises as delineated on the layout plan. If there is a breach against section 34C of the Food Business Regulation, the licensees of the licence concerned are subject to a maximum fine of HK$10,000, imprisonment for 3 months and HK$300 for each day if the offence is proved to be continued. In addition, demerit points will be registered against the licensee.

Pursuant to sections 31(1) and 34C of the Food Business Regulation as mentioned above, the total theoretical maximum penalties for the four restaurants, which had used outside seating accommodation outside the restaurant premises for outdoor dining without the approval of the Food and Environmental Hygiene Department, will be HK$240,000.

As advised by our Hong Kong Legal Counsel, the likelihood of our Group being penalised for such violation or any regulatory action by the Food and Environmental Hygiene Department, although cannot be ruled out completely, is remote. The relevant authorities had regularly inspected the premises of our restaurants, including the outdoor seating areas, during the Track Record Period. No notices or warnings had been served and no prosecution action had been taken against us. In addition, the general restaurant licences of the restaurants with outdoor seating area, had been successfully renewed during the Track Record Period.

As advised by our Hong Kong Legal Counsel, the likely penalty to be imposed, if prosecuted and convicted, should be a fine and the relevant general restaurant licences would not be affected since we are not a repeat offender. Based on the abovementioned factors, our Directors are of the view that the non-compliance in relation to the outside seating accommodation is not material non-compliance. Since the amount of likely penalty is not significant, our Directors consider such non-compliance incident will not have any material adverse impact on our business, financial condition and results of operations. Accordingly, our Group has not made provision in respect of the potential fines for the non-compliance incidents as disclosed above.

Our Company has decided to cease the use of the outside seating accommodations outside the restaurant premises of La Locanda, and temporarily suspend the use of the outside seating accommodations outside the restaurant premises of the remaining three restaurants for outdoor dining until obtaining the approval of the outside seating accommodation (the "**Suspension**"). Considering the revenue and profit attributable to outdoor seating accommodation and the number of outdoor seating of these restaurants compared to the number of seating of the restaurants of our Group, our Directors expect that the Suspension will not have any material adverse impact on the financial and operation results of our Group. On 10 June 2015, we had obtained the outside seating accommodation approval from the DFEH for Lupa, while our applications for the grant of approval from the DFEH for Al Molo and BLT Steak were still in process. In view of (i) the cessation to use the outside seating accommodations of La Locanda, (ii) the suspension to use the outside seating accommodations of Al Molo and BLT Steak until obtaining the approval and (iii) the obtaining of the outside seating accommodations approval of Lupa, as at the Latest Practicable Date, we were in compliance with section 31(1) and 34C of the Food Business Regulation. We are advised by our Hong Kong Legal Counsel that he is not aware of any known legal impediment in the application for approval for the restaurants.

To the best knowledge of our Directors and based on a number of assumptions on a prudent basis, the estimated revenue attributed to the abovementioned non-compliance during the two years ended 31 March 2015 amounted to approximately HK$30.2 million and HK$33.8 million, respectively. The estimated profit attributed to the non-compliance during the same period amounted to approximately HK$2.4 million and HK$1.8 million, respectively. For the period commencing from 1 April 2015 up to 26 April 2015 (the date on which the Suspension commenced), the estimated revenue and profit attributed to the abovementioned non-compliance amounted to approximately HK$2.4 million and HK$0.1 million, respectively.

4. Serving of restricted food

Toro had sold restricted food, as specified in schedule 2 of the Food Business Regulation, (i.e. oyster to be eaten in raw state), without the necessary endorsement, contrary to section 30(1) of the Food Business Regulation from 21 March 2014 to 23 March 2015. Toro ceased to operate on 13 June 2016.

During the Track Record Period, we had engaged an external independent licensing consultant to apply for the relevant licences, save for the liquor licences and club liquor licences, for the operation of restaurants, central bakery and takeaway outlet on our behalf and to advise on other licensing matters. Our director of design and corporate services manager were responsible for monitoring and following up with the licensing consultant on work progress at the respective material times. The original restaurant licence, which was used by the previous restaurant at the same premises, Prime Steak House, was endorsed with the restricted food endorsement in that the respective code of oyster to be eaten in raw state was set out under "Endorsements/ Permission (For description of codes, please see overleaf)". When the new restaurant, Toro, opened at the same premises, since the original general restaurant licence would expire soon and that we have altered the layout of the restaurant for the opening of Toro, we made two separate applications at the same time, one to renew the original licence, another to alter the layout of the restaurant with regard to the general restaurant licence. As confirmed by our Directors, it is the usual practice of the issuing authority, Food and Environmental Hygiene Department, to renew the restaurant licence with the exact endorsements or permission granted under the previous licence without a need to file a renewal application for the endorsement (either independently or alongside with the renewal application of the licence), unless otherwise noticed. The licensing consultant did not advise us, and our director of design and corporate services manager were not aware, that the exact endorsements or permission granted under the previous licence were not granted under the renewed general restaurant licence due to a suspected omission on part of the relevant authority caused by the additional request for the approval of alteration of restaurant layout which made the renewal procedure of the general restaurant licence different from the usual practice of the renewal. Upon such mistaken belief that the restricted food endorsement was granted in addition to the approval of alteration of restaurant layout with regard to the renewed general restaurant licence, we proceeded to sell the restricted food upon expiry of the endorsed general restaurant licence until 23 March 2015. Our Directors consider the non-compliance incident was caused by the previous lack of comprehensive internal control measures to ensure compliance with the licensing requirements.

To apply for the endorsement to sell restricted food, the applicant has to (i) provide for separate equipment for the preparation of oyster; (ii) provide for a separate or distinct portion of a refrigerator for the storage of frozen oysters at a temperature below -18°C; and (iii) provide for a separate or distinct portion of a refrigerator for the storage of defrosted or chilled oyster at a temperature between 0°C and 4°C to avoid cross contamination. In view of (i) the previous obtaining of the endorsement under the old licence since 2011 and (ii) the relatively simple application requirement of the endorsement which could be fulfilled as they were in place in 2010, as confirmed by our Directors, we could be able to obtain the endorsement if we apply, and that it is our deliberate commercial decision not to apply the endorsement in view of the minimal revenue generated by the sale of the restricted food.

Pursuant to sections 30(1) and 35(3)(a) of the Food Business Regulation, the maximum penalty of a fine of HK$50,000, imprisonment for six months if there is a breach, the licensees of the licence concerned (in the event that the licensees of the licence concerned are the operating subsidiaries, their directors) are subject to and HK$900 for each day if the offence is proved to be continued. In addition, demerit points will be registered against the licensee. As such, the theoretical maximum penalty for Fame Top, will be HK$50,000.

As advised by our Hong Kong Legal Counsel, the risk of being penalised, although cannot be ruled out completely, is remote, since Toro had ceased to provide the restricted food since 23 March 2015 and no proceedings had been initiated by the relevant authorities and no notices or warnings had been served and no action had been taken against us in relation to any alleged breach of the aforesaid requirements as at the Latest Practicable Date. In view of the cessation to provide the restricted food of Toro since 23 March 2015, as at the Latest Practicable Date, we were in compliance with section 30(1) of the Food Business Regulation.

To the best knowledge of our Directors and based on a number of assumptions on a prudent basis, the estimated revenue attributed to the abovementioned non-compliance during the years ended 31 March 2014 and 31 March 2015 amounted to approximately HK$8,000 and HK$350,000, respectively, The estimated profit attributed to the abovementioned non-compliance during the same period amounted to approximately HK$6,000 and HK$260,000, respectively. There is no estimated revenue or profit attributable to the abovementioned non-compliance for the year ended 31 March 2016.

As advised by our Hong Kong Legal Counsel, the likely penalty should be a fine and the relevant general restaurant licence would not be affected since we are not a repeat offender. Based on the abovementioned factors, our Directors are of the view that such non-compliance is not material. Since the amount of the likely penalty is not significant, our Directors consider such non-compliance will not have any material adverse impact on our business, financial condition and results of operation. Accordingly, our Group had not made provision in respect of the non-compliance as disclosed above.

Upon identification of the aforesaid incidents of licence-related non-compliances, our Group has taken steps to enhance our internal control measures to prevent recurrence of the non-compliance. We have implemented a set of internal compliance guidelines in relation to the opening of restaurants, central bakeries and takeaway outlet covering the monitoring of application and maintenance of licences, approvals, permits and registrations. A checklist of the licensing requirements of our existing and future restaurants and takeaway outlet and a schedule for renewal requirements of existing restaurants or takeaway outlet will be updated from time to time accordingly for future reference and compliance. The checklist will be monitored by the accounting team for licence expiry from time to time to ensure there is no overdue.

On 1 November 2015, we have engaged another licensing consultant. The new licensing consultant is a company which has provided the licensing consultancy services for over 20 years (as compared to the eight years of experience of our former licensing consultant) and had served some of the prominent hotel and banking groups in Hong Kong in the past. In addition, the key individual of this new licensing consultant company is the former employer of our former licensing consultant. In view of the above reasons, our Directors are of the view that the new licensing consultant is more appropriate and competent than our former licensing consultant.

We will retain external Hong Kong legal advisers and seek their assistance if necessary in order to ensure full compliance with the licensing requirements in the future. We have designated our executive Director, Mr. Sekhri to oversee the implementation of the guidelines to ensure that all the requirements are complied with prior to the opening and operating of restaurants and takeaway outlet. Our director of finance and restaurant managers had been assigned the overall responsibilities to ensure compliance of the applicable laws and regulations and renew the licences before due. We will conduct review of full compliance of all licences at least annually. Our Group has appointed the Internal Control Consultant to undertake reviews on the internal control system of our Group, the operation manual and internal policies and the proper implementation of rectification measures before Listing. We will appoint an independent internal control consultant to undertake such reviews annually. Our staff are encouraged to attend seminars or trainings to ensure they possess the requisite knowledge to comply with the relevant rules and regulations. Please refer to the section headed “Directors, senior management and employees” in this prospectus for the biographical details of our executive Director, Mr. Sekhri and our director of finance, Mr. Kamal Sachar.

5. Obstruction of means of escape

In March 2014, Bombay Dreams (HK) was found to have obstructed the means of escape contrary to section 14 of the Fire Services (Fire Hazard Abatement) Regulations in respect of the premises of the storeroom of Bombay Dreams. The breach resulted in one summons issued in September 2014.

Our Directors consider the non-compliance incident was caused by the unintended and inadvertent omission by the relevant restaurant manager.

In October 2014, we were convicted and fined for a sum of HK$60,000 by the magistrates’ court. The sum was settled on 24 October 2014. Since the amount of penalty involved was insignificant, our Directors are of the view that the operational and financial impact of the penalty on our Group would be minimal. Based on the above and as advised by our Hong Kong Legal Counsel, our Directors are of the view that such non-compliance is not material. In view of the full settlement of the fine on 24 October 2014, as at the Latest Practicable Date, we were in compliance with section 14 of the Fire Services (Fire Hazard Abatement) Regulations.

Upon identification of the aforesaid incident of non-compliances, our Group has taken steps to enhance our internal control measures to prevent recurrence of any non-compliances. We have designated our restaurant managers to visit and check each of our restaurants and its store room, if any, on a daily basis, to ensure on-going compliance with the fire services related laws and regulations. We have established a comprehensive compliance manual which contains occupational safety information and made the same available to all relevant employees to prevent the recurrence of non-compliance incidents in the future. Our Group has appointed the Internal Control Consultant to undertake reviews on the internal control system of our Group, the operation manual and internal policies and the proper implementation of rectification measures before Listing. We will appoint an independent internal control consultant to undertake such reviews annually. Our staff are encouraged to attend seminars or trainings to ensure they possess the requisite knowledge to comply with the relevant rules and regulations.

6. Unauthorised installation or alteration of furnace or chimney

In March 2012, Most Glory was found to have installed or altered the furnace or chimney of the premises located at 3/F, LHT Tower, 31 Queen's Road Central, Central, Hong Kong without authorisation contrary to regulation 11 of the Air Pollution Control Regulations. The breach resulted in one summons issued in May 2013. Under the Air Pollution Control Regulations, a prior approval from the Environmental Protection Department is required if there is any installation of fuel-burning equipment on premises with the total fuel consumption capacity exceeding the stipulated levels per hour. Most Glory was found to have installed the fuel-burning equipment, including the cooking stove, on premises with the total fuel consumption capacity exceeding the stipulated levels without a prior approval from the Environmental Protection Department.

Our Directors consider the non-compliance incident was caused by the negligence of our then kitchen contractor who was responsible for the calculation of total fuel consumption capacity on this matter. The kitchen contractor omitted some fuel-burning equipment on premises leading to a mistaken total fuel consumption capacity calculated. In May 2013, we were convicted and fined for a sum of HK$4,000 by the magistrates' court. The sum was settled on 14 May 2013. Since the amount of penalty involved was insignificant, our Directors are of the view that the operational and financial impact of the penalty on our Group would be minimal. Based on the above and as advised by our Hong Kong Legal Counsel, our Directors are of the view that such non-compliance is not material. In view of the full settlement of the fine on 14 May 2013, as at the Latest Practicable Date, we were in compliance with regulation 11 of the Air Pollution Control Regulations.

Upon identification of the aforesaid incidents of non-compliances, our Group has replaced our then kitchen contractor who was responsible for this matter. We have taken steps to enhance our internal control measures to prevent recurrence of the non-compliances. We have designated our director of operations to visit and check all restaurants and takeaway outlet premises on a weekly basis. Our restaurant managers will assist director of operations in carrying out weekly checks on our restaurants and takeaway outlet to ensure on-going compliance with the air pollution control related laws and regulations. Please refer to the section headed "Directors, senior management and employees" in this prospectus for the biographical details of our director of operations.

7. Breach of conditions of Certificate of Compliance

On 5 September 2014, Excel Team Trading and the former restaurant manager of Soho Spice (the "**Restaurant Manager**") were found to have contravened the following conditions of the Certificate of Compliance no. C/1285 of Soho Spice issued by the Secretary of Home Affairs, in contravention to section 21(2) and section 21(1) respectively of the Clubs (Safety of Premises) Ordinance. The breaches resulted in six summonses issued on 4 March 2015;

(i) the prominent display and production on demand of the Certificate of Compliance for inspection;

(ii) no unauthorised alteration or amendment to the layout of the premises from the registered drawings;

(iii) annual inspection of fire service installations and equipment in the premises by a registered fire service installation contractor, the endorsement of the copy of the certificate of fire service installations and equipment within the prescribed time limit, keeping of the latest certificate of fire service installations and equipment in the premises and its production of the certificate on demand for inspection;

(iv) the keeping of the registered drawing in a safe place and its production on demand for inspection;

(v) restricted operation to its members and their accompanies guests and its usage as a club-house; and

(vi) the keeping of an updated membership register in the premises and its production on demand for inspection.

Our Directors consider the non-compliance incident was caused by the unintended and inadvertent omission by the Restaurant Manager to perform his duties as a restaurant manager. On 28 April 2015 and 4 August 2015, Excel Team Trading and the Restaurant Manager were convicted and fined for a sum of HK$9,000 by the magistrates' court each, respectively. The sum was settled on 29 April 2015 and 7 August 2015 respectively. In view of the full settlement of the fine on 29 April 2015 and 7 August 2015, as at the Latest Practicable Date, we were in compliance with section 21(2) and section 21(1) of the Clubs (Safety of Premises) Ordinance.

Since the amount of penalty is not significant, and that the breach of the respective conditions happened during the period of the then Certificate of Compliance in force, in view of the fact that a new Certificate of Compliance has been issued, our Directors are of the view that the operational and financial impact of the penalty on our Group would be minimal and the chance that the breach may affect the issue of the Certificate of Compliance in the future is remote if there is no further breach of the Certificate of Compliance in the future. Based on the above and as advised by our Hong Kong Legal Counsel, our Directors are of the view that such non-compliance is not material.

Upon identification of the aforesaid incidents of non-compliance, our Group has taken steps to enhance our internal control measures to prevent recurrence of the non-compliances. We have designated our director of operations to visit and check the premises of Soho Spice on a weekly basis. Our restaurant managers will assist director of operations in carrying out weekly checks on the said premises to ensure on-going compliance with the Certificate of Compliance and the Clubs (Safety of Premises) Ordinance. Our Group has appointed the independent Internal Control Consultant to undertake reviews on the internal control system of our Group, the operation manual and internal policies and the proper implementation of rectification measures before Listing. We will appoint an independent internal control consultant to undertake such reviews annually. We will display the Certificate of Compliance in a prominent position at the premises. We will only alter or amend the layout of the premises from the registered drawing with the written permission of the Secretary for Home Affairs. We will appoint a registered fire service installation contractor for the annual inspection.

We have designated our food and beverage coordinator to follow up on any necessary endorsement of the certificate of fire service installations and equipment to ensure it is filed within the prescribed time limit. We will keep the latest certificate of fire service installations and equipment, the registered drawings and the updated membership register in the premises to ensure prompt production on demand for inspection.

8. Late filing of non-resident persons profit tax returns

Five of our subsidiaries had failed to file the relevant non-resident persons profit tax returns:

Name of subsidiary	Relevant year(s) of assessment of non-compliance
BBQ Restaurants	2012/13 year of assessment
Profit Best	From 2011/12 to 2012/13 years of assessment
BLT Restaurants	From 2009/10 to 2012/13 years of assessment
BLT Burger	From 2009/10 to 2012/13 years of assessment
Wealthy Home	From 2011/12 to 2012/13 years of assessment

Under sections 15(1)(b), 20B(2) and 51(2) of the Inland Revenue Ordinance, the franchise/licence fees paid to the relevant franchisors/licensors, who were non-resident enterprises, by BBQ Restaurants, Profit Best, BLT Restaurants, BLT Burger and Wealthy Home were chargeable to profits tax, and we were obliged to inform the Inland Revenue Department the chargeability of the franchisors/licensors within 4 months after the end of the relevant basis periods and to withhold the tax payables before remitting/paying the franchise/licence fees to the relevant franchisors/licensors. We had engaged an audit firm as our tax representative to handle the relevant tax matters with the Inland Revenue Department. Our director of finance was responsible for overseeing the work of the then tax representative and our Directors were not aware of our obligations to file non-resident persons profit tax returns on behalf of the franchisors/licensors. Our Directors consider the non-compliance incidents were caused by the previous lack of comprehensive internal control measures to ensure compliance with the statutory requirements under the Inland Revenue Ordinance.

In November 2013/January 2014, we had voluntarily disclosed and submitted the relevant franchising/licence agreements to the Inland Revenue Department. The Inland Revenue Department had subsequently issued the profits tax returns in respect of non-resident persons for the relevant years of assessment to the abovementioned subsidiaries. We had completed and submitted the said returns within the stipulated due dates. In January and May 2014, we had received the assessment demanding final tax for the years from 2009/10 to 2012/13 against BLT Restaurants. In May 2014, we had received the assessment demanding final tax for the years from 2009/10 to 2012/13 against BLT Burger. In June 2014, we had received the assessment demanding final tax for the year 2012/13 against BBQ Restaurants. In October 2014, we had received the assessment demanding final tax for the years 2011/12 and 2012/13 against Profit Best. In October 2015, we had received the assessment demanding final tax for the years 2011/12 and 2012/13 against Wealthy Home. As at the Latest Practicable Date, we had settled the aggregate sum of approximately HK$673,000 with the Inland Revenue Department.

Pursuant to sections 80(2) and 82A of the Inland Revenue Ordinance, any person who without reasonable excuse makes an incorrect return by omitting or understating anything in respect of which he is required by the Inland Revenue Ordinance to make a return, either on his behalf or on behalf of another person, gives any incorrect information in relation to any matter or thing affecting his own liability (or the liability of any other person) to tax, or fails to comply with section 51(2) of the Inland Revenue Ordinance on furnishing the relevant profit tax return within the specified time, shall be liable on conviction to a fine of HK$10,000 and a further fine of treble the amount of tax undercharged or would have been undercharged (by way of an additional tax assessment) in consequence of such incorrect return, statement or information or failure to comply with section 51(2) of the Inland Revenue Ordinance.

In November 2015, the Inland Revenue Department had verbally confirmed the following:

(i) no penal actions had been imposed against the relevant Hong Kong subsidiaries;

(ii) there were no plan to impose any penal action; and

(iii) the non-compliance incidents of the relevant Hong Kong subsidiaries were considered settled, subject to further review.

Taking into consideration of relevant laws and as advised by our tax representative, our Directors are of the view that the likelihood of the imposition of penal actions is remote on the following basis:

(i) the non-compliance incidents constitute the first offence of the relevant Hong Kong subsidiaries;

(ii) we had provided all information, including the franchise fee payment to the franchisors, to our then tax representative when preparing the profits tax returns in the relevant years of assessment and relied on the professional advice of our then tax representative when submitting the profits tax returns;

(iii) we had proactively reported our non-compliance incidents to the Inland Revenue Department;

(iv) the sum of tax undercharged was not material; and

(v) no penal action had been imposed against the relevant Hong Kong subsidiaries upon completion of the review of the Inland Revenue Department as at the Latest Practicable Date.

Although the likelihood of the imposition of penal actions is remote, based on the currently available information and advice of our tax representative, our Directors are of the view that, in the event of penalisation, the aggregated sum of the maximum penalties may amount to approximately HK$2,170,173, on top of the aggregate sum of approximately HK$673,000 which had been settled as at the Latest Practicable Date.

Based on the above, our Directors are of the view that the such non-compliance incident will not have any material adverse impact on our business, financial condition and results of operations. Accordingly, our Group has not made provision in respect of the potential fines for the non-compliance incident as disclosed above.

Upon identification of the aforesaid incidents of non-compliances, our Group has taken steps to enhance our internal control measures to prevent recurrence of the non-compliances. Our Group has appointed the Internal Control Consultant to undertake reviews on the internal control system of our Group, the operation manual and internal policies and the proper implementation of rectification measures before Listing. We will appoint an independent internal control consultant to undertake such reviews annually. We adopted certain internal control measures to prevent reoccurrence of late filing of non-resident persons profit tax returns.

Such internal control measures include maintaining a register to record the tax nature and the deadline of submission by our financial controller. Since October 2014, we employed our financial controller who is responsible for the financial reporting. Our financial controller has over 10 years of experience in financial reporting and tax filing as he worked at international public accounting firms and commercial sectors before he joined our Group. Our financial controller will prepare the tax filing in advance and will be responsible for submission of tax filing to our director of finance for approval. Our director of finance and financial controller will keep our Directors informed of any material tax disputes and advise them the potential impact and remedies. An audit committee has also been established to oversee the financial reporting and internal control procedures of our Group. Our Directors believe that with the supervision of our director of finance and financial controller, the overall control in our internal control systems will be enhanced and the likelihood of late tax filing would be minimised in the future.

Indemnity by our Controlling Shareholders to our Company for any loss on the above litigation and non-compliance incidents

Pursuant to the Deed of Indemnity, our Controlling Shareholders have undertaken to indemnify our Company against any losses, liabilities or damages suffered by or falling on any member of our Group in respect of and to the extent arising from or relating to the claims and non-compliance of any legal and/or regulatory requirements of any jurisdiction prior to the Listing Date. The Controlling Shareholders confirm that they have sufficient financial resources to fulfill their indemnity obligation under the Deed of Indemnity. As such, our Directors consider that the outstanding claims and non-compliance incidents will not have a material impact on our operations. For details of the Deed of Indemnity, please refer to the section headed "Other information — Estate duty, tax and other indemnity" in Appendix IV to this prospectus.

INTERNAL CONTROL AND RISK MANAGEMENT MEASURES

Our Directors are responsible for formulating and overseeing the on-going implementation of our internal control measures and effectiveness of our risk management system and quality management system.

On 27 October 2014, our Group engaged the Internal Control Consultant, GC Risk Advisory Services Company Limited, to perform a detailed evaluation of the adequacy and effectiveness of our Group's internal control system. Scope of evaluation includes the areas of financial, operation, compliance and risk management. GC Risk Advisory Services Company Limited is an independent internal control consulting firm based in Hong Kong. It had been previously engaged in internal control review projects for a number of companies listed on the Stock Exchange and non-listed companies in Hong Kong and the PRC since its establishment in 2010 and up to the Latest Practicable Date. The management team of the Internal Control Consultant had relevant experience in internal control review of approximately seven years of experience as of the Latest Practicable Date. The management team includes member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants.

The Internal Control Consultant has reviewed and provided recommendations to our internal control system for preventing the recurrence of the abovementioned non-compliances. Key steps taken and to be taken by our Group in response to each of the non-compliances numbered one to eight mentioned above and for enhancement of our internal control and risk management measures are disclosed in the above paragraph headed "Legal proceedings and compliance — Legal and regulatory compliance" in this section.

The Internal Control Consultant has performed a follow-up review in this connection. Our Group did not have significant deficiencies in our internal control system upon the closing review.

Based on the above, our Directors are of the view that our Company has taken reasonable steps to establish an internal control system and procedures to manage the risks exposed to us and enhance the control environment at both the working and management levels. Accordingly, our Directors and the Sole Sponsor are of the view that the enhanced internal control measures adopted by our Group are adequate and effective for our operations.

Corporate governance

We strive to strengthen the role of our Board as a decision making body in relation to our fundamental policies and management issues, and supervising our operations. Our Board comprises three independent non-executive Directors to ensure transparency in management and fairness in business decisions and operations. Our independent non-executive Directors contribute to the enhancement of corporate value by providing advice and oversight based on their extensive administrative experience and specialised knowledge. For the qualification and experience of our Board members, please refer to the section headed "Directors, senior management and employees" in this prospectus.

VIEWS OF OUR DIRECTORS AND THE SOLE SPONSOR

As set out in the paragraphs headed "Legal proceedings and compliance — Particulars of litigations, arbitrations and claims pending, or threatened against our Group" and "Legal proceedings and compliance — Legal and regulatory compliance" in this section, our Group has laid down and implemented, among other things, (i) the additional safety measures to reduce the frequency of accidents; and (ii) enhanced internal control measures to monitor ongoing compliance with the relevant laws and regulations to prevent the recurrence of non-compliance incidents in the future. Our Directors believe that the internal control measures will effectively ensure a proper internal control system and maintain good corporate governance practices of our Group. In view of the measures in place, our Directors are of the view, and the Sole Sponsor concurs, that these systems are adequate and effective under the GEM Listing Rules to ensure ongoing compliance with the relevant laws and regulations by our Group.

As set out in the above paragraph headed "Legal and regulatory compliance" in this section, our Company enhanced the effectiveness of the supervisory role of Mr. Sekhri and Mr. Kamal Sachar on compliance matters by adopting the following measures:

(i) on 1 November 2015, we engaged a more experienced licensing consultant to advise our Directors (including Mr. Sekhri and Mr. Kamal Sachar) on licensing requirements and to apply for the relevant licences on behalf of our Company. The new licensing consultant is a company which has provided the licensing consultancy services for over 20 years (as compared to the eight years of experience of our former licensing consultant) and had served some of the prominent hotel and banking groups in Hong Kong in the past. In addition, the key individual of this new licensing consultant company is the former employer of that of our former licensing consultant. In view of the above reasons, our Directors are of the view that the new licensing consultant is more appropriate and competent than our former licensing consultant. We will consult the licensing consultant on the licensing requirements and procedures when planning the opening of new restaurants to ensure all relevant licences and permits are obtained before commencing the operation of new restaurants;

(ii) we will engage external Hong Kong legal advisers upon Listing to advise on licensing requirements and compliance matters. The external legal advisers will keep our Directors (including Mr. Sekhri and Mr. Kamal Sachar) informed of any changes and updates on licensing requirements, and will provide on-going training to our Directors from time to time on compliance issues;

(iii) we have taken steps to enhance the internal control measures by implementing a set of internal compliance guidelines in relation to the licensing requirements involved in the opening of restaurants. For example, a checklist of the licensing requirements for new and existing restaurants and a schedule for renewal requirements will be updated from time to time to ensure compliance of the applicable laws and regulations. The checklist will be monitored by the accounting team for licence expiry from time to time to ensure there is no overdue. Our Group will also conduct review of full compliance of all licences at least annually; and

(iv) each of Mr. Sekhri, Mr. Sandip Gupta, Ms. Dayaram, Mr. Uttamchandani and Mr. Kamal Sachar had attended training in respect to developments of the restaurant industry, including relevant laws and regulations as at the Latest Practicable Date and has undertaken to continue to attend such training regularly before and after Listing.

By reason of the above remedial actions taken, our Directors are of the view that the recurrence of non-compliance incidents can be effectively prevented by appointing Mr. Sekhri and Mr. Kamal Sachar to oversee the compliance matters. Having considered the above remedial actions taken, the Sole Sponsor concurs with our Directors' view.

Our Directors are of the view, and the Sole Sponsor concurs, that as the past non-compliance incidents did not involve any dishonesty on the part of our Directors or cast any doubt on their integrity or competence, such non-compliance incidents (i) do not affect our Directors' suitability to act as directors a listed issuer under Rules 5.01 and 5.02 of the GEM Listing Rules; and (ii) do not affect our Company's suitability for listing under Rule 11.06 of the GEM Listing Rules.

OVERVIEW

Upon the Listing, Dining Concepts (International), Total Commitment, Mr. Sekhri (who is our executive Director), Ideal Winner, Ms. Dayaram (who is our non-executive Director), Minrish, Mr. Mirpuri, Mrs. Mirpuri, Indo Gold, Mr. P. W. Uttamchandani, Mrs. D. P. Uttamchandani, Mr. M. Uttamchandani and Mr. Uttamchandani (who is our non-executive Director) will be our Controlling Shareholders under the GEM Listing Rules. The table below sets out the shareholding information of our Controlling Shareholders in our Company immediately following the completion of the Capitalisation Issue and the Placing (without taking into account the Shares to be issued upon the exercise of the Offer Size Adjustment Option or options granted or to be granted under the Share Option Schemes):

	Number of Shares owned	Approximate percentage of voting rights
Dining Concepts (International)[(1)]	260,598,000	32.57%
Ideal Winner[(2)]	82,542,000	10.32%
Minrish[(3)]	44,124,000	5.52%
Indo Gold[(4)]	97,074,000	12.13%
Mr. Uttamchandani	34,782,000	4.35%
Total	**519,120,000**	**64.89%**

Notes:

1. *Dining Concepts (International) is wholly owned by Total Commitment which is in turn wholly-owned by Mr. Sekhri. Both Dining Concepts (International) and Total Commitment are investment holdings companies.*

2. *Ideal Winner is wholly owned by Ms. Dayaram. Ideal Winner is an investment holdings company.*

3. *Minrish is owned as to 50% by each of Mr. Mirpuri and Mrs. Mirpuri, respectively, who is the spouse of one another. Minrish is an investment holdings company.*

4. *Indo Gold is owned as to 25% by each of Mr. P. W. Uttamchandani, Mrs. D. P. Uttamchandani, Mr. M. Uttamchandani and Mr. Uttamchandani, respectively. Mr. P. W. Uttamchandani and Mrs. D. P. Uttamchandani are the spouse of one another, and Mr. Uttamchandani and Mr. M. Uttamchandani are their children. Indo Gold is an investment holdings company.*

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that our Group is capable of carrying on our business independently from our Controlling Shareholders and their respective close associates after the Listing.

Operational independence

Our Group is operationally independent from our Controlling Shareholders. Having considered the following factors, our Directors consider that the management of our Group is capable to make operational decisions independently free from the interference from our Controlling Shareholders and their respective close associates after the Listing:

(a) except for one store room which is leased by Lettuce Entertain from Total Commitment (HK), a company controlled by Mr. Sekhri, under a tenancy agreement dated 1 December 2014 (details of which are set out in the section headed "Connected transactions — Tenancy agreement in respect of a store room in Hong Kong" in this prospectus), all of the properties used for business operations, in particular those of our restaurants, are leased from Independent Third Parties by our Company or our operating subsidiaries;

(b) our Group has established a set of internal control procedures independent from our Controlling Shareholders to facilitate the effective operation of our business;

(c) despite the fact that the restaurant licences of four restaurants and the light refreshment restaurant licence of Taco Loco were held by Mr. Sekhri, our executive Director, as at the Latest Practicable Date, we had arranged for the transfer of the holding of the relevant licences of the remaining restaurants from Mr. Sekhri to our operating subsidiaries, which is expected to be completed by the end of July 2016;

(d) save for the club liquor licence of Soho Spice which is held by Mr. Sekhri, all the liquor licences of our restaurants are held by our employees;

(e) save for the supply of utensils and kitchen equipment by Global Hotelware under the utensils and kitchen equipment supply agreement dated 14 July 2016 (details of which are set out in the section headed "Connected transactions — Master agreement in respect of the supply of utensils and kitchen equipment by Global Hotelware" in this prospectus), our Group does not rely on our Controlling Shareholders for access to suppliers of our Group. In particular, our Group manages our sourcing for food and equipment independently;

(f) save for the rendering of food delivery services by Cuisine Courier and Waiters On Wheels under the service agreement dated 14 July 2016 (details of which are set out in the section headed "Connected transactions — Master agreement in respect of the food delivery services rendered by Cuisine Courier and Waiters On Wheels" in this prospectus), our Group does not rely on our Controlling Shareholders for access to customers of our Group. In particular, our customers are members of the public, to whom our Group has independent access; and

(g) our Group is not reliant on trademarks or franchised/licensed brands owned by our Controlling Shareholders or their respective close associates.

Based on the above factors, our Directors are of the view that our Group is capable to operate independently from our Controlling Shareholders.

Financial independence

Our Directors are of the view that our Group will be financially independent from our Controlling Shareholders upon Listing. The management of our Group is capable of making financial decisions independently according to the needs of our restaurants free from the interference from our Controlling Shareholders and their respective close associates after the Listing. All loans and advances due to our Controlling Shareholders which are non-trade in nature will be fully settled prior to the Listing. Our Group has sufficient capital to operate our business independently, and has adequate internal resources and credit profile to support our daily operations.

Management independence

Having considered the following factors, our Directors consider that our Group's management is independent from our Controlling Shareholders and is capable to make business decisions independently according to the needs of our restaurants free from the interference from our Controlling Shareholders and their respective close associates after the Listing:

(a) as we have three independent non-executive Directors out of a total of seven Directors in the Board, there will be sufficiently robust and independent voice within the Board to counter-balance any situation involving a conflict of interest and protect the interests of our independent Shareholders;

(b) save for Mr. Garry Grenville Bissett, the senior management members of our Group are full-time employees during the Track Record Period. Please refer to the section headed "Directors, senior management and employees" in this prospectus for background of our senior management members. As our senior management members have undertaken management supervisory responsibilities in our operations which include managing operational and financial matters, making general capital expenditure decisions and the daily implementation of the business strategies of our Group. This ensures the independence of the daily management and operations of our Group from those of our Controlling Shareholders;

(c) actual or potential conflicts have been identified (see the section headed "Connected transactions" in this prospectus) and minimised (by virtue of the Deed of Non-competition);

(d) each of our Directors is aware of his/her fiduciary duties as a Director, which require, among other things, that he or she acts for the benefit and in the best interests of our Shareholders as a whole and does not allow any conflict between his or her duties as a Director and his or her personal interests to affect the performance of his or her duties as a Director;

(e) connected transactions between our Group and companies controlled by our Controlling Shareholders are subject to the rules and regulations under the GEM Listing Rules including rules relating to announcement, reporting and independent Shareholders' approval requirements (where applicable);

(f) all of the restaurant business in Hong Kong held by our Controlling Shareholders as at the Latest Practicable Date had been consolidated into our Group as part of the Reorganisation. Therefore, there is no competition that would adversely affect the management independence of our Group; and

(g) a number of corporate governance measures are in place to avoid any potential conflict of interest between our Group and our Controlling Shareholders, and to safeguard the interests of the independent Shareholders. Please refer to the paragraph headed "Corporate governance measures" in this section for details.

EXCLUDED RESTAURANT BUSINESS

During the Track Record Period and up to the Latest Practicable Date, our Controlling Shareholders were interested in the following restaurant businesses which were not included in our Group.

Big Sky

Big Sky was incorporated in Hong Kong on 25 May 2012 which was owned as to 20% by Total Commitment, 20% by Ideal Winner, 40% by Indo Gold and 20% by Minrish immediately before its dissolution by deregistration on 24 July 2015. Its principal business was to operate a Western style restaurant in Yau Tsim Mong District under the name of "ViCool". In view of its unsatisfactory business performance, the then shareholders and directors of Big Sky resolved to close down such business on 31 August 2014 and applied for deregistration of Big Sky on 24 December 2014. As Big Sky ceased its restaurant business on 31 August 2014, no longer engages in restaurant business in Hong Kong, and was dissolved by deregistration on 24 July 2015, it was not included in our Group. Based on the audited accounts of Big Sky, Big Sky recorded net loss of (i) approximately HK$3.7 million of an operating loss for the year ended 31 March 2014; and (ii) approximately HK$7.8 million comprising an operating loss of approximately HK$2.3 million and a one-off loss on disposal of fixed assets in relation to the closure of "ViCool" of approximately HK$5.5 million for the year ended 31 March 2015. Our Controlling Shareholders, Mr. Sekhri and Ms. Dayaram, have been the directors of Big Sky since its incorporation.

Fast Fortune

Fast Fortune was incorporated in Hong Kong on 29 July 2011 which was owned as to 20% by Total Commitment, 20% by Ideal Winner, 40% by Indo Gold and 20% by Minrish immediately before its dissolution by deregistration on 24 July 2015. Its principal business was to operate a Western style restaurant in Central and Western District under the name of "Carnevino". To improve the business performance, the then directors of Fast Fortune decided to change the restaurant concept with a view to operate a new restaurant under a franchised brand. Given that Fast Fortune recorded net liabilities as at 31 March 2014, a new subsidiary, Golden Rock, was incorporated to operate the new restaurant Gaucho, at the same premises. As a result, the then shareholders and directors of Fast Fortune resolved to close down such business on 31 July 2014 and applied for deregistration of Fast Fortune on 24 December 2014. As Fast Fortune ceased its restaurant business on 31 July 2014 and no longer engages in restaurant business in Hong Kong, having considered that Fast Fortune was dissolved by deregistration on 24 July 2015, the business of Fast Fortune was not included in our Group. Based on the audited accounts of Fast Fortune, Fast Fortune recorded net loss of (i) approximately HK$5.0 million of an operating loss for the year ended 31 March 2014; and (ii) approximately HK$12.6 million comprising an operating loss of approximately HK$1.7 million and a one-off loss on disposal of fixed assets in relation to the closure of "Carnevino" of approximately HK$10.9 million for the year ended 31 March 2015. Our Controlling Shareholders, Mr. Sekhri and Ms. Dayaram, have been the directors of Fast Fortune since its incorporation.

Great Honest

Great Honest was owned as to 10% by Total Commitment, 14% by Ideal Winner, 56% by Indo Gold and 20% by Minrish immediately before its dissolution by deregistration on 4 September 2015. Its principal business was to operate Prime Steak House. Before the expiration of the then existing lease of the restaurant, and preparation of the opening of a new restaurant at the same premises, a new lease was entered into between the landlord and Fame Top, with its term of lease commencing on 1 July 2013. On 30 June 2013, the directors of Great Honest resolved to cease the business operations of Great Honest. Since it took several months to prepare for the opening of the new restaurant, during the transitional period from 1 July 2013 to 23 February 2014, we operated Prime Steak under Fame Top. On 21 March 2014, Fame Top opened Toro at the same premises. As Great Honest had not carried out any business since the expiration of the then lease in June 2013, the then shareholders and directors of Great Honest applied for deregistration of Great Honest on 24 December 2014. As Great Honest ceased its restaurant business on 30 June 2013 and no longer engages in restaurant business in Hong Kong, having considered that Great Honest was dissolved by deregistration on 4 September 2015, Great Honest was not included in our Group. Based on the audited accounts of Great Honest, Great Honest recorded a net profit of approximately HK$1.2 million for the year ended 31 March 2014. There is no operating data of Great Honest for the year ended 31 March 2015 since Great Honest ceased its restaurant business on 30 June 2013. Our Controlling Shareholders, Mr. Sekhri and Ms. Dayaram, have been the directors of Great Honest since its incorporation.

Gourmet Express

Gourmet Express was incorporated in Hong Kong on 7 December 2006 which was wholly-owned by Total Commitment prior to its dissolution by deregistration on 24 July 2015. Its principal business was the provision of take-way food services in Sheung Wan under the name of “Pizza Pizza”. In view of its unsatisfactory business performance, the then shareholders and directors of Gourmet Express resolved to close down such business on 31 January 2012 and applied for deregistration of Gourmet Express on 27 January 2015. As Gourmet Express ceased its restaurant business on 31 January 2012 and no longer engages in takeaway food services in Hong Kong, having considered that Gourmet Express was dissolved by deregistration on 24 July 2015, the business of Gourmet Express was not included in our Group. There is no operating data of Gourmet Express for the two years ended 31 March 2015 since Gourmet Express ceased its restaurant business on 31 January 2012. Our Controlling Shareholders, Mr. Sekhri and Ms. Dayaram, have been the directors of Gourmet Express since its incorporation.

Dining Concepts (Macau)

Dining Concepts (Macau) was incorporated in Macau on 14 June 2007 which is owned as to 60% by Indo Gold, 25% by Mr. Sekhri and 15% by Ms. Dayaram. Its principal business is to operate an Italian style restaurant in Macau under the name of “Pizza Pizza”. In view of the different geographical locations, our Directors consider that the restaurant industry of Macau is separate, distinct and clearly delineated from the restaurant industry of Hong Kong. As our Group is capable of functioning, operating and carrying on our business operations independently, and is financially independent from the excluded restaurant business in Macau, having considered the business strategies of our Group, the business of Dining Concepts (Macau) was not included in our Group. Based on the management accounts of Dining Concepts (Macau), Dining Concepts (Macau) recorded net profit of approximately MOP$0.7 million, MOP$2.6 million and MOP$2.3 million (equivalent to approximately HK$0.7 million, HK$2.5 million and HK$2.2 million, respectively) for the three years ended 31 March 2016. Our Controlling Shareholders, Mr. Sekhri and Ms. Dayaram, have been the directors of Dining Concepts (Macau) since its incorporation.

As at the Latest Practicable Date, our Group did not operate any restaurant in Macau and our Controlling Shareholders did not have any interest in, or control of any restaurant in Hong Kong other than the restaurants of our Group. As such, the above businesses of our Controlling Shareholders are clearly delineated from our restaurant business because of their different geographical locations.

Our Directors, including our independent non-executive Directors, are of the view that, to the best of their knowledge and belief, none of our Controlling Shareholders and their respective close associates have interests in businesses which compete, or are likely to compete, either directly or indirectly with our business.

NON-COMPETITION UNDERTAKING BY CONTROLLING SHAREHOLDERS

In order to avoid any future competition between our Group and our Controlling Shareholders, each of our Controlling Shareholders has entered into the Deed of Non-competition in favour of our Company and has undertaken and covenanted with our Company (for itself and as trustee for its subsidiaries) that he/she/it shall not, and shall procure entities or companies controlled by him/her/it (other than a member of our Group) not to at any time during the restricted period, directly or indirectly, either on his/her/its own account or in conjunction with or on behalf of any person, firm or company (in each case whether as a shareholder, partner, agent, employee or otherwise):

(i) carry on, engage, participate, concerned or interested in or in any way assist in or provide support (whether financial, technical or otherwise) to any business similar to or which competes (either directly or indirectly) or is likely to compete with any business which is the same as, similar to or in competition with the current business of our Group, namely, the operation of Hong Kong restaurants (the “**Restricted Business**”);

(ii) canvass, solicit, interfere with or endeavour to entice away from our Group any person, firm, company or organisation which to his/her/its knowledge has from time to time or has at any time with the immediate past two (2) years before the date of such solicitation, interference or enticement been a customer, a supplier or a business partner or employee of our Group for the purpose of conducting any Restricted Business;

(iii) procure orders from or solicit business from any person, firm, company or organisation which to his/her/its knowledge has dealt with any member of our Group or is in the process of negotiating with any member of our Group in relation to any Restricted Business;

(iv) do or say anything which may be harmful to the reputation of any member of our Group or which may lead any person to reduce their level of business with any member of our Group or seek to improve their terms of trade with any member of our Group;

(v) solicit or entice or endeavour to solicit or entice for employment by him/her/it or entities or companies controlled by him/her/it (other than our Group) or at any time employ or procure the employment of any person who has, at any time within the immediate past two (2) years before the date of such solicitation or employment, been or is a director, manager, employee of or consultant to our Group who is or may be likely to be in possession of any confidential information or trade secrets relating to the Restricted Business carried on by our Group;

(vi) engage, participate or hold any right or interest in or render any services to or otherwise be involved in any business in competition with or likely to be in competition with the existing business activity of our Group or be in competition with any member of our Group in any business activities which any member of our Group may undertake in the future save for the holding of not more than 10% shareholding interests (individually or any of our Controlling Shareholders with their associates collectively) in any listed company in Hong Kong; and

(vii) make use of any information pertaining to the business of our Group which may have come to his/her/its knowledge in his/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 our Group.

In addition, each of our Controlling Shareholders has undertaken and covenanted with our Company that if any new business opportunity relating to the operation of Hong Kong restaurants is made available to any of our Controlling Shareholders or any company or entity controlled by him/her/it, directly or indirectly, whether individually or together (other than our Group), he/she/it will or will direct or procure the relevant controlled company to direct such business opportunity to our Group with such required information to enable our Group to evaluate the merits of the relevant business opportunity. The relevant Controlling Shareholder will provide or procure the relevant controlled company to provide our Group with all such reasonable assistance to secure such business opportunity.

None of our Controlling Shareholders and their relevant controlled companies (other than our Group) shall pursue the relevant business opportunity unless our Company decides not to pursue such business opportunity. Any decision of our Company as to whether or not to pursue the business opportunity will have to be approved by our independent non-executive Directors. Our Group will not be required to pay any fees to any of our Controlling Shareholders and/or their relevant controlled companies in relation to such business opportunity.

The Deed of Non-competition and the rights and obligations thereunder are conditional and will take effect immediately upon Listing.

The obligations of a Controlling Shareholder under the Deed of Non-competition will remain in effect until:

(a) the date on which the Shares cease to be listed on GEM of the Stock Exchange; or

(b) the Controlling Shareholder ceases to act in concert pursuant to the acting in concert confirmation and undertaking and the Controlling Shareholder and/or his/her/its associates, collectively and individually, cease to be entitled to exercise or control the exercise of 30% or more of the voting power in general meetings of our Company,

whichever occurs first.

Nothing in the Deed of Non-competition shall prevent our Controlling Shareholders or any of their associates from carrying on any business other than the Restricted Business.

CORPORATE GOVERNANCE MEASURES

Our Company will adopt the following measures to manage the conflict of interests arising from the possible competing business of our Controlling Shareholders so as to safeguard the interests of our independent Shareholders:

(a) our independent non-executive Directors will review, at least on an annual basis, the compliance with the Deed of Non-competition by our Controlling Shareholders;

(b) each of our Controlling Shareholders will make an annual declaration of compliance with the Deed of Non-competition in the annual report of our Company;

(c) each of our Controlling Shareholders has undertaken to provide all information necessary for the annual review by our independent non-executive Directors and the enforcement of the Deed of Non-competition;

(d) in preparation for the Listing, our Company has amended our Articles of Association to comply with the GEM Listing Rules. In particular, a Director shall not vote on any board resolution approving any contract in relation to which he or she has a material interest, nor shall such Director be counted in the quorum present at the meeting. Furthermore, a Director who holds directorship and/or senior management positions in our Controlling Shareholders or any of our Controlling Shareholders' associates (other than our Company or any member of our Group) shall not vote on any board resolution regarding any transactions proposed to be entered into between any member of our Group and our Controlling Shareholders or any of our Controlling Shareholders' associates (other than our Company or any member of our Group), nor shall such Director be counted in the quorum present at such meeting;

(e) we have appointed Quam Capital as our compliance adviser, which will provide advice and guidance to us with respect to compliance with the applicable laws and the GEM Listing Rules, including but not limited to various requirements relating to Directors' duties and internal controls;

(f) we will disclose decisions on matters reviewed by our independent non-executive Directors relating to compliance and enforcement of the Deed of Non-competition either through an annual report, or by way of announcement to the public;

(g) the management structure of our Group includes an audit committee, a remuneration committee, and a nomination committee, the terms of reference of each of which will require them to be alert to prospective conflict of interest and to formulate their proposals accordingly; and

(h) pursuant to the Corporate Governance Code and Corporate Governance Report in Appendix 15 of the GEM Listing Rules, our Directors, including our independent non-executive Directors, will be able to seek independent professional advice from external parties in appropriate circumstances at our Company's costs.

Our Company is expected to comply with the Corporate Governance Code and Corporate Governance Report in Appendix 15 of the GEM Listing Rules which sets out principles of good corporate governance in relation to, among others, Directors, chief executive, Board composition, the appointment, re-election and removal of Directors, their responsibilities and remuneration and communication with our Shareholders. Our Company will state in our interim and annual reports whether we have complied with such code, and will provide details of, and reasons for, any deviation from it in the corporate governance reports attached to our annual reports.

Overview

Pursuant to Chapter 20 of the GEM Listing Rules, our Directors, substantial shareholders and chief executive or those of our subsidiaries (other than the directors, substantial shareholders and chief executive of our insignificant subsidiaries), any of their associates and any person who was our Director or a director of our subsidiaries within 12 months preceding the Listing Date will become a connected person of our Company upon the Listing. Upon the Listing, our transactions with such connected persons will constitute connected transactions under Chapter 20 of the GEM Listing Rules.

Our Directors confirm that the following transactions which will continue after Listing will constitute continuing connected transactions for our Company under Chapter 20 of the GEM Listing Rules.

(A) Continuing connected transactions which are exempt from the reporting, annual review, announcement and independent shareholders' approval requirements

(1) Tenancy agreement in respect of a store room in Hong Kong

Since December 2010, Lettuce Entertain has been granted an exclusive right to use and occupy the premises of Total Commitment (HK), which is situated at Flat 8C, Grand Progress Building, 15 Lan Kwai Fong, Central, Hong Kong, for a monthly fee of HK$12,500 as store room on an oral basis. It is anticipated that Lettuce Entertain will continue to use the premises as store room for its ordinary and usual course of business. In order to secure the rights of Lettuce Entertain to use the premises, on 1 December 2014, Lettuce Entertain as tenant entered into a tenancy agreement (the "**Tenancy Agreement**") with Total Commitment (HK) as landlord, pursuant to which Total Commitment (HK) agreed to lease the premises to Lettuce Entertain for a term of two years commencing on 1 December 2014 and expiring on 30 November 2016 at a monthly rent (exclusive of government rates, air-conditioning and service charges) of HK$15,000. Our fees paid in relation to the Tenancy Agreement for the three years ended 31 March 2016 were HK$150,000, HK$160,000 and HK$180,000, respectively.

Our Directors estimate that the annual caps under the Tenancy Agreement will be HK$180,000, HK$180,000 and HK$180,000 for the three years ending 31 March 2019, respectively. Such estimate is based on the fixed monthly rent payable under the Tenancy Agreement.

Total Commitment (HK) is owned as to 50% by Mr. Sekhri, our Controlling Shareholder and executive Director, and 50% by Mrs. Ranjna Sekhri, spouse of Mr. Sekhri. Hence, Total Commitment (HK) is a connected person of our Company for the purpose of the GEM Listing Rules. Lettuce Entertain is an indirect wholly-owned subsidiary of our Company. Accordingly, the lease under the Tenancy Agreement will constitute continuing connected transactions for our Company under Chapter 20 of the GEM Listing Rules. Our Directors confirm that the Tenancy Agreement was entered into on normal commercial terms. The rent to be paid under the Tenancy Agreement is to be reviewed every two years, taking into account the market conditions and the prevailing market rent at the relevant time and no less favourable than that offered to Independent Third Parties.

Asset Appraisal Limited, an independent valuer, has reviewed the Tenancy Agreement and confirmed that the terms of the Tenancy Agreement are on normal terms and are fair and reasonable, and that the monthly rent payable under the Tenancy Agreement is at the market rents for similar premises in similar location at the time of the commencement of the Tenancy Agreement. The annual rent under the Tenancy Agreement was determined with reference to the prevailing market rate for the lease of properties of similar standard in neighbouring areas of the premises.

Since each of the applicable percentage ratios (other than the profits ratio) for the Tenancy Agreement is less than 5% and the total consideration is less than HK$3,000,000, the transaction under the Tenancy Agreement is exempt from the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules as it falls within the de minimis threshold under Rule 20.74(1) of the GEM Listing Rules. We will comply with all the relevant requirements under Chapter 20 of the GEM Listing Rules in respect of the continuing connected transactions.

(2) Master agreement in respect of the procurement of food delivery services rendered by Cuisine Courier and Waiters On Wheels

Our restaurants had been engaging the food delivery services of Cuisine Courier and Waiters On Wheels during and before the Track Record Period and up to the Latest Practicable Date whereby customers can order foods from our restaurants through the food delivery services of Cuisine Courier and Waiters On Wheels. No written long term contract has been entered in the past and each of our restaurants pays (i) an annual service fee of approximately HK$3,000; and (ii) a commission of an agreed percentage on the invoiced price of food delivered of approximately 25%, for the procurement of food delivery services of Cuisine Courier and Waiters On Wheels. For the three years ended 31 March 2016, our procurement of food delivery services from Cuisine Courier, were approximately HK$1.6 million, HK$1.7 million and HK$1.4 million respectively and our procurement of food delivery services from Waiters On Wheels were approximately HK$0.2 million, HK$0.2 million and HK$60,000 respectively.

It is anticipated that our Group will continue to engage the food delivery services of Cuisine Courier and Waiters On Wheels after the Listing. In order to ensure the service fee and terms offered by Cuisine Courier and Waiters On Wheels are fair and reasonable, on 14 July 2016, our Company entered into a master agreement with Cuisine Courier and Waiters On Wheels (the "**Food Delivery Services Agreement**") pursuant to which Cuisine Courier and Waiters On Wheels agreed to charge (i) a fixed annual service fee of HK$3,000 per restaurant operating by our Group; and (ii) a commission on the invoiced price of food delivered at a fixed percentage of 25%. Cuisine Courier and Waiters On Wheels undertake to our Company that the charges for the procurement of food delivery services and the terms offered to us are no less favourable than those offered to Independent Third Parties.

Our Directors estimate that the annual cap payable to Cuisine Courier and Waiters On Wheels under the Food Delivery Services Agreement shall in aggregate be HK$2.0 million, HK$2.4 million and HK$2.8 million for the three years ending 31 March 2019, respectively. Such annual caps were determined based on (i) our expenses in relation to engaging the food delivery services of Cuisine Courier and Waiters On Wheels during the Track Record Period; and (ii) the anticipated demand for food delivery services of Cuisine Courier and Waiters On Wheels for the three years ending 31 March 2019. The term of the Food Delivery Services Agreement shall commence on the Listing Date and expire on 31 March 2019. Our Directors confirm that the Food Delivery Services Agreement is on normal commercial terms.

Both Cuisine Courier and Waiters On Wheels are wholly-owned by Total Commitment. Hence, Cuisine Courier and Waiters On Wheels are connected persons of our Company for the purpose of the GEM Listing Rules. Accordingly, the transactions contemplated under the Food Delivery Services Agreement will constitute continuing connected transactions for our Company under Chapter 20 of the GEM Listing Rules. The terms of the Food Delivery Services Agreement are to be reviewed every three years, taking into account of the market conditions and the prevailing market rate for food delivery services fee at the relevant time.

Since each of the applicable percentage ratios (other than the profits ratio) for the Food Delivery Services Agreement is expected to be less than 5% and the total consideration is less than HK$3,000,000 on an annual basis, the transactions are exempt from the reporting, annual review, announcement and the independent shareholders' approval requirement under Chapter 20 of the GEM Listing Rules as it falls within the de minimis threshold under Rule 20.74(1) of the GEM Listing Rules. We will comply with all the relevant requirements under Chapter 20 of the GEM Listing Rules in respect of the continuing connected transactions.

(B) Continuing connected transaction which is subject to the reporting, annual review and announcement requirements but exempt from independent shareholders' approval requirements

(1) Master agreement in respect of the supply of utensils and kitchen equipment by Global Hotelware

We had been purchasing the utensils and kitchen equipment supplied by Global Hotelware, the exclusive distributor of certain brands of utensils and kitchen equipment in Hong Kong, during and before the Track Record Period and up to the Latest Practicable Date for the ordinary and usual course of our business operations. No written long term contract has been entered into with Global Hotelware in the past and the purchase prices of utensils and kitchen equipment were normally determined on a cost-plus basis at an agreed mark-up rate of no more than 15%. Our purchase of utensils and kitchen equipment for the three years ended 31 March 2016 were approximately HK$3.4 million, HK$4.1 million and HK$4.8 million, respectively.

It is anticipated that our Group will continue to purchase utensils and kitchen equipment from Global Hotelware after the Listing. In order to secure a stable supply of utensils and kitchen equipment, on 14 July 2016, our Company entered into a master agreement (the "**Utensils and Kitchen Equipment Supply Agreement**") with Global Hotelware pursuant to which Global Hotelware agreed to supply utensils and kitchen equipment to our Group on a cost-plus basis at a mark-up rate to be determined from time to time with reference to the product types, cost of products, sales volume and selling price offered to Independent Third Parties in order to ensure the price and terms offered by Global Hotelware are fair and reasonable and no less favourable than those offered to Independent Third Parties. The term of the Utensils and Kitchen Equipment Supply Agreement shall commence on the Listing Date and expire on 31 March 2019. It is agreed that such mark-up rate shall in any event be not more than 15%, and that the maximum aggregate amount payable by our Group to Global Hotelware shall not exceed HK$8.0 million, HK$8.8 million and HK$9.8 million for the three years ending 31 March 2019, respectively. Such annual caps were determined based on (i) our purchase on utensils and kitchen equipment during the Track Record Period; and (ii) the anticipated demand for utensils and kitchen equipment for the three years ending 31 March 2019 having regard to (a) the business expansion plan of our Group in which our Group intends to open approximately four, four and four new restaurants in Hong Kong in the years ending 31 March 2017, 31 March 2018 and 31 March 2019, respectively; (b) the expected new equipment (including utensils and kitchen equipment) to be added for upgrading the existing restaurants during the three years ending 31 March 2019; (c) the expected increase in demand from our existing restaurants due to the increase in our restaurants which are high-end with larger scale of operation that our Directors expect the cost of replacing the higher quality of wine glasses and utensils will be higher; and (d) the expected increment of market price of the utensils and kitchen equipment supplied by Global Hotelware of 3% per annum.

The breakdown of the estimated amount for our purchase of utensils and kitchen equipment from Global Hotelware for the three years ending 31 March 2019 is as follows:

For the year ending 31 March 2017:

	Number of restaurants involved	Estimated amount to be incurred
		(HK$ million)
Existing restaurants*(Note)*	22	4.1
New restaurants expected to be opened during the year	4	3.5
Restaurants expected to be upgraded by renovation	2	0.4
Total		**8.0**

For the year ending 31 March 2018:

	Number of restaurants involved	Estimated amount to be incurred
		(HK$ million)
Existing restaurants[(Note)]	26	5.8
New restaurants expected to be opened during the year	4	2.8
Restaurants expected to be upgraded by renovation	1	0.2
Total		**8.8**

For the year ending 31 March 2019:

	Number of restaurants involved	Estimated amount to be incurred
		(HK$ million)
Existing restaurants[(Note)]	30	7.1
New restaurants expected to be opened during the year	4	2.5
Restaurants expected to be upgraded by renovation	1	0.2
Total		**9.8**

Note: The number of existing restaurants is based on the assumption that there will be no disposal/closure of our restaurants for the three years ending 31 March 2019.

Our Directors consider that the above procedures can ensure the transactions as contemplated under the Utensils and Kitchen Equipment Supply Agreement will be conducted on normal commercial terms and not prejudicial to the interests of our Company and the independent Shareholders after Listing.

Global Hotelware is owned as to 70% by Total Commitment, our Controlling Shareholder and executive Director, and 30% by Mr. Umesh Chander Bhasin, an Independent Third Party. Hence, Global Hotelware is a connected person of our Company for the purpose of the GEM Listing Rules. Accordingly, the transactions contemplated under the Utensils and Kitchen Equipment Supply Agreement will constitute continuing connected transactions for our Company under Chapter 20 of the GEM Listing Rules. Our Directors confirm that the Utensils and Kitchen Equipment Supply Agreement is on normal commercial terms. The terms of the Utensils and Kitchen Equipment Supply Agreement are to be reviewed every three years, taking into account of the market conditions and the prevailing market price for utensils and kitchen equipment at the relevant time and no less favourable than those offered to Independent Third Parties.

Since each of the applicable percentage ratios (other than the profits ratio) for the Utensils and Kitchen Equipment Supply Agreement is expected to be less than 25% and the total consideration is less than HK$10,000,000 on an annual basis, the transactions are subject to the reporting, annual review and announcement requirements but exempt from the independent shareholders' approval requirement under Rule 20.74(2) of the GEM Listing Rules. We will comply with all the relevant requirements under Chapter 20 of the GEM Listing Rules in respect of the continuing connected transactions.

WAIVER

The transactions in respect of the supply of utensils and kitchen equipment by Global Hotelware constitute non-exempt continuing connected transactions under the GEM Listing Rules. The transactions in respect of the supply of utensils and kitchen equipment by Global Hotelware would be subject to reporting, annual review and announcement requirements but exempt from the independent shareholders' approval requirement under the GEM Listing Rules as the applicable percentage ratios (other than the profits ratio) calculated with reference to the proposed annual caps for the years shown above are less than 25% and the total consideration is less than HK$10,000,000 on an annual basis.

We have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with the announcement requirement of the GEM Listing Rules in respect of the continuing connected transactions in respect of the supply of utensils and kitchen equipment by Global Hotelware subject to the aggregate value of these non-exempt continuing connected transactions for the three years ending 31 March 2019 not exceeding the respective annual caps set forth above.

DIRECTORS' VIEW

Our Directors, including our independent non-executive Directors, consider that all the continuing connected transactions above and the respective annual caps are fair and reasonable, and that such transactions have been entered into in the ordinary and usual course of our business, on normal commercial terms that are fair and reasonable and in the interest of our Company and our Shareholders as a whole.

SOLE SPONSOR'S VIEW

The Sole Sponsor is of the view that the continuing connected transaction in respect of the supply of utensils and kitchen equipment by Global Hotelware and the respective annual caps are fair and reasonable, and that such transaction have been entered into in the ordinary and usual course of our business, on normal commercial terms that are fair and reasonable and in the interest of our Company and our Shareholders as a whole.

DIRECTORS AND SENIOR MANAGEMENT

Our Board consists of seven Directors, comprising two executive Directors, two non-executive Directors and three independent non-executive Directors. The following table summarised certain information of our Directors and senior management:

Name	Age	Date of joining our Group	Position	Date of Appointment	Role and Responsibilities	Relationships amongst Directors and senior management
Mr. Sandeep Sekhri (石成達)	50	11 September 2002	Executive Director, chief executive officer and chairman of our Board	22 May 2014 (redesignated as our executive Director on 23 March 2015)	Overseeing and planning the business strategies and the overall management of our Group	N/A
Mr. Sandip Gupta	45	1 January 2003	Executive Director, director of operations and compliance officer	23 March 2015	Overseeing and monitoring the operations of our restaurants	N/A
Mr. Jugdish Johnny Uttamchandani	48	23 March 2015	Non-executive Director	23 March 2015	Monitoring the executive activities and advising on corporate and business strategies	N/A
Ms. Shalu Anil Dayaram	41	3 September 2003	Non-executive Director	23 March 2015	Monitoring the executive activities and advising on corporate and business strategies	N/A
Mr. Chan Ming Sun Jonathan (陳銘燊)	43	14 July 2016	Independent non-executive Director	14 July 2016	Advising on issues such as corporate governance, connected transactions, audit, remuneration and nomination of Directors and senior management	N/A

Name	Age	Date of joining our Group	Position	Date of Appointment	Role and Responsibilities	Relationships amongst Directors and senior management
Mr. Zen Chung Hei, Hayley (單頌曦)	41	14 July 2016	Independent non-executive Director	14 July 2016	Advising on issues such as corporate governance, connected transactions, audit, remuneration and nomination of Directors and senior management	N/A
Mr. Amit Agarwal	43	14 July 2016	Independent non-executive Director	14 July 2016	Advising on issues such as corporate governance, connected transactions, audit, remuneration and nomination of Directors and senior management	N/A
Mr. Kamal Sachar	48	2 October 2002	Director of finance	6 October 2014	Overseeing issues such as accounting, tax and financial planning	N/A
Ms. Ana Maria Lopez Donoso	35	16 March 2012	Director of design	1 April 2013	Planning on the architect and interior design of our restaurants	N/A
Mr. Garry Grenville Bissett	73	1 January 2015	Director of marketing	1 January 2015	Advising on the marketing, sales and public relations of our Group and restaurants	N/A

Executive Directors

Mr. Sandeep Sekhri (石成達), aged 50, is an executive Director, chief executive officer and chairman of the Board. He is the founder of our Group and the director of all the subsidiaries of our Company. He has overseen the growth and diversification of our Group since its inception and is primarily responsible for overseeing and planning the business strategies and the overall management of our Group. Mr. Sekhri has over 22 years of experience in hospitality and full-service restaurant industries in Hong Kong and India. Prior to founding our Group, from 1987 to 1990, Mr. Sekhri worked at Taj Mahal Hotel and Le Meridien Hotel in India as restaurant manager and assistant manager, where he was primarily responsible for managing the operation of the hotels. From 1990 to 1992, he was a restaurant manager of The Viceroy Restaurant in Hong Kong. From 1992 to 1995, Mr. Sekhri became a general manager of The Gaylord Indian Restaurant, where he was responsible for the general management of the restaurant. In 1995, Mr. Sekhri was appointed as managing director and was also a shareholder of Harilela Strategic Investments Limited, a company principally engaged in managing an aggregate of seven restaurants, a hotel supplies company, a point-of-sales company and a food delivery company, where he was primarily responsible for management of the operations of seven restaurants. Mr. Sekhri ceased to be a managing director and a shareholder of Harilela Strategic Investments Limited on 28 August 2002 and no restriction was imposed on Mr. Sekhri to engage in restaurant business afterwards by Harilela Strategic Investments Limited. Mr. Sekhri received a bachelor’s degree in commerce from University of Delhi in April 1988 and a diploma in hotel management catering and nutrition from Board of Technical Education Delhi in April 1987. Mr. Sekhri has not held any directorship in any other public companies the securities of which are or have been listed on any securities market in Hong Kong or overseas in the past three years.

Mr. Sandip Gupta, aged 45, is an executive Director, director of operations and compliance officer. He is also the director of Bombay Dreams (HK) and Dining Concepts. He is primarily responsible for overseeing and monitoring the operations of our restaurants. Mr. Gupta joined our Group in 2002 as a general manager. He was then promoted to become the director of operations since 2005, with responsibility to, among others, develop operating budget, supervise the training and recruitment of employees, oversee the compliance of internal control policies and cost control and implement the overall growth strategy. Prior to joining our Group, Mr. Gupta has over 11 years of experience in the hospitality industry. From 1993 to 1995, Mr. Gupta worked at Taj Bengal Kolkata, Calcutta and Hyatt Regency in India, as industrial trainee and waiter, where he received elementary training in respect of the hospitality industry. From 1996 to 1997, Mr. Gupta was an assistant manager of Gaylord Indian Restaurant. He was then promoted to become a restaurant manager responsible for the restaurant operation. Mr. Gupta received a bachelor’s degree in commerce from University of Calcutta in April 1992 and a diploma in hotel and catering management from IAM, Institute of Advanced Management, India in August 1994. Mr. Gupta has not held any directorship in any other public companies the securities of which are or have been listed on any securities market in Hong Kong or overseas in the past three years.

Non-executive Directors

Mr. Jugdish Johnny Uttamchandani, aged 48, is a non-executive Director. Prior to the appointment as our non-executive Director, Mr. Uttamchandani has worked in the family business of trading garments, Napco Limited, as sales manager, where he was responsible for operation decision making, since 1990. Mr. Uttamchandani received a bachelor’s degree in economics majoring finance from the Wharton School of Business, the University of Pennsylvania in February 1990. Mr. Uttamchandani has not held any directorship in any other public companies the securities of which are or have been listed on any securities market in Hong Kong or overseas in the past three years.

Ms. Shalu Anil Dayaram (also known as Shalu Anil Hathiramani), aged 41, is a non-executive Director. Ms. Dayaram joined our Group in September 2003 as director of Excel Team Trading. Currently, she is the director of 19 of our operating subsidiaries and is primarily responsible for monitoring the executive activities and advising our corporate and business strategies of our business.

In aggregate, she has over 12 years of executive experience in restaurant industry. Ms. Dayaram received a bachelor's degree in arts from the De La Salle University, Philippines in December 1996. Ms. Dayaram has not held any directorship in any other public companies the securities of which are or have been listed on any securities market in Hong Kong or overseas in the past three years.

Independent Non-executive Directors

Mr. Chan Ming Sun Jonathan (陳銘燊), aged 43, is an independent non-executive Director.

Mr. Chan is currently an investment manager of Sprint Asset Management Limited and has over 15 years of experience in direct investment, management of private equity fund. Between July 2002 and December 2014, Mr. Chan was an associate director of Go-To-Asia Investment Limited, where he was primarily responsible for the overall operation of the fund. Between April 1995 and October 2000, he worked at Ernst & Young in Hong Kong and his last position was a senior accountant with the corporate services department. Mr. Chan obtained his bachelor's degree in commerce in accounting and information systems from the University of New South Wales, Australia in June 1995. He has been a member and a fellow of the Hong Kong Institute of Certified Public Accountants since January 1999 and September 2014 respectively and Certified Practising Accountants, Australia since February 1995 and a fellow of The Hong Kong Institute of Directors since June 2013.

Mr. Chan is currently an independent non-executive director of (i) Hao Tian Development Group Limited (Stock code: 474) since March 2012; (ii) Shenyang Public Utility Holdings Company Limited (Stock code: 747) re-appointed since February 2015; (iii) China Dredging Environment Protection Holdings Limited (Stock code: 871) since November 2012; and (iv) Far East Holdings International Limited (Stock code: 36) since November 2014, the securities of the above companies are listed on the Main Board of the Stock Exchange. He is also an independent non-executive director of (i) L & A International Holdings Limited (Stock code: 8195) since October 2014; and (ii) Changhong Jiahua Holding Limited (Stock code: 8016) since February 2007, the securities of the above companies are listed on GEM.

Mr. Chan was an independent non-executive director of Focus Media Network Limited (Stock code: 8112) between April 2015 and November 2015, the securities of which are listed on GEM. He was also an independent non-executive director of (i) Fintronics Holdings Company Limited (now known as "Beautiful China Holdings Company Limited") (Stock code: 706) between March 2013 and February 2014; (ii) Shenyang Public Utility Holdings Company Limited (Stock code: 747) between February 2009 and June 2013; and (iii) Capital VC Limited (Stock code: 2324) between August 2004 and April 2012, the securities of the above companies are listed on the Main Board of the Stock Exchange.

Mr. Zen Chung Hei, Hayley (單頌曦), aged 41, is an independent non-executive Director.

Mr. Zen has experience of more than 20 years in financial and accounting. Mr. Zen had been a staff accountant, semi-senior auditor and later on a senior auditor of Deloitte Touche Tohmatsu from January 1996 to April 1999. He then became a chief executive officer of Herb King Life Science Limited from October 1999 to April 2006, a company principally engaged in research and development, production and distribution of bio-technology products, where he had a responsibility to oversee operation and development. Mr. Zen had been a chief financial officer in Road King Property Limited from July 2006 to March 2011 and promoted to deputy chief operating officer, in charge of businesses in central and southern China, since April 2011. During his office in Road King Property Limited, he was primarily responsible for the supervision of the operation of property development business in central China. Mr. Zen obtained a bachelor's degree in commerce and a bachelor's degree in science from the University of Auckland, New Zealand in May 1996 and April 1996, respectively, master's degree in executive business administration from the Peking University, the PRC, in July 2007 and subsequently a postgraduate diploma in enterprise risk management from the University of Hong Kong in November 2010. Mr. Zen was admitted as a chartered accountant of the Institute of Chartered Accountants of New Zealand in January 1999 and an associate member of the Hong Kong Society of Accountants in September 2003. He is currently pursuing his further study in Doctor of Philosophy in Finance in Xiamen University, the PRC. Mr. Zen has not held any directorship in any other public companies the securities of which are or have been listed on any securities market in Hong Kong or overseas in the past three years.

Mr. Amit Agarwal, aged 43, is an independent non-executive Director. Mr. Agarwal has extensive experience in banking and finance. Mr. Agarwal had been working as a managing director at Barclays Capital Asia Limited located in Hong Kong, from July 2006 to September 2014. He was responsible for structuring investment products and providing solutions to clients across Asia Pacific. Previously, Mr Agarwal had worked as a director at Citigroup in Hong Kong from April 2005 to July 2006 where his primary responsibilities were trading and structuring at MTN Department of Citigroup Global Markets Asia Limited. Mr. Agarwal obtained a bachelor's degree in mechanical engineering from the University of Delhi, India in May 1994 and his post-graduate diploma in management from the Indian Institute of Management, Ahmedabad, India in March 1997. Mr. Agarwal has not held any directorship in any other public companies the securities of which are or have been listed on any securities market in Hong Kong or overseas in the past three years.

Save as disclosed above, there is no other information in respect of our Directors that is disclosable pursuant to Rules 17.50(2)(a) to (v) of the GEM Listing Rules and there is no other matter that needs to be brought to the attention of our Shareholders.

Senior Management

Mr. Kamal Sachar, aged 48, has been the director of finance of our Company since 6 October 2014. Mr. Sachar joined our Group in October 2002 and has been a financial controller of Dining Concepts since then. Mr. Sachar has extensive experience in accounting, finance, information technology, operations and management in restaurants and companies. Prior to joining our Group, Mr. Sachar had been the manager of audit and taxation of Pankaj Sachar & Associates from March 1991 to August 1993 and the assistant accounting manager of Harilela Strategic Group from September 1997 to October 2002. During his office in Pankaj Sachar & Associates and Harilela Strategic Group, he was primarily responsible for accounting and payrolls. Mr. Sachar obtained a bachelor's degree in commerce from University of Delhi, India in May 1990. Mr. Sachar has not held any directorship in any other public companies the securities of which are or had been listed on any securities market in Hong Kong or overseas in the past three years.

Ms. Ana Maria Lopez Donoso, aged 35, has been the director of design of our Company since March 2012. Ms. Lopez has extensive experience in the interior design of restaurants and other shops. Prior to joining our Group, Ms. Lopez had been an interior architect of Zanghellini & Holt Architects from May 2008 to March 2012. She has participated in many interior design projects, including the Apple Shop of Festival Walk in Kowloon and the Asian restaurant of Galaxy Group in Macau. Ms. Lopez obtained a bachelor's degree in architecture and a master's degree in urban development from Catholic University of Chile in June 2008. Ms. Lopez has not held any directorship in any other public companies the securities of which are or had been listed on any securities market in Hong Kong or overseas in the past three years.

Mr. Garry Grenville Bissett, aged 73, has been the director of marketing of our Company since 1 January 2015. Mr. Bissett joined our Group in January 2015 and has been a director of marketing on a full-time basis since then. Mr. Bissett has experience of more than 41 years in hospitality, marketing and public relations. Prior to joining our Group, Mr. Bissett had been a marketing manager in Choice Hotels International (formerly known as Flag Hotels and Flag Choice Hotels Australia) from 1989 to 1992, and promoted to general manager of marketing from 1992 to 1998. During his office of marketing manager and general manager of marketing in Choice Hotels International, he was primarily responsible for marketing, promotional activities and company collateral and domestic and international sales respectively. In February 2001, Mr. Bissett commenced his own sales, marketing and public relations company, Think Asia HK Ltd, serving a wide range of clients, including our Group since January 2002. Mr. Bissett completed his senior high school education at Hobart Matriculation College (formerly known as Hobart High School) in Australia in 1958. Mr. Bissett has not held any directorship in any other public companies the securities of which are or had been listed on any securities market in Hong Kong or overseas in the past three years.

COMPANY SECRETARY

Mr. Chan Fung Man (陳峰民), aged 34, was appointed as our company secretary of our Company on 8 July 2016. Mr. Chan was the company secretary of U Banquet Group Holding Limited (stock code: 1483), a company listed on the Stock Exchange from August 2013 to October 2015. Mr. Chan has been a member of the Hong Kong Institute of Certified Public Accountants since July 2009 and obtained his practice certificate in July 2013. Mr. Chan received his bachelor's degree in accounting from the Hong Kong Polytechnic University in December 2005. He has over nine years' experience in accounting and auditing. Mr. Chan has not held any directorship in any other public companies the securities of which are or had been listed on any securities market in Hong Kong or overseas in the past three years.

COMPLIANCE OFFICER

Mr. Sandip Gupta was appointed as the compliance officer of our Company on 21 September 2015. For the profile of Mr. Sandip Gupta, please refer to the section headed "Directors, senior management and employees — Directors and senior management — Executive directors" in this prospectus.

BOARD COMMITTEES

Audit Committee

We have established a Board audit committee pursuant to a resolution of our Directors passed on 14 July 2016 in compliance with the Corporate Governance Code and the Corporate Governance Report as set out in Appendix 15 to the GEM Listing Rules. The primary duties of the audit committee are to review and supervise our financial reporting process and internal controls.

The audit committee currently consists of three independent non-executive Directors. The members of the audit committee are currently Mr. Chan Ming Sun Jonathan, Mr. Zen Chung Hei, Hayley and Mr. Amit Agarwal and the chairman is Mr. Zen Chung Hei, Hayley.

Remuneration Committee

We have established a Board remuneration committee pursuant to a resolution of our Directors passed on 14 July 2016 in compliance with the Corporate Governance Code and Corporate Governance Report as set out in Appendix 15 to the GEM Listing Rules. The primary function of the remuneration committee is to make recommendations to the Board on our Company's policy and structure for all remuneration of directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration.

The remuneration committee currently consists of Mr. Zen Chung Hei, Hayley, Mr. Amit Agarwal and Mr. Sandip Gupta. It is currently chaired by Mr. Amit Agarwal, an independent non-executive Director.

Nomination Committee

We have established a Board nomination committee pursuant to a resolution of our Directors passed on 14 July 2016 in compliance with the Corporate Governance Code and Corporate Governance Report as set out in Appendix 15 to the GEM Listing Rules. The primary duties of the nomination committee are to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman and chief executive officer.

The nomination committee currently consists of Mr. Sandeep Sekhri, Mr. Zen Chung Hei, Hayley and Mr. Amit Agarwal and is currently chaired by Mr. Sandeep Sekhri.

CODE PROVISION A.2.1 OF THE CORPORATE GOVERNANCE CODE

Mr. Sekhri is our chairman and chief executive officer. With extensive experience in the restaurant industry, Mr. Sekhri is responsible for the overall strategic planning, management and operation of our Group and is instrumental to our growth and business expansion since our establishment in 2002. Our Board considers that vesting the roles of chairman and chief executive officer in the same person is beneficial to the management of our Group. The balance of power and authority is ensured by the operation of the senior management and our Board, which comprises experienced and high-calibre individuals. Our Board currently comprises two executive Directors (including Mr. Sekhri), two non-executive Directors and three independent non-executive Directors and therefore has a fairly strong independence element in its composition.

Save as disclosed above, we are in compliance with all code provisions of the Corporate Governance Code as set out in Appendix 15 to the GEM Listing Rules.

COMPLIANCE ADVISER

We have appointed Quam Capital as our compliance adviser pursuant to Rule 6A.19 of the GEM Listing Rules. Pursuant to Rule 6A.23 of the GEM Listing Rules, the compliance adviser will provide advice to us when consulted by us in the following circumstances:

(a) before the publication of any regulatory announcement, circular or financial report;

(b) if a transaction which might be a notifiable or connected transaction is contemplated, including share issues and share repurchases;

(c) if we propose to use the net proceeds of the Placing in a manner different from that detailed in this prospectus or when our business activities, developments or results deviate from any forecast, estimate or other information in this prospectus; and

(d) if the Stock Exchange makes an inquiry to us regarding unusual movements in the price or trading volume of the Shares.

The term of this appointment shall commence on the Listing Date and is expected to end on the date on which our Company complies with Rule 18.03 of the GEM Listing Rules in respect of the despatch of our annual report for the first full financial year.

SHARE OPTION SCHEMES

The Share Option Schemes have been conditionally adopted pursuant to the written resolutions of the Shareholders of our Company passed on 14 July 2016. The main purpose of the Share Option Schemes is to enable us to grant options to selected participants as incentives or rewards for their contribution to us. Our Directors consider the Share Option Schemes, with its broad basis of participation, will enable us to reward our employees, our Directors and other selected participants for their contributions to us. Further details of the Share Option Schemes are set out in the section headed "Share Option Schemes" in Appendix IV to this prospectus.

REMUNERATION AND COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

The aggregate remuneration (including fees, salaries, contributions to pensions schemes, housing allowances and other allowances and benefits in kind and discretionary bonuses) paid to our Directors for the three years ended 31 March 2016 were approximately HK$1.6 million, HK$2.5 million and HK$2.6 million, respectively.

The aggregate remuneration (including fees, salaries, contributions to pensions schemes, housing allowances and other allowances and benefits in kind and discretionary bonuses) paid to our Company's five highest paid individuals for the three years ended 2016 were approximately HK$4.5 million, HK$4.8 million and HK$5.3 million, respectively.

During the Track Record Period, no remuneration was paid by us to, or receivable by, our Directors or the five highest-paid individuals as an inducement to join or upon joining our Company. No compensation was paid by us to, or receivable by, our Directors, former Directors, or the five highest-paid individuals for each of the Track Record Period for the loss of any office in connection with the management of the affairs of any subsidiary of our Company.

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the Capitalisation Issue and the Placing (without taking into account the Shares to be issued upon the exercise of the Offer Size Adjustment Option or options granted or to be granted under the Share Option Schemes), the following persons will have an interest or short position in the Shares and the underlying Shares which would fall to be disclosed to our Company under 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 our Company:

Name	Nature of interests	Number of Shares held as at 18 July 2016[(1)]	Approximate shareholding percentage in our Company as at 18 July 2016[(2)] (%)	Number of Shares held upon Listing[(1)]	Approximate shareholding percentage in our Company upon Listing (%)
Dining Concepts[(2)] (International)	Beneficial owner	66,748(L)	60.76	260,598,000(L)	32.57
Total Commitment[(2)]	Interest in a controlled corporation	66,748(L)	60.76	260,598,000(L)	32.57
Mr. Sekhri[(2)]	Interest in a controlled corporation	66,748(L)	60.76	260,598,000(L)	32.57
Ideal Winner[(3)]	Beneficial owner	13,757(L)	12.53	82,542,000(L)	10.32
Ms. Dayaram[(3)]	Interest in a controlled corporation	13,757(L)	12.53	82,542,000(L)	10.32
Minrish[(4)]	Beneficial owner	7,354(L)	6.70	44,124,000(L)	5.52
Mr. Mirpuri[(4)]	Interest in a controlled corporation and interest of spouse	7,354(L)	6.70	44,124,000(L)	5.52
Mrs. Mirpuri[(4)]	Interest in a controlled corporation and interest of spouse	7,354(L)	6.70	44,124,000(L)	5.52
Indo Gold[(5)]	Beneficial owner	16,179(L)	14.73	97,074,000(L)	12.13
Mr. Uttamchandani	Beneficial owner	5,797(L)	5.28	34,782,000(L)	4.35
Prometheus Capital[(6)]	Beneficial owner	—	—	80,880,000(L)	10.11
Mr. Wang Sicong	Interest in a controlled corporation	—	—	80,880,000(L)	10.11

Notes:

1. *The letter "L" denotes a person's "long position" (as defined under Part XV of the SFO) in such Shares.*
2. *Dining Concepts (International) is wholly owned by Total Commitment which is in turn wholly-owned by Mr. Sekhri. By virtue of the SFO, Mr. Sekhri and Total Commitment are deemed to be interested in the Shares held by Dining Concepts (International).*
3. *Ideal Winner is wholly owned by Ms. Dayaram. By virtue of the SFO, Ms. Dayaram is deemed to be interested in the Shares held by Ideal Winner.*
4. *Minrish is owned as to 50% by each of Mr. Mirpuri and Mrs. Mirpuri, respectively, who is the spouse of one another. By virtue of the SFO, Mr. Mirpuri and Mrs. Mirpuri are deemed to be interested in the Shares held by Minrish.*
5. *Indo Gold is owned as to 25% by each of Mr. Uttamchandani, Mr. P.W. Uttamchandani, Mrs. D.P. Uttamchandani and Mr. M. Uttamchandani, respectively, Mr. P.W. Uttamchandani and Mrs. D.P. Uttamchandani are the spouse of one another, and Mr. Uttamchandani and Mr. M. Uttamchandani are their children.*
6. *Prometheus Capital is wholly owned by Mr. Wang Sicong. By virtue of the SFO, Mr. Wang Sicong is deemed to be interested in the Shares held by Prometheus Capital.*

Save as disclosed in this paragraph, our Directors are not aware of any persons who will, immediately following the completion of the Capitalisation Issue and the Placing, (without taking into account the Shares to be issued upon the exercise of the Offer Size Adjustment Option or options granted or to be granted under the Share Option Schemes) have an interest or a 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, will be, 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 our Company. Our Directors are not aware of any arrangement which may at a subsequent date result in a change of control of our Company.

The following is a description of the authorised and issued share capital of our Company in issue and to be issued as fully paid or credited as fully paid immediately before and following the completion of the Capitalisation Issue and the Placing (without taking into account the Shares to be issued upon the exercise of the Offer Size Adjustment Option or any options granted or to be granted under the Share Option Schemes):

		Nominal value (US$)
Authorised share capital:		
10,000,000,000	Shares	100,000,000
Issued and to be issued fully paid or credited as fully paid		
109,835	Shares in issue	1,098.35
658,900,165	Shares to be issued pursuant to the Capitalisation Issue	6,589,001.65
140,990,000	Shares to be issued under the Placing	1,409,900.00
800,000,000	**Total**	8,000,000.00

Assuming the Offer Size Adjustment Option is exercised in full, the issued share capital of our Company immediately after completion of the Capitalisation Issue and the Placing will be US$8,300,000 divided into 830,000,000 Shares.

ASSUMPTIONS

The above table assumes that the Placing becomes unconditional but does not take into account any Shares which may be allotted and issued pursuant to the exercise of the Offer Size Adjustment Option or pursuant to the exercise of the options granted or to be granted under the Share Option Schemes or any Shares which may be issued or repurchased by us pursuant to the general mandates granted to our Directors to issue or repurchase Shares as described below.

RANKING

The Placing Shares will be ordinary shares in the share capital of our Company and will rank pari passu in all respects with all Shares in issue or to be issued as mentioned in this prospectus and, in particular, will rank in full for all dividends or other distributions declared, made or paid on the Shares in respect of a record date which falls after the date of this prospectus save for the entitlement under the Capitalisation Issue.

SHARE OPTION SCHEMES

We have conditionally adopted the Share Option Schemes, including the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme. The principal terms of the Share Option Schemes are summarised in the section headed "Share Option Schemes" in Appendix IV to this prospectus.

GENERAL MANDATE TO ALLOT AND ISSUE NEW SHARES

Subject to the Placing becoming unconditional, our Directors have been granted a general mandate to allot, issue and deal with Shares in the share capital of our Company in the aggregate number not exceeding:

(1) 20% of the number of Shares in issue immediately following the completion of the Capitalisation Issue and the Placing (excluding Shares which may be allotted and issued pursuant to the exercise of the Offer Size Adjustment Option or any options granted or to be granted under the Share Option Schemes); and

(2) the total number of Shares repurchased by us (if any) pursuant to the general mandate to repurchase Shares granted to our Directors referred to below.

This general mandate to issue Shares will remain in effect until the earliest of:

(i) the conclusion of our Company's next annual general meeting; or

(ii) the expiry of the period within which our Company is required by any applicable laws or our Articles of Association to hold our next annual general meeting; or

(iii) when varied, revoked or renewed by an ordinary resolution of our Shareholders in general meeting.

Further information on this general mandate is set out in the section headed "Further information about our Company — Written resolutions of our Shareholders passed on 14 July 2016" in Appendix IV to this prospectus.

GENERAL MANDATE TO REPURCHASE SHARES

Subject to the Placing becoming unconditional, our Directors have been granted a general mandate to exercise all the powers of our Company to repurchase such number of Shares as will represent up to 10% of the aggregate number of our Shares in issue immediately following the completion of the Capitalisation Issue and the Placing (excluding Shares which may be allotted and issued pursuant to the exercise of the Offer Size Adjustment Option or any options granted or to be granted under the Share Option Schemes).

This mandate only relates to repurchases made on the Stock Exchange or any other stock exchange on which the Shares are listed (and which is recognised by the SFC and the Stock Exchange for this purpose), and which are in accordance with the GEM Listing Rules. A summary of the relevant GEM Listing Rules is set out in the section headed "Further information about our Company — Repurchase by our Company of its own securities" in Appendix IV to this prospectus.

This general mandate to repurchase Shares will remain in effect until the earliest of:

(i) the conclusion of our Company's next annual general meeting; or

(ii) the expiry of the period within which our Company is required by any applicable laws or our Articles of Association to hold our next annual general meeting; or

(iii) when varied or revoked by an ordinary resolution of the Shareholders in general meeting.

Further information on this general mandate is set out in the section headed "Further information about our Company — Written resolutions of our Shareholders passed on 14 July 2016" in Appendix IV to this prospectus.

CIRCUMSTANCES UNDER WHICH GENERAL MEETING AND CLASS MEETING ARE REQUIRED

The circumstances under which general meeting and class meeting are required are provided in the Articles of Association. For details, please refer to the section headed "Articles of Association" in Appendix III to this prospectus.

You should read the following discussion and analysis of our results of operation and financial condition together with our audited consolidated financial statements as at and for the three years ended 31 March 2016 and the accompanying notes included in the Accountants' Report set out in Appendix I to this prospectus. The Accountants' Report has been prepared in accordance with HKFRSs. The following discussion and analysis contains forward-looking statements that involve risks and uncertainties. Our actual results may differ from those anticipated in these forward-looking statements as a result of a number of factors, including those set forth in the section headed "Risk factors" in this prospectus.

OVERVIEW

We are a restaurant group in Hong Kong serving a variety of cuisines, mainly Asian, Western and Italian, targeting different customer segments with mid to high spending power. As at the Latest Practicable Date, we owned and operated restaurants (including 21 full-service restaurants, one clubhouse restaurant and one bakery restaurant) and one takeaway outlet under 21 brands, of which nine full-service restaurants and one bakery restaurant were under franchised or licensed brands and the remaining 12 full-service restaurants, one clubhouse restaurant and one takeaway outlet were under our self-owned brands. All of our restaurants are strategically located in prime areas in Hong Kong including Soho, Wyndham Street, Lan Kwai Fong, Causeway Bay, Wan Chai and Tsim Sha Tsui and major shopping malls in Hong Kong such as Elements, Times Square and Harbour City. In addition to the provision of dine-in services, we provide event hosting services in our restaurants and outdoor catering services.

As at 31 March 2014, 2015 and 2016, we were operating 20, 24 and 22 restaurants, of which two, four and two restaurants were newly established during each of the three years ended 31 March 2016, respectively and three closed and one disposed of for the year ended 31 March 2016.

For each of the years ended 31 March 2014, 2015 and 2016, our total revenue amounted to approximately HK$389.8 million, HK$468.2 million and HK$462.9 million, respectively, and our net profit amounted to approximately HK$39.6 million, HK$23.4 million and HK$18.1 million, respectively.

The following table summarises the movement of number of our restaurants (excluding the takeaway outlet) during the Track Record Period and up to the Latest Practicable Date:

	Number of restaurants operated under our own brands	Number of restaurants operated under franchised or licensed brands	Total number of restaurants
As at 1 April 2013	**11**	**7**	**18**
Commencement of operation during the year [(1)]	1	1	2
Change of brand during the year [(2)]	(1)	1	—
As at 31 March 2014	**11**	**9**	**20**
Commencement of operation during the year [(3)]	—	4	4
Change of brand during the year [(4)]	1	(1)	—
As at 31 March 2015	**12**	**12**	**24**
Commencement of operation during the year [(5)]	—	2	2
Change of brand during the year [(6)]	1	(1)	—
Closure/disposal of restaurants during the year [(7)]	(2)	(2)	(4)
As at 31 March 2016	**11**	**11**	**22**
Commencement of operation during the period [(8)]	1	—	1
Change of brand during the period [(9)]	1	(1)	—
As at the Latest Practicable Date	**13**	**10**	**23**

Notes:

1. *During the year ended 31 March 2014, our Group commenced to operate Prime Steak in July 2013, which was a restaurant previously operated by Great Honest. Prime Steak was a restaurant operated under our self-owned brand. During the same financial year, La Locanda, commenced operation in March 2014. It is a restaurant operated under licensed brand.*

2. *Prime Steak was later renovated as Toro in March 2014. Toro is a restaurant operated under licensed brand.*

3. *During the year ended 31 March 2015, Mamasan, Bread Street Kitchen and Gaucho commenced operation in May 2014, August 2014 and October 2014, respectively. During the same period, we also acquired California Vintage in June 2014.*

4. *In March 2015, Mayta was renovated as Braza and became one of our restaurants operated under our self-owned brands.*

5. *London House and Le Pain Quotidien (Lee Tung Avenue) commenced operation under licensed brand on 14 September 2015 and 28 February 2016, respectively.*

6. *On 30 May 2015, The BellBrook under licensed brands was renovated as Cecconi's Italian under our self-owned brands and recommenced the business on 6 July 2015. The original premises of Cecconi's Italian was renovated and changed the restaurant concept and its name from "Cecconi's Italian" to "Prego" on 11 August 2015, both restaurants operated under our self-owned brands.*

7. *Cecconi's Italian was closed on 1 January 2016 as it incurred loss after its relocation in July 2015. Gaucho, the operating subsidiary of which was disposed of by us on 15 January 2016. In view of unsatisfactory business performance, we closed down California Vintage and Manzo on 6 March 2016 and 20 March 2016, respectively.*

8. *Ophelia commenced operation under our self-owned brand on 11 May 2016.*

9. *Toro was later renovated as Tango (Elements) in June 2016. Tango (Elements) is a restaurant operated under self-owned brand.*

BASIS OF PRESENTATION

On 15 February 2010, our Controlling Shareholders entered into a profit sharing agreement under which they agreed, among other things, from the date of agreement or if the relevant subsidiary is incorporated after the date of agreement, the date of incorporation of such subsidiary, that they contributed to the capital and shared the profit generated and dividends distributed from our subsidiaries in the following percentage: 50.2% by Total Commitment, 15.9% by Ideal Winner, 8.5% by Minrish, 18.7% by Indo Gold and 6.7% by Mr. Uttamchandani. Prior to the Reorganisation, each of our Controlling Shareholders has, in respect of the arrival and/or execution of all decisions, including but not limited to, financial, management and operational matters, of our Group's subsidiaries, been acting in concert with each other.

Pursuant to the Reorganisation, our Company became the holding company of the companies now comprising our Group. Our Group comprising our Company and its subsidiaries resulting from the Reorganisation is regarded as a continuing entity. On 18 November 2014, our Company became the holding company of our Group.

The consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows which include the results, changes in equity and cash flows of the companies comprising our Group for the Track Record Period, have been prepared as if our Company had always been the holding company of our Group and the current group structure had been in existence throughout the Track Record Period, or since their respective dates of incorporation, where it is a shorter period.

The consolidated statements of financial position as at 31 March 2014, 2015 and 2016 have been prepared to present the assets and liabilities of the companies comprising our Group as if the current group structure had been in existence at those dates.

PRINCIPAL FACTORS AFFECTING OUR RESULTS OF 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.

Opening of new restaurants

As a new restaurant generally requires a period of time to achieve target revenue, only negligible revenue can be generated at the initial stage. Our result of operations is therefore affected by the opening of restaurants. In order to demonstrate the performance of our restaurants, our Group defined comparable restaurants as restaurants which were operating throughout the full year of each of the financial year under comparison. For example, the comparable restaurants for the years ended 31 March 2014 and 31 March 2015 are restaurants which were operating throughout both the year ended 31 March 2014 and the year ended 31 March 2015. The comparable restaurants exclude (i) the newly opened restaurants which were not operating throughout the full period of each of the financial periods; (ii) the restaurants which had changed restaurant concepts and ceased operation in a period of time due to relocation; and (iii) the restaurants which had ceased operation during the financial period. The table below sets forth the financial information of our comparable restaurants(1) over the Track Record Period:

	Year ended 31 March		Year ended 31 March	
	2014	2015	2015	2016
Number of comparable restaurants				
Western style	8(2)	8(2)	8(5)	8(5)
Italian style	5(3)	5(3)	4(6)	4(6)
Asian style	4(4)	4(4)	4(7)	4(7)
Total number	17	17	16	16
Revenue of comparable restaurants *(HK$'000)*	365,267	348,834	354,692	317,733
Profit before taxation for comparable restaurants *(HK$'000)*	55,045	43,776	46,818	36,467
Percentage change of profit before taxation for comparable restaurants		(20.5%)		(22.1%)

Notes:

1. *The financial information of the comparable restaurants is based on the unaudited management accounts of our subsidiaries for each of the financial years under comparison*
2. *This includes BLT Burger (Harbour City), BLT Steak, Bouchon, Craftsteak, Taco Loco, Laris/The Bellbrook, Tango (Central) and BLT Burger (Times Square)*
3. *This includes Bistecca, Lupa, Manzo, Al Molo and Cecconi's Italian*
4. *This includes Bombay Dreams, Soho Spice, Nahm and Olive*
5. *This includes BLT Burger (Harbour City), BLT Steak, Bouchon, Craftsteak, Taco Loco, Tango (Central), BLT Burger (Times Square) and Toro*
6. *This includes Bistecca, Lupa, Al Molo and La Locanda*
7. *This includes Bombay Dreams, Soho Spice, Nahm and Olive*

As shown in the table above, the profit before taxation for the comparable restaurants decreased by approximately 20.5% during the year ended 31 March 2015 as compared with that for the year ended 31 March 2014. Such decrease was primarily due to (i) the decrease in the profit derived from the Italian restaurants, namely Lupa and Bistecca, mainly as a result of the opening of several new Italian restaurants in the same district during the period; and (ii) the decrease in number of customer visit in our restaurants as a result of the weakening of Hong Kong economy with reference to the decrease in growth rate in the food services industry in 2014 and 2015 according to the report issued by Census and Statistics Department of the Hong Kong Special Administrative Region.

The percentage decline in the profit before taxation for the comparable restaurants during the respective comparative periods slightly increased from approximately 20.5% (for the comparative periods between 31 March 2014 and 2015) to approximately 22.1% (for the comparative periods between 31 March 2015 and 2016). The decrease in profit before taxation for the comparable restaurants for the year ended 31 March 2016 as compared with that for the year ended 31 March 2015 was primarily due to (i) the decrease in the number of customer visits resulted from fluctuations in customer preference and the decrease in visitor arrivals in Hong Kong in 2015; (ii) the annual growth contraction in spending power of consumers in Hong Kong in 2015; and (iii) the decline in our revenue generated from some of our restaurants, namely, BLT Steak, Al Molo, Lupa and La Locanda, due to the suspension to use the outdoor seating area.

Based on the above financial information of the comparable restaurants, our overall result of operations is mainly affected by the following:

- the comparatively lower profits or losses generated by the new restaurants;
- some of the new restaurants which incurred the start-up operating costs had no revenue generated during the financial period as they were opened subsequent to the respective period end;
- the new restaurants incurred the significant depreciation expenses as our Group depreciates the property, plant and equipment over their estimated useful lives, using straight-line method, at the rates ranging from 20% to 25% per annum or shorter of the remaining lease term or five years; and
- some of the restaurants ceased operation for a period of time for relocation or renovation and therefore no revenue were generated during such period.

New restaurants

Our Directors expect that the average breakeven point and investment payback period for the new restaurants to be in line with the historical breakeven point achieved at the restaurants that were operating during the Track Record Period. The breakeven point of the new restaurants opened during the Track Record Period was generally between two to four months. We changed the brands of three restaurants during the Track Record Period, of which one, one and one were changed brands during the three years ended 31 March 2016, respectively. As at the Latest Practicable Date, all changed brands restaurants (save for Tango (Elements) which changed the brand from Toro to Tango (Elements) and commenced its business on 7 July 2016. Therefore the expected number of months required to achieve breakeven point is not available) had achieved a breakeven point. For details of the breakeven points and investment payback period of our restaurants, please refer to the section headed "Business — Overview of restaurant operations and management — Our restaurants" in this prospectus. Our Directors consider that a restaurant achieves breakeven point when its monthly revenue first covers its monthly operating costs and expenses (including non-cash item such as depreciation and amortisation expenses). The time required achieving breakeven point and investment payback period will be affected by the factors including but not limited to investment size, size of restaurant, location, brand, timing of commencement of operation as it will be affected by the seasonality factor.

Macro-economic condition in Hong Kong and spending power of our target customers

During the Track Record Period, we generally targeted customers with mid to high spending power. Our Directors anticipate that our revenue will continue to be primarily derived from customers with mid to high spending power in the foreseeable future. As the spending power of our target customers are vulnerable to economic downturn and political and social instability, we cannot assure that the economic, political and social conditions in Hong Kong will always be favourable to our business in Hong Kong. Any unfavourable economic, political and social conditions may adversely affect the spending power of our target customers, and thus our results of operation and financial condition.

Market competition

As a restaurant operator, we face intense competition within the restaurant industry from a diverse group of restaurant chains, individual restaurants operators and food manufacturers who are engaged in the production of similar products. While restaurants in Hong Kong serving similar cuisines which compete with us directly abound, we also compete with restaurants in different market segments to a lesser extent.

We compete against other restaurants on an array of attributes such as taste of food, customer service, pricing, ambience and the overall dining experience. Some of our competitors may have larger customer bases, stronger brand reputation, longer operating histories, greater financial, marketing and other resources. If we are not able to compete against existing competitors and new market entrants effectively, our business and results of operations may be adversely affected.

Seasonality

Our business is subject to seasonal fluctuations. During the Track Record Period, we generally recorded relatively higher monthly revenue in the fourth quarter of each calendar year and relatively lower monthly revenue during Chinese New Year. Our Directors are of the view that (i) the higher revenue recorded in the fourth quarter of each calendar year was mainly due to the higher customer spending during holiday and festival periods in October to December, such as the National Day Golden Week, the Christmas and the New Year Eve; and (ii) the lower revenue recorded during Chinese New Year was mainly due to the customer preferences to Chinese cuisine during Chinese New Year.

Prices and supply of food ingredients

Our success depends on reliable supply of food ingredients such as seafood, vegetable and meat at competitive prices delivered in a timely manner. For each of the years ended 31 March 2014, 2015 and 2016, the total purchases from our five largest suppliers in aggregate amounted to approximately 36.2%, 31.0% and 30.3%, respectively, of our total purchases and our purchases from our largest supplier amounted to approximately 14.8%, 11.5% and 10.8%, respectively, of our total purchases. We sourced a substantial portion of our food ingredients from our five largest supplier during the Track Record Period. In line with the industry practice, during the Track Record Period and up to the Latest Practicable Date, we had not entered into any long-term contract with our approved suppliers, and conditions set out in our purchase orders placed with our suppliers vary, subject to a variety of factors, some of which are beyond our control, such as governmental regulations, general economic conditions, global demand or other factors such as climatic changes or other environmental conditions which may adversely affect the harvests of our food ingredient.

During the Track Record Period, we did not experience any interruption of supply, or failure to secure sufficient irreplaceable food ingredients that had any material adverse impact on our business or results of operations. However, the prices of food ingredients purchased have fluctuated. Generally, all food ingredient groups displayed increasing prices from 2009 to 2015. Please refer to the section headed "Industry overview — Market overview for food ingredients used by the full-service restaurants" in this prospectus for details.

Level of staff costs in Hong Kong

Restaurant operations are highly service-oriented and labour-intensive. Our Group recorded staff costs of approximately HK$90.4 million, HK$121.9 million and HK$125.7 million for each of the years ended 31 March 2014, 2015 and 2016, respectively, representing approximately 23.2%, 26.0% and 27.2% of our Group's total revenue for the corresponding year.

The salary level of employees in the full-service restaurant industry in Hong Kong has been steadily increasing in recent years due to changes in the labour law and local labour market trends. The lowest starting salaries offered by our Group to our restaurant staff in Hong Kong steadily rose upward during the Track Record Period and were higher than the current applicable minimum wage requirements in Hong Kong. We expect our staff costs would continue to increase as a result of inflationary pressures in Hong Kong. Accordingly, our results of operations and financial condition may be affected.

Availability of commercially attractive locations, ability to renew existing leases of the leased properties and market conditions of the retail rental market

All of our restaurants are located in prime areas in Hong Kong, such as Soho, Wyndham Street and Lan Kwai Fong and major shopping malls in Hong Kong such as Elements, Times Square and Harbour City. Our Directors believe that locations of our restaurants are vital for reaching target customers with mid to high spending power and the promotion of our brands and reputation and it is important that our restaurants are situated in commercially attractive locations. However, due to our stringent criteria on the restaurant locations, commercially viable choices are usually limited. In the event that there is a need for relocation or we intend to open new restaurants, we cannot assure that we will be able to find suitable premises for our restaurants with reasonable commercial terms, and accordingly our plan for relocation or expansion may be delayed or disrupted which in turn may have an adverse effect on our results of operations and financial condition.

As at the Latest Practicable Date, all of our restaurant premises were leased properties. We are accordingly exposed to market fluctuations of the retail rental market. The rental and related expenses of our restaurants amounted to approximately HK$61.9 million, HK$80.8 million and HK$90.4 million, representing approximately 15.9%, 17.3% and 19.5% of our revenue for each of the years ended 31 March 2014, 2015 and 2016, respectively. The rental type of our current lease agreements of 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. Our costs of operations will be increased by such adjustment. If we are not able to pass the increased rental costs onto our customers, our results of operations and financial positions may be adversely affected.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Critical accounting policies and estimates refer to those accounting policies and estimates that entail significant uncertainty and judgment, 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 judgments, 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 is 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 consolidated financial statements included elsewhere in this prospectus. Below is a summary of the accounting policies in accordance with HKFRSs that we believe are important to the presentation of our financial results and involve the need to make estimates and judgments about the effect of matters that are inherently uncertain. We also have other policies, judgments, estimates and assumptions that we consider as significant, which are set out in detail in notes 4 and 5 to the Accountants' Reports.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services provided in the normal course of business net of discounts, representing gross revenue generated from operation of restaurants. We recognise revenue from our restaurant operations when our catering services have been provided.

Property, plant and equipment and depreciation

Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on 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.

Our Group depreciates the property, plant and equipment over their estimated useful lives, using straight-line method after taking into account of their estimated residual value, at the following rates per annum:

Office equipment	20 – 25%
Furniture, fixtures and equipment	20 – 25%
Leasehold improvement	Shorter of the remaining lease term or 5 years

The estimated useful lives that our Group depreciates the property, plant and equipment reflect our Directors' estimate of the periods that our Group intends to derive future economic benefits from the use of the assets. Actual economic lives may differ from estimated useful lives. Periodic review could result in a change in useful lives and therefore depreciation and impairment losses in future years.

As at 31 March 2014, 31 March 2015 and 31 March 2016, the carrying amounts of our property, plant and equipment were approximately HK$48.7 million, HK$54.6 million and HK$41.1 million, respectively. For each of the years ended 31 March 2014, 2015 and 2016, depreciation of approximately HK$28.9 million, HK$29.1 million and HK$26.9 million had been recognised for our property, plant and equipment, respectively.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

During the Track Record Period, our Group's intangible assets mainly represented franchise and licensing rights. The franchise and licensing rights have definite useful lives of 5 to 10 years and are amortised on a straight-line basis over the useful lives.

As at 31 March 2014, 31 March 2015 and 31 March 2016, the carrying amounts of our intangible assets were approximately HK$7.7 million, HK$14.8 million and HK$13.5 million, respectively. For each of the years ended 31 March 2014, 2015 and 2016, amortisation of approximately HK$0.6 million, HK$1.0 million and HK$2.0 million have been recognised for our intangible assets, respectively.

Impairment losses on tangible and intangible assets (other than goodwill)

At the end of the reporting period, our Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives 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, our 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 immediately in profit or loss.

During the Track Record Period, our Group did not record any impairment loss on our intangible assets.

Financial liabilities

Financial liabilities including trade and other payables, amounts due to related companies, amounts due to Controlling Shareholders and amount due to a Director are subsequently measured at amortised cost, using the 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 and 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 financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

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.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

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, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

For each of the years ended 31 March 2014, 2015 and 2016, our Group recorded rental and related expenses of approximately HK$61.9 million, HK$80.8 million and HK$90.4 million for our leased properties, respectively.

Financial guarantee contracts

A financial guarantee contract issued by our Company and not designated as at fair value through profit or loss is recognised initially at its fair value less transaction costs that are directly attributable to the issue of the financial guarantee contracts. Subsequent to initial recognition, our Company measures the financial guarantee contract at the higher of: (i) the amount determined in accordance with Hong Kong Accounting Standards 37 "Provisions, Contingent Liabilities and Contingent Assets"; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with Hong Kong Accounting Standards 18 "Revenue".

On 25 November 2014, our Group granted a financial guarantee to the holder of the First Exchangeable Bond issued by Dining Concepts (International), one of our Controlling Shareholders.

As at the inception date of the financial guarantee, the fair value of the financial guarantee obligation in the amount of approximately HK$3,639,000 was initially recognised in the consolidated statements of financial position of our Group and the statements of financial position of our Company as liabilities. During the year ended 31 March 2015, financial guarantee income of approximately HK$628,000 has been recognised in the profit or loss. Pursuant to the Deed of Waiver and the Deed of Novation, the financial guarantee provided by our Group against the First Exchangeable Bond was released and the unamortised fair value of financial guarantee of approximately HK$3,011,000 was reversed to the other reserve in the consolidated statements of changes in equity of our Group and the statement of changes in equity of our Company.

SUMMARY RESULTS OF OPERATIONS

The following table sets out the summary of our Group's consolidated results during the Track Record Period, which are derived from, and should be read in conjunction with the consolidated financial information contained in the Accountants' Report set out in Appendix I to this prospectus.

	Year ended 31 March					
	2014		2015		2016	
	(HK$'000)	*(% of total revenue)*	*(HK$'000)*	*(% of total revenue)*	*(HK$'000)*	*(% of total revenue)*
Revenue	389,793	100.0	468,241	100.0	462,921	100.0
Cost of inventories consumed	(97,339)	(25.0)	(117,631)	(25.1)	(118,092)	(25.5)
Staff costs	(90,351)	(23.2)	(121,878)	(26.0)	(125,749)	(27.2)
Depreciation and amortisation	(29,578)	(7.6)	(30,060)	(6.4)	(28,902)	(6.2)
Rental and related expenses	(61,899)	(15.9)	(80,805)	(17.3)	(90,364)	(19.5)
Utilities and consumables	(15,953)	(4.1)	(19,513)	(4.2)	(20,303)	(4.4)
Listing expenses	—	0.0	(8,599)	(1.8)	(5,610)	(1.2)
Franchise and licence fees	(9,687)	(2.5)	(13,971)	(3.0)	(13,292)	(2.9)
Other expenses	(31,007)	(8.0)	(41,749)	(8.9)	(44,287)	(9.6)
Other gains and losses	(1,284)	(0.3)	541	0.1	9,391	2.0
Finance cost	—	0.0	(1,242)	(0.3)	—	—
Profit before taxation	52,695	13.5	33,334	7.1	25,713	5.5
Taxation	(13,140)	(3.4)	(9,956)	(2.1)	(7,593)	(1.6)
Profit and total comprehensive income for the year attributable to owners of our Company	39,555	10.1	23,378	5.0	18,120	3.9

DESCRIPTION AND ANALYSIS OF PRINCIPAL COMPONENTS IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Revenue

During the Track Record Period, our Group's revenue was mainly generated from the operation of restaurants in Hong Kong. As at 31 March 2014, 2015 and 2016, we were operating 20, 24 and 22 restaurants, of which two, four and two restaurants were newly established during each of the three years ended 31 March 2016, respectively and three closed and one disposed of for the year ended 31 March 2016. During the Track Record Period, we also provided catering management and design services to our related companies and Independent Third Parties for service income.

The table below sets forth our revenue breakdown by the abovementioned business activities during the Track Record Period:

	Year ended 31 March					
	2014		2015		2016	
	(HK$'000)	*(%)*	*(HK$'000)*	*(%)*	*(HK$'000)*	*(%)*
Operation of restaurants	389,236	99.9	467,929	99.9	462,881	100.0
Catering management and design services	557	0.1	312	0.1	40	—
Total	389,793	100.0	468,241	100.0	462,921	100.0

Our Group served mainly three categories of cuisines during the Track Record Period. The table below sets forth a breakdown of our Group's revenue generated by operation of restaurants by type of cuisine and as a percentage of total revenue generated by operation of restaurants during the Track Record Period:

	Year ended 31 March					
	2014		2015		2016	
	Revenue	% of total revenue	Revenue	% of total revenue	Revenue	% of total revenue
	(HK$'000)	*(%)*	*(HK$'000)*	*(%)*	*(HK$'000)*	*(%)*
Western style	176,383	45.3	229,439	49.0	250,706	54.2
Italian style	155,985	40.1	162,582	34.8	139,898	30.2
Asian style	56,868	14.6	75,908	16.2	72,277	15.6
Total	389,236	100.0	467,929	100.0	462,881	100.0

Our total revenue generated from operation of restaurants amounted to approximately HK$389.2 million, HK$467.9 million and HK$462.9 million for each of the years ended 31 March 2014, 2015 and 2016, respectively. The following is the analysis of our revenue generated from the operation of Western, Italian and Asian style restaurants during the Track Record Period:

Western style restaurants

Our revenue generated from operation of Western style restaurants increased by approximately HK$53.0 million, or approximately 30.0%, from approximately HK$176.4 million for the year ended 31 March 2014 to approximately HK$229.4 million for the year ended 31 March 2015. Such increase was mainly a combined result of (i) the commencement of operation of Bread Street Kitchen in August 2014 and Gaucho in October 2014, which generated revenue of approximately HK$31.6 million and HK$16.6 million for the year ended 31 March 2015, respectively; (ii) the revenue generated from California Vintage which was acquired in June 2014 of approximately HK$5.7 million for the year ended 31 March 2015; (iii) the change of brand from Prime Steak to Toro which contributed increase in revenue of approximately HK$6.2 million for the year ended 31 March 2015 as compared to the last financial year; and (iv) the decline in revenue generated from Mayta by approximately HK$5.4 million, primarily due to fading out of the effect of its renovation and change of brand in March 2013 and the decrease in number of customer visit as a result of the weakening of Hong Kong economy with reference to the decrease in growth rate in the food services industry in 2014 and 2015 according to the report issued by Census and Statistics Department of the Hong Kong Special Administrative Region. In view of its unsatisfactory business performance, Mayta has been subsequently renovated as Braza in March 2015.

Our revenue generated from operation of Western style restaurants increased by approximately HK$21.3 million, or approximately 9.3%, from approximately HK$229.4 million for the year ended 31 March 2015 to approximately HK$250.7 million for the year ended 31 March 2016. Such increase was mainly due to a combined result of (i) the commencement of operation of London House and Le Pain Quotidien (Lee Tung Avenue) in September 2015 and February 2016, respectively, which generated revenue of approximately HK$19.6 million and HK$2.0 million for the year ended 31 March 2016, respectively; (ii) the full-year of operation of Bread Street Kitchen which generated revenue of approximately HK$40.2 million for the year end 31 March 2016, as compared to that of approximately HK$31.6 million for the year ended 31 March 2015; and (iii) the commencement of operation of Braza in March 2015 after renovation and rebranding from the unsatisfactory business performance of Mayta, which generated revenue of approximately HK$20.8 million for the year ended 31 March 2016 as compared to approximately HK$5.9 million which generated from Mayta for the year ended 31 March 2015, the effect of which was partially offset by (i) the decline in revenue generated from BLT Steak by approximately HK$8.8 million for the year ended 31 March 2016 primarily due to the suspension to use the outdoor seating accommodation; and (ii) the decline in revenue generated from The BellBrook by approximately HK$8.1 million for the year ended 31 March 2016 as it was operated for approximately two months only for the year ended 31 March 2016 that it was renovated on 30 May 2015 and "Cecconi's Italian" was relocated to such premises and recommenced the operation on 6 July 2015. Cecconi's Italian was subsequently closed in January 2016 due to unsatisfactory business performance.

Italian style restaurants

Our revenue generated from operation of Italian style restaurants increased by approximately HK$6.6 million, or approximately 4.2%, from approximately HK$156.0 million for the year ended 31 March 2014 to approximately HK$162.6 million for the year ended 31 March 2015. Such increase was principally attributable to the commencement of operation of La Locanda in March 2014, which generated revenue of approximately HK$19.7 million for the year ended 31 March 2015, the effect of which was partially offset by (i) the decrease in revenue generated from Manzo by approximately HK$3.9 million mainly as a result of the opening of a new commercial complex (predominately dining) in Causeway Bay during the financial year and the decrease in number of customer visit as a result of the weakening of Hong Kong economy with reference to the decrease in growth rate in the food services industry in 2014 and 2015 according to the report issued by Census and Statistics Department of the Hong Kong Special Administrative Region, which led to a decrease in its number of customer visit; and (ii) the decline in revenue generated from two of our Italian style restaurants, namely, Lupa and Bistecca by approximately HK$5.3 million and HK$2.7 million, respectively, mainly as a result of the opening of several new Italian restaurants in the same district during the financial year and the decrease in number of customer visit in our restaurants as a result of the weakening of Hong Kong economy with reference to the decrease in growth rate in the food services industry in 2014 and 2015 according to the report issued by Census and Statistic Department of the Hong Kong Special Administrative Region.

Our revenue generated from operation of Italian style restaurants decreased by approximately HK$22.7 million, or approximately 14.0%, from approximately HK$162.6 million for the year ended 31 March 2015 to approximately HK$139.9 million for the year ended 31 March 2016. Such decrease was mainly resulted from (i) the decline in revenue generated from Al Molo, Lupa and La Locanda by approximately HK$7.5 million, HK$4.8 million and HK$2.7 million, respectively, primarily due to the suspension to use the outdoor seating accommodation; (ii) the decrease in revenue generated from

Manzo by approximately HK$4.3 million mainly as a result of the opening of a new commercial complex (predominately dining) in Causeway Bay in the end of 2014, which led to a decrease in its number of customer visit. Manzo was subsequently closed in March 2016; and (iii) the decrease in revenue generated from Cecconi's Italian by approximately HK$3.6 million as it was only operated between July to December 2015 after its relocation. Cecconi's Italian was subsequently closed in January 2016 due to unsatisfactory business performance.

Asian style restaurants

Our revenue generated from operation of Asian style restaurants increased by approximately HK$19.0 million, or approximately 33.4%, from approximately HK$56.9 million for the year ended 31 March 2014 to approximately HK$75.9 million for the year ended 31 March 2015. Such increase was primarily attributable to the commencement of operation of Mamasan in May 2014, which generated revenue of approximately HK$20.2 million for the year ended 31 March 2015.

Our revenue generated from operation of Asian style restaurants decreased by approximately HK$3.6 million, or approximately 4.7%, from approximately HK$75.9 million for the year ended 31 March 2015 to approximately HK$72.3 million for the year ended 31 March 2016. The decrease in revenue was primarily attributable to the decline in revenue generated from Soho Spice and Mamasan by approximately HK$1.4 million and HK$2.5 million, respectively.

Revenue of restaurants operated under franchised/licensed brands

During the Track Record Period, we owned and operated a number of restaurants in Hong Kong through the entering into of franchising/licence agreements. As at 31 March 2014, 31 March 2015 and 31 March 2016, we operated nine, 12 and 10 full-service restaurants and one bakery restaurant under franchised/licensed brands, respectively. The following table sets forth the breakdown of our revenue generated from operation of restaurants (including clubhouse restaurant and bakery restaurant) and takeaway outlet during the Track Record Period attributable to restaurants operated under franchised/ licensed brands and restaurants operated under our own brands:

	Year ended 31 March					
	2014		2015		2016	
	Revenue	% of total revenue	Revenue	% of total revenue	Revenue	% of total revenue
	(HK$'000)	*(%)*	*(HK$'000)*	*(%)*	*(HK$'000)*	*(%)*
Restaurants operated under franchised/ licensed brands	211,576	54.4	310,143	66.3	297,824	64.3
Restaurants operated under own brands	177,660	45.6	157,786	33.7	165,057	35.7
Total	389,236	100.0	467,929	100.0	462,881	100.0

As shown in the above table, our revenue generated from restaurants operated under franchised/ licensed brands represented an increasing proportion to our total revenue generated from operating of restaurants. This was mainly attributable to the addition of four new restaurants operated under franchised/licensed brands during the year ended 31 March 2015 whereas there was only one addition of restaurant operated under licensed brand during the year ended 31 March 2014.

Our revenue generated from restaurants operated under franchised/licensed brands remained relatively stable in terms of proportion to our total revenue for the year ended 31 March 2016 as compared to the year ended 31 March 2015.

Catering management and design services

During the Track Record Period, our Group received service income for catering management and design services provided to our related companies, including Cuisine Courier, Fast Fortune and Great Honest, and Independent Third Parties mainly for the back office supports provided by our administrative staff and design team. For each of the years ended 31 March 2014, 2015 and 2016, the relevant revenue amounted to approximately HK$557,000, HK$312,000 and HK$40,000, respectively, representing approximately 0.1%, 0.1% and 0.0% of our total revenue for the corresponding year.

Cost of inventories consumed

Our cost of inventories consumed mainly represents the costs of food ingredients and beverages for the operation of our Group's restaurants. The major food ingredients purchased by our Group includes, but is not limited to, vegetable, meat, seafood and frozen food. Cost of inventories consumed is one of the major components of our Group's operating expenses which amounted to approximately HK$97.3 million, HK$117.6 million and HK$118.1 million for each of the years ended 31 March 2014, 2015 and 2016, respectively, representing approximately 25.0%, 25.1% and 25.5% of our Group's total revenue generated from operation of restaurants for the corresponding year.

The table below sets forth a breakdown of our Group's cost of inventories consumed by type of cuisine and as a percentage of its revenue generated from operation of restaurants over the Track Record Period:

	Year ended 31 March								
	2014			2015			2016		
	Cost of inventories consumed	Revenue	Cost of inventories consumed as a percentage to revenue	Cost of inventories consumed	Revenue	Cost of inventories consumed as a percentage to revenue	Cost of inventories consumed	Revenue	Cost of inventories consumed as a percentage to revenue
	(HK$'000)	*(HK$'000)*	*(%)*	*(HK$'000)*	*(HK$'000)*	*(%)*	*(HK$'000)*	*(HK$'000)*	*(%)*
Western style	45,038	176,383	25.5	59,852	229,439	26.1	66,508	250,706	26.5
Italian style	36,717	155,985	23.5	38,223	162,582	23.5	33,215	139,898	23.7
Asian style	15,584	56,868	27.4	19,556	75,908	25.8	18,369	72,277	25.4
Total	97,339	389,236	25.0	117,631	467,929	25.1	118,092	462,881	25.5

During the Track Record Period and up to the Latest Practicable Date, we had not entered into any long-term contract with our approved suppliers. The overall cost of food ingredients is generally fixed not to exceed a certain percentage of the total revenue of a particular restaurant. If there is any material increase in the purchase price for any food ingredient, considering the sufficient supply of comparable third party suppliers in the market, we would have no difficulty in finding substitute suppliers. Despite the growing inflation in general in recent years, the overall percentage of our cost of inventories consumed to our revenue generated from restaurant operations was maintained stably at the range of approximately 25% to approximately 26% during the Track Record Period. Please also refer to the paragraph headed "Sensitivity and breakeven analysis" in this section for the impact of hypothetical fluctuations in costs of inventories consumed on our Group's profit before taxation and profit for the year during the Track Record Period.

Staff costs

Restaurant operation is highly service-oriented and labour-intensive. During the Track Record Period, staff costs represented one of the major components of our Group's operating expenses, which primarily consisted of Directors' emoluments, salaries, retirement benefit scheme contributions and other benefits. Our Group recorded staff costs of approximately HK$90.4 million, HK$121.9 million and HK$125.7 million for each of the years ended 31 March 2014, 2015 and 2016, respectively, representing approximately 23.2%, 26.0% and 27.2% of our Group's total revenue for the corresponding year.

The following table sets forth the breakdown of our staff costs during the Track Record Period:

	Year ended 31 March		
	2014	2015	2016
	(HK$'000)	*(HK$'000)*	*(HK$'000)*
Directors' emoluments	1,635	2,464	2,562
Salaries and other benefits	85,661	115,401	118,910
Retirement benefit scheme contributions	3,055	4,013	4,277
Total	90,351	121,878	125,749

Our staff costs increased by approximately HK$31.5 million from approximately HK$90.4 million for the year ended 31 March 2014 to approximately HK$121.9 million for the year ended 31 March 2015. Such increase was mainly as a result of (i) the staff costs incurred by Mamasan, Bread Street Kitchen and Gaucho of approximately HK$6.2 million, HK$10.4 million and HK$5.7 million, which commenced operation in May 2014, August 2014 and October 2014, respectively; (ii) the staff costs incurred by the California Vintage of approximately HK$1.7 million, which was acquired in June 2014; and (iii) the staff costs incurred by the full-year operation of La Locanda and Toro of approximately HK$5.8 million and HK$5.8 million for the year ended 31 March 2015 as compared to approximately HK$0.3 million and HK$3.6 million for the year ended 31 March 2014, respectively.

Our staffs costs increased by approximately HK$3.8 million from approximately HK$121.9 million for the year ended 31 March 2015 to approximately HK$125.7 million for the year ended 31 March 2016. Such increase was mainly as a result of (i) the staff costs incurred of approximately HK$5.4 million and HK$1.3 million for the year ended 31 March 2016 by London House and Le Pain Quotidien (Lee Tung Avenue), which commenced operation in September 2015 and February 2016, respectively; (ii) the increase in staff costs from Bread Street Kitchen of approximately HK$1.8 million due to full year operation for the year ended 31 March 2016; and (iii) the staff costs incurred of approximately HK$5.8 million by Braza for the year ended 31 March 2016 as compared to HK$2.9 million for the year ended 31 March 2015 mainly as a result of the increase in revenue due to the commencement of operation of Braza in March 2015 after renovation and rebranding from Mayta, the effect was partially offset by (i) the decrease in staff costs by approximately HK$1.9 million, HK$2.0 million, HK$0.9 million and HK$1.0 million, respectively by Al Molo, Lupa, La Locanda and BLT Steak primarily due to decrease in revenue as a result to the suspension to use the outdoor seating accommodation; and (ii) the decrease in staff costs of approximately HK$0.4 million and HK$1.2 million, respectively by Cecconi's Italian and Manzo due to decrease in revenue as a result of unsatisfactory business performance. Cecconi's Italian and Manzo were subsequently closed in January 2016 and March 2016, respectively.

Please also refer to the paragraph headed "Sensitivity and breakeven analysis" in this section for the impact of hypothetical fluctuations in staff costs on our Group's profit before taxation and profit for the year during the Track Record Period.

Rental and related expenses

During the Track Record Period and up to the Latest Practicable Date, all of the premises for our office, restaurants, central bakery and takeaway outlet were leased properties. The rental type of our current lease agreements of 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.

For the each of the years ended 31 March 2014, 2015 and 2016, our Group recorded rental and related expenses of approximately HK$61.9 million, HK$80.8 million and HK$90.4 million, respectively, representing approximately 15.9%, 17.3% and 19.5% of our Group's total revenue for the corresponding year. Rental and related expenses are one of the major components of our Group's operating expenses during the Track Record Period.

Our rental and related expenses increased by approximately HK$18.9 million from approximately HK$61.9 million for the year ended 31 March 2014 to approximately HK$80.8 million for the year ended 31 March 2015. Such increase was mainly contributed by (i) the rental and related expenses incurred by Mamasan, Bread Street Kitchen and Gaucho which commenced operation in May 2014, August 2014 and October 2014, amounting to approximately HK$1.6 million, HK$6.5 million and HK$2.6 million, respectively; (ii) the rental and related expenses amounting to approximately HK$1.4 million incurred by the California Vintage, which was acquired in June 2014; (iii) the rental and related expenses incurred by the full-year operation of La Locanda and Toro of approximately HK$4.1 million and HK$4.0 million for the year ended 31 March 2015 as compared to approximately HK$0.9 million and HK$2.9 million for the year ended 31 March 2014; and (iv) the increase in rental and related expenses incurred by some of our restaurants as a result of the upward adjustment of rental pursuant to the escalation clauses of relevant lease agreements or the upon renewal of lease agreement.

Our rental and related expenses increased by approximately HK$9.6 million from approximately HK$80.8 million for the year ended 31 March 2015 to approximately HK$90.4 million for the year ended 31 March 2016. Such increase was mainly as a result of (i) the rental and related expenses incurred of approximately HK$3.9 million, HK$4.3 million and HK$1.1 million by Gaucho, London House and Le Pain Quotidien (Lee Tung Avenue) for the year ended 31 March 2016 as compared to approximately HK$2.6 million, nil and nil for the year ended 31 March 2015 which commenced operation in October 2014, September 2015 and February 2016, respectively; and (ii) the increase in rental and related expenses incurred by some of our restaurants as a result of the upward adjustment of rental pursuant to the escalation clauses of relevant lease agreements or the upon renewal of lease agreement.

Please also refer to the paragraph headed "Sensitivity and breakeven analysis" in this section for the impact of hypothetical fluctuations in rental and related expenses on our Group's profit before taxation and profit for the year during the Track Record Period.

Depreciation and amortisation

Depreciation represents depreciation charges for property, plant and equipment including, among others, leasehold improvements, office equipment and furniture, fixtures and equipments of our Group. Amortisation represents the amortisation of the initial franchise/licence fees paid by our Group for franchise and licensing rights over the tenure of the respective franchising/licence agreements. For each of the years ended 31 March 2014, 2015 and 2016, the total depreciation and amortisation amounted to approximately HK$29.6 million, HK$30.1 million and HK$28.9 million, respectively, which accounted for approximately 7.6%, 6.4% and 6.2% of the total revenue of our Group for the corresponding year. Our depreciation and amortisation was relatively stable during the Track Record Period.

Our depreciation and amortisation expenses decreased by approximately HK$1.2 million from approximately HK$30.1 million for the year ended 31 March 2015 to approximately HK$28.9 million for the year ended 31 March 2016. Such decrease was mainly as a result of the closure of our three restaurants and disposal of one restaurant during the year and partly offset by the increase in depreciation expense as a result of the opening of London House and Le Pain Quotidien (Lee Tung Avenue) during the year.

Utilities and consumables

Our expenses of utilities and consumables primarily consist of expenses incurred for gas, electricity and water supplies, telecommunication and replacement of kitchen utensils and consumables required for our Group's business operations. For each of the years ended 31 March 2014, 2015 and 2016, our utilities and consumables expenses amounted to approximately HK$16.0 million, HK$19.5 million and HK$20.3 million, respectively, which accounted for approximately 4.1%, 4.2% and 4.4% of our total revenue for the corresponding year.

Our utilities and consumables increased from approximately HK$16.0 million for the year ended 31 March 2014 to approximately HK$19.5 million for the year ended 31 March 2015. The increase was generally in line with our revenue growth as a result of the expansion of our restaurant network during the year ended 31 March 2015.

Our utilities and consumables increased from approximately HK$19.5 million for the year ended 31 March 2015 to approximately HK$20.3 million for the year ended 31 March 2016. The increase was mainly due to (i) the full year operation of Mamasan and Bread Street Kitchen for the year ended 31 March 2016; and (ii) the utilities and consumables incurred in our new restaurants, namely, London House and Le Pain Quotidien (Lee Tung Avenue) during the year.

Franchise and licence fees

During the Track Record Period, we owned and operated a number of restaurants in Hong Kong through the entering into of franchising/licence agreements, under which we are required to pay franchise fees or licence fees to the relevant franchisors or licensors. For details regarding the salient terms of the franchising agreements and licence agreements entered into by our Group, please refer to the section headed "Business — Overview of restaurant operations and management — Franchising agreements and licence agreements" in this prospectus.

For each of the years ended 31 March 2014, 2015 and 2016, our Group recorded franchise and licence fees (including the relevant withholding tax) of approximately HK$9.7 million, HK$14.0 million and HK$13.3 million, respectively. The amount of franchise and licence fees was generally in line with the trend of our revenue generated from restaurants operated under franchised/licensed brands during the Track Record Period.

Our franchise and licence fees increased by approximately HK$4.3 million from approximately HK$9.7 million for the year ended 31 March 2014 to approximately HK$14.0 million for the year ended 31 March 2015. Such increase was mainly as a result of (i) the addition of four new restaurants(s) operated under franchised/licensed brands during the year ended 31 March 2015 as compared to the year ended 31 March 2014; and (ii) the change of one of our restaurants from operating under our self-owned brand to licensed brand in March 2014.

Our franchise and license fees decreased by approximately HK$0.7 million from approximately HK$14.0 million for the year ended 31 March 2015 to approximately HK$13.3 million for the year ended 31 March 2016. Such decrease was mainly as a result of the lower revenue generated from our franchised/licensed restaurants for the year ended 31 March 2016 and partly offset by the addition of two new restaurants operated under franchised/licensed brands during the year ended 31 March 2016.

Other expenses

The table below sets forth the breakdown of other expenses of our Group during the Track Record Period:

	Year ended 31 March		
	2014	2015	2016
	(HK$'000)	(HK$'000)	(HK$'000)
Advertising	2,700	5,083	5,391
Air-conditioning charge	1,489	1,858	1,934
Auditor's remuneration	528	733	898
Cleaning and laundry expenses	7,880	10,079	10,344
Credit card commission	6,036	7,506	7,471
Donation	276	338	333
Insurance	1,416	2,486	2,655
Legal and professional fee	281	1,408	1,711
Licence fee	263	293	190
Packing and printing materials	3,564	4,730	4,219
Repair and maintenance	4,985	5,331	6,459
Travelling expenses	908	1,180	1,244
Others	681	724	1,438
Total	31,007	41,749	44,287

For each of the years ended 31 March 2014 and 2015 and 2016, other expenses accounted for approximately 8.0%, 8.9% and 9.6% of our total revenue, respectively. Major components of our other expenses are further discussed as follows:

Cleaning and laundry expenses, packing and printing materials, air-conditioning charge, insurance and repair and maintenance

In the ordinary course of operation of our restaurants, we incur cleaning and laundry expenses, packing and printing materials expenses, air-conditioning charge, insurance, and repair and maintenance expenses. These expenses were amongst the largest components of our other expenses during the Track Record Period, which amounted to approximately HK$19.3 million, HK$24.5 million and HK$25.6 million and represented approximately 62.3%, 58.8% and 57.8% of our other expenses for each of the years ended 31 March 2014, 2015 and 2016, respectively. The increase in these expenses was mainly as a result of the opening of our new restaurants during the Track Record Period.

Credit card commission

During the Track Record Period, over 75% of our revenue was settled by our customers by credit cards. Accordingly, we have incurred credit card commission payable to credit card companies. For each of the years ended 31 March 2014, 2015 and 2016, our credit card commission represented approximately 1.6% of our revenue generated from operation of restaurants and was therefore in line with the increase in our revenue during the Track Record Period.

Advertising

Our advertising expenses mainly represented the expenses incurred for our Group's advertising and marketing activities to promote our image, brand awareness and reputation. During the Track Record Period, our advertising and marketing activities mainly included participation in dining promotions organised by the Hong Kong Tourism Board, credit card companies membership clubs and shopping malls, advertisement placement in different channels, such as newspapers and food magazines. We also cooperate with a well-established travel reward programme. Our advertising expenses were on an increasing trend for the years ended 31 March 2014 and 2015 mainly because of the expansion of our restaurant network and the increasing expenses incurred for the travel reward programme. Our advertising expenses remained relatively stable for the year ended 31 March 2016 as compared to the corresponding year in the 2015.

Donation

For each of the years ended 31 March 2014, 2015 and 2016, our Group made donations of approximately HK$276,000, HK$338,000 and HK$333,000, respectively. The donations made by our Group during the Track Record Period refer to the donations made to a tax-exempt charitable organisation in Hong Kong.

Other gains and losses

The table below sets forth the breakdown of our Group's other gains and losses during the Track Record Period:

	Year ended 31 March		
	2014	**2015**	**2016**
	(HK$'000)	*(HK$'000)*	*(HK$'000)*
(Loss)/gain on disposals of property, plant and equipment	(1,284)	119	(940)
Loss on disposal of intangible assets	—	(304)	(187)
Gain on disposal of a subsidiary	—	—	10,518
Bargain purchase gain	—	98	—
Financial guarantee income	—	628	—
Total	(1,284)	541	9,391

Our Group recorded loss on disposal of property, plant and equipment of approximately HK$1.3 million for the year ended 31 March 2014. Such amount mainly related to the renovation of Prime Steak into Toro in March 2014 in the same premise, for which our Group disposed of certain fixed assets previously used for Prime Steak. The loss on disposal of property, plant and equipment of approximately HK$940,000 for the year ended 31 March 2016 was mainly due to loss on disposals of property, plant and equipment of approximately HK$1.0 million from the closure of "Cecconi's Italian" in January 2016.

The loss on disposal of intangible assets of approximately HK$0.3 million recorded for the year ended 31 March 2015 was attributable to the disposal of the licensed brand Mayta as it was renovated and recommenced its business under our self-owned brand "Braza" in March 2015. The loss on disposal of intangible assets of approximately HK$0.2 million recorded for the year ended 31 March 2016 was attributable to the disposal of the licensed brand "The Bellbrook" as it was renovated and recommenced its business under our self-owned brands as "Cecconi's Italian" in July 2015. Cecconi's Italian was subsequently closed in January 2016.

The bargain purchase gain of approximately HK$98,000 recorded for the year ended 31 March 2015 was attributable to the acquisition of California Vintage in June 2014. For further details and reconciliation for the bargain purchase gain, please refer to note 17 to the Accountants' Report.

The financial guarantee income of approximately HK$628,000 recorded for the year ended 31 March 2015 represented the amortisation of the financial guarantee obligation in respect of the financial guarantee issued by our Group to the holder of the First Exchangeable Bond on 25 November 2014 from approximately HK$3,639,000 at the inception date to approximately HK$3,011,000 as at the date of release. For further details on the First Exchangeable Bond, please refer to the section headed

"History, Development and Reorganisation — First Pre-IPO Investment — Principal terms of the First Exchangeable Bond" in this prospectus.

The gain on disposal of a subsidiary of approximately HK$10.5 million for the year ended 31 March 2016 represented the disposal gain from the sales of the entire interest of Golden Rock, which operated our restaurant Gaucho, on 15 January 2016, to an Independent Third Party. For further details on the disposal of Golden Rock, please refer to the section headed "History, Development and Reorganisation — Reorganisation — Incorporation of Golden Rock" in this prospectus.

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. Hong Kong profits tax was provided on the estimated assessable profits arising in Hong Kong at a rate of 16.5% during the Track Record Period. The effective tax rates for the years ended 31 March 2014, 2015 and the year ended 31 March 2016 were approximately 24.9%, 29.9% and 29.5%, respectively. The higher effective tax rates of our Group during the Track Record Period than the Hong Kong profits tax rate was primarily due to the unrecognised tax losses of some of our subsidiaries and the unrecognised deductible temporary differences arising from property, plant and equipment and intangible assets. Our effective tax rate increased to approximately 29.9% and 29.5% for the year ended 31 March 2015 and 2016 as compared to approximately 24.9% for the year ended 31 March 2014. Such increase was primarily attributable to the increase in unrecognised tax losses and the non-recurring Listing expenses incurred for the year ended 31 March 2015 and the year ended 31 March 2016, which were not deductible for tax.

There was no tax obligation arising from other jurisdictions during the Track Record Period. Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, our Group had no material dispute or unresolved tax issues with the relevant tax authority.

Profit attributable to owners of our Company

Year ended 31 March 2015 compared to year ended 31 March 2014

As a result of the factors discussed above, the profit attributable to owners of our Company decreased by approximately 40.9% or approximately HK$16.2 million, from approximately HK$39.6 million for the year ended 31 March 2014 to approximately HK$23.4 million for the year ended 31 March 2015. The decline in our profit attributable to owners of our Company was mainly due to (i) three out of four new restaurants incurring losses during the year ended 31 March 2015 as new restaurants generally generate lower profits or losses due to lower revenue and higher start-up operating costs at the initial stage and require a period of time to achieve target revenue and therefore incurred negligible revenue and recorded substantial loss at the initial stage of operation; (ii) the decrease in profit before taxation for the comparable restaurants as mentioned in the paragraph headed "Opening of new restaurants" in this section; and (iii) the non-recurring Listing expenses. In respect of the Listing expenses, we incurred nil and approximately HK$8.6 million for the years ended 31 March 2014 and 2015, respectively. For illustration purpose only, the adjusted profit attributable to owners of our Company (excluding the non-recurring Listing expenses) will be approximately HK$32.0 million for the year ended 31 March 2015, which represented a decrease of approximately 19.2%, or approximately HK$7.6 million as compared with that for the year ended 31 March 2014.

Year ended 31 March 2016 compared to year ended 31 March 2015

The overall result of our Group was affected by the financial results of new restaurants opened for expansion of our business during the financial period. For details, please refer to the paragraph headed "Opening of new restaurants" in this section. Given that the increase in number of restaurants and our major cost components are largely fixed costs, our percentages of major cost components, including cost of inventories consumed, staff costs, rental and related expenses and utilities and consumables, to revenue for the year ended 31 March 2016 was generally higher when compared with that for the year ended 31 March 2015. Our major cost components (including cost of inventories consumed, staff costs, rental and related expenses and utilities and consumables) to revenue increased from approximately 72.6% for the year ended 31 March 2015 to approximately 76.6% for the year ended 31 March 2016.

The decrease in profit attributable to owners of our Company during the year ended 31 March 2016 as compared with that for the year ended 31 March 2015 was mainly due to (i) the decrease in profit before taxation for the comparable restaurants as mentioned in the paragraph headed "Opening of new restaurants" in this section; (ii) the comparatively lower revenue generated by the new restaurants; (iii) the decrease in revenue generated from Cecconi's Italian and The BellBrook due to the cessation of operation during the renovation period as a result of the change of restaurant concepts and relocation of Cecconi's Italian and the relevant expenses incurred for the change of restaurant concepts and relocation of Cecconi's Italian; (iv) the loss on disposals of property, plant and equipment due to the closure of Cecconi's Italian in January 2016; (v) the start-up operating costs of approximately HK$2.0 million incurred for the five new restaurants to be opened subsequent to 31 March 2016 (four and one new restaurants to be opened during the years ending 31 March 2017 and 2018, respectively), which had no revenue generated during the year ended 31 March 2016 while there were four restaurants which incurred start-up operating cost of approximately HK$0.2 million during the year ended 31 March 2015; and (vi) the expense incurred for the close down of Topclean Bakery on 30 April 2015. The decrease in profit attributable to owners of our Company was partly offset by the gain on disposal of Golden Rock of approximately HK$10.5 million for the year ended 31 March 2016.

As a result of the factors discussed above, profit attributable to owners of our Company decreased by approximately 22.6% or approximately HK$5.3 million, from approximately HK$23.4 million for the year ended 31 March 2015 to approximately HK$18.1 million for the year ended 31 March 2016. In respect of the Listing expenses, we incurred approximately HK$8.6 million and HK$5.6 million for the year ended 31 March 2015 and 2016, respectively. For illustration purpose only, the adjusted profit attributable to owners of our Company (excluding the non-recurring Listing expenses) will be approximately HK$32.0 million and HK$23.7 million for the year ended 31 March 2015 and 2016, respectively, which represented a decrease of approximately 25.9%, or approximately HK$8.3 million.

Listing expenses

Our Directors are of the view that the financial results of our Group for the year ending 31 March 2017 is expected to be adversely affected by, among others, the Listing expenses in relation to the Placing which is non-recurring in nature. The aggregate amount of Listing expenses (including the underwriting commissions attributable to the New Shares and excluding the underwriting commissions attributable to the Sale Shares) is estimated to be approximately HK$37.6 million (based on the mid-point of the indicative Placing Price range of HK$0.50 per Placing Share and assuming the Offer Size Adjustment Option is not exercised), which is solely borne by our Company.

It is expected that:

- approximately HK$12.0 million to be accounted for as a deduction from equity upon Listing;

- approximately HK$25.6 million to be charged to our Group's consolidated statements of profit or loss and other comprehensive income:

  (i) approximately HK$8.6 million have been recognised by our Group for the year ended 31 March 2015;

(ii) approximately HK$5.6 million have been recognised by our Group for the year ended 31 March 2016; and

(iii) approximately HK$11.4 million is expected to be further recognised for the year ending 31 March 2017.

Up to 31 March 2016, approximately HK$16.3 million out of the estimated total Listing expenses of approximately HK$37.6 million has been paid by our Group, out of which approximately HK$4.7 million was recorded as prepayment as at 31 March 2016. As at 31 March 2016, we also recorded accruals for Listing expenses of approximately HK$2.5 million. Our Directors would like to emphasise that the amount of the Listing expenses is a current estimate for reference only and the final amount to be recognised in the consolidated financial statements of our Group for the year ending 31 March 2017 is subject to adjustment based on audit and the then changes in variables and assumptions.

Prospective investors should note that the financial performance of our Group for the year ending 31 March 2017 is expected to be adversely affected by the estimated non-recurring Listing expenses mentioned above, and may or may not be comparable to the financial performance of our Group in the past. Please also refer to the section headed "Risk factors — Our financial performance and results of operations will be affected by our non-recurring Listing expenses and the options to be granted under the Pre-IPO Share Option Scheme" in this prospectus.

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, our Group generally financed its working capital and capital expenditure requirements through a combination of advances from related parties and internally generated funds. As at 31 March 2014, 31 March 2015 and 31 March 2016, our Group had bank balances and cash of approximately HK$30.3 million, HK$57.4 million and HK$25.7 million, respectively, which were substantially held in Hong Kong dollars.

Our working capital requirements mainly represent the payments for food ingredients and beverages, staff costs, rental and related expenses, franchise and licence fees 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 cash generated from our operations and the net proceeds from the Placing, as well as other possible equity and debt financings as and when appropriate.

Our capital expenditures in the past mainly related to opening of restaurants in Hong Kong. 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

The following table sets forth the condensed summary of the consolidated statements of cash flows for the Track Record Period:

	Year ended 31 March		
	2014	**2015**	**2016**
	(HK$'000)	*(HK$'000)*	*(HK$'000)*
Net cash flows from operating activities	72,571	50,412	21,038
Net cash flows used in investing activities	(30,161)	(37,092)	(27,019)
Net cash flows (used in)/from financing activities	(30,961)	13,787	(25,704)
Net increase/(decrease) in cash and cash equivalents	11,449	27,107	(31,685)
Cash and cash equivalents at beginning of the year	18,851	30,300	57,407
Cash and cash equivalents at end of the year	30,300	57,407	25,722

Cash flows in operating activities

Our cash generated from operating activities is principally generated from the receipts from the restaurant operations. Our cash used in operating activities is principally used for payments of the purchases of food ingredients, operating lease rentals, staff costs, utilities and kitchen consumables.

For the year ended 31 March 2014, we recorded net cash inflows from operating activities of approximately HK$72.6 million. Operating cash inflow before changes in working capital was approximately HK$83.6 million, primarily attributable to profit before tax for the year of approximately HK$52.7 million, as adjusted by depreciation and amortisation of approximately HK$29.6 million and loss on disposals of property, plant and equipment of approximately HK$1.3 million mainly due to the change of brand of our restaurant from "Prime Steak" to "Toro" in March 2014. Changes in working capital contributed to a cash outflow of approximately HK$2.4 million consisting primarily of the increase in rental and utilities deposits of approximately HK$5.5 million and partially offset by the increase in trade and other payables of approximately HK$3.3 million as a result of the expansion of our restaurants from 18 to 20 for the year. Income tax paid was approximately HK$8.6 million for the year.

For the year ended 31 March 2015, we recorded net cash inflows from operating activities of approximately HK$50.4 million. Operating cash inflow before changes in working capital was approximately HK$64.1 million, primarily attributable to profit before tax for the year of approximately HK$33.3 million, as adjusted by depreciation and amortisation of approximately HK$30.1 million and finance cost of approximately HK$1.2 million for the imputed interest derived from the two-year's interest-free loan from a Controlling Shareholder, with principal amount of US$4.0 million. Changes in working capital contributed to a cash inflow of approximately HK$3.5 million primarily consisting of the increase in trade and other payables of approximately HK$15.0 million as a result of the expansion of our restaurants from 20 to 24 for the year and increase in payable for Listing expenses, partially offset by the increase in rental and utilities deposits, inventories and trade and other receivables of approximately HK$4.4 million, HK$2.4 million, HK$4.7 million, respectively, which was mainly due to the expansion of our restaurants from 20 to 24 for the year. Income tax paid was approximately HK$17.1 million for the year.

For the year ended 31 March 2016, we recorded net cash inflows from operating activities of approximately HK$21.0 million. Operating cash inflow before changes in working capital was approximately HK$45.2 million, primarily attributable to profit before tax for the year of approximately HK$25.7 million, as mainly adjusted by (i) depreciation and amortisation of approximately HK$28.9 million; and (ii) gain on disposal of Golden Rock of approximately HK$10.5 million. Changes in working capital contributed to a cash outflow of approximately HK$15.2 million consisting primarily of (i) the increase in rental and utilities deposits of approximately HK$7.1 million mainly for the opening of our restaurants "London House" and "Le Pain Quotidien (Lee Tung Avenue)" which commenced operation in September 2015 and February 2016, respectively and our new restaurants to be opened subsequent to 31 March 2016; (ii) the increase in trade and other receivables of approximately HK$3.6 million mainly due to the increase in prepayment for rental expenses in advance for London House, Le Pain Quotidien (Lee Tung Avenue) and our new restaurants which will commence operation subsequent to 31 March 2016 and the increase in prepayment for Listing expenses; and (iii) the decrease in trade and other payables of approximately HK$5.2 million mainly as a result of the settlement of trade payable and payable for Listing expenses.

The decrease in our net cash flows from operating activities for the year ended 31 March 2015 as compared to 31 March 2014 was mainly due to (i) the decline in our net profit of approximately HK$16.2 million partly attributable to the Listing expenses of HK$8.6 million incurred for the year ended 31 March 2015; and (ii) the increase in income tax paid of approximately HK$8.6 million.

The decrease in our net cash flows from operating activities for the year ended 31 March 2016 as compared to 31 March 2015 was mainly due to (i) the decline in our net profit of approximately HK$5.3 million; (ii) the decrease in trade and other payables of approximately HK$8.8 million mainly as a result of the decrease in trade payable balance and settlement of payable for Listing expenses; (iii) the increase in rental and utilities deposits of approximately HK$5.6 million mainly as a result of our new restaurants to be opened subsequent to 31 March 2016; and (iv) the increase in trade and other receivables of approximately HK$3.4 million due to the increase in prepayment for rental expense in advance mainly for our new restaurants opened during the year and to be opened subsequent to 31 March 2016 and the increase in prepayment for Listing expenses. Such decrease was partially offset by decrease in income tax paid of approximately HK$8.1 million.

Cash flows in investing activities

Our Group recorded net cash outflows in investing activities of approximately HK$30.2 million, HK$37.1 million and HK$27.0 million for each of the years ended 31 March 2014, 2015 and 2016, respectively. During the Track Record Period, our cash flows in investing activities primarily consisted of capital expenditures on property, plant and equipment and intangible assets, disposal of Golden Rock and the advances from and repayments to related parties, including our Controlling Shareholders, related companies and Director.

For the year ended 31 March 2014, we recorded net cash outflows of approximately HK$30.2 million, which was the combined results of (i) purchase of and deposits paid of property, plant and equipment of approximately HK$22.9 million; (ii) purchase of intangible assets amounted to approximately HK$0.6 million which mainly related to the opening of restaurants for the year ended 31 March 2014; (iii) increase in net advance to related parties of approximately HK$5.7 million; and (iv) placements of restricted bank deposits in banks pursuant to our Group's obligations under certain operating leases of approximately HK$2.4 million.

For the year ended 31 March 2015, we recorded net cash outflows of approximately HK$37.1 million, which was the combined results of (i) purchase of and deposits paid of property, plant and equipment of approximately HK$34.6 million; (ii) purchase of intangible assets amounted to approximately HK$7.6 million which mainly related to the opening of restaurants for the year ended 31 March 2015 and was partially offset by the net repayment from related parties of approximately HK$5.4 million.

For the year ended 31 March 2016, we recorded net cash outflows of approximately HK$27.0 million, which was the combined results of (i) purchase of and deposits paid for property, plant and equipment of approximately HK$38.1 million; (ii) purchase of intangible assets amounted to approximately HK$4.3 million which mainly related to the opening of restaurants subsequent to 31 March 2016; (iii) increase in net advance to related parties of approximately HK$3.8 million; and (iv) net cash inflows arising from the disposal of our subsidiary of approximately HK$17.3 million. On 15 January 2016, Dining Concepts (Western) entered into a sale and purchase agreement with Gaucho Grill, with regard to the entire issued shares of one of our operating subsidiaries, Golden Rock. The transaction was completed on 15 January 2016. Upon completion, Golden Rock ceased to be a wholly-owned subsidiary of Dining Concepts (Western) and that we ceased to own and operate one of our full-service restaurants, Gaucho, the restaurant operating under Golden Rock. For details, please refer to the section headed "History, development and reorganisation — Reorganisation — Incorporation of Golden Rock" in this prospectus.

Cash flows in financing activities

Our Group recorded net cash outflows in financing activities of approximately HK$31.0 million for the year ended 31 March 2014, net cash inflows of approximately HK$13.8 million for the year ended 31 March 2015 and net cash outflows of approximately HK$25.7 million for the year ended 31 March 2016. During the Track Record Period, our cash flows in financing activities primarily consisted of dividend payments, and the advances from and repayments to related parties.

During each of the years ended 31 March 2014, 2015 and 2016, certain subsidiaries now comprising our Group paid dividends of approximately HK$36.2 million, HK$29.0 million and nil to their respective then shareholders, respectively. The effect of these dividend payments on our cash flows for the year ended 31 March 2014 was mitigated by the net advance from related parties of approximately HK$4.9 million mainly in relation to the opening of restaurants during the Track Record Period. For the year ended 31 March 2015, our Group recorded cash inflows of approximately HK$61.1 million from the Pre-IPO Investments. For the year ended 31 March 2016, net cash outflows of approximately HK$25.7 million was mainly due to net repayment to related companies and Controlling Shareholders of approximately HK$0.3 million and HK$25.4 million, respectively.

Working capital

After taking into account the following financial resources available to our Group:

- the amounts of net cash generated from operating activities of our Group during the Track Record Period;
- the bank balances and cash of our Group of approximately HK$21.3 million as at 31 May 2016 based on our Group's unaudited management accounts;
- the cash position of our Group will be improved by approximately HK$5.2 million after the settlement of the non-trade balances from related companies, director and Controlling Shareholders and the distribution of Director's bonus of HK$6.0 million and dividends of approximately HK$7.3 million upon Listing; and
- the net proceeds from the Placing to be received by our Group,

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 twelve months from the date of this prospectus.

CURRENT ASSETS AND CURRENT LIABILITIES

	At 31 March			At 31 May
	2014	2015	2016	2016
	(HK$'000)	*(HK$'000)*	*(HK$'000)*	*(HK$'000)* *(Unaudited)*
Current assets				
Inventories	4,611	7,003	5,780	5,848
Trade and other receivables	5,627	10,291	13,664	16,013
Amounts due from related companies	13,024	4,526	621	663
Amounts due from a director	5,837	7,638	10,864	10,864
Amounts due from Controlling Shareholders	1,701	3,030	7,528	7,528
Tax recoverable	1,008	2,302	2,554	1,588
Bank balances and cash	30,300	57,407	25,722	21,323
	62,108	92,197	66,733	63,827
Current liabilities				
Trade and other payables	45,934	59,113	50,296	55,135
Amounts due to related companies	9,395	2,790	2,455	1,679
Amount due to a director	1,523	—	—	—
Amounts due to Controlling Shareholders	38,957	25,369	—	—
Tax liabilities	7,199	1,312	151	632
	103,008	88,584	52,902	57,446
Net current (liabilities)/assets	(40,900)	3,613	13,831	6,381

As at 31 March 2014, we recorded net current liabilities of approximately HK$40.9 million. As at 31 March 2015, 31 March 2016 and 31 May 2016, we recorded net current assets of approximately HK$3.6 million, HK$13.8 million and HK$6.4 million, respectively. Our current assets as at 31 March 2014, 31 March 2015, 31 March 2016 and 31 May 2016 amounted to approximately HK$62.1 million, HK$92.2 million, HK$66.7 million and HK$63.8 million, respectively, with inventories, trade and other receivables, amounts due from related parties, and bank balances and cash being the major components of which. Our current liabilities as at 31 March 2014, 31 March 2015, 31 March 2016 and 31 May 2016 amounted to approximately HK$103.0 million, HK$88.6 million, HK$52.9 million and HK$57.4 million, respectively, which primarily consisted of trade and other payables, amounts due to related parties and tax liabilities.

Notwithstanding we generated net cash inflows from our operating activities of approximately HK$72.6 million for the year ended 31 March 2014, we recorded net current liabilities of approximately HK$40.9 million as at 31 March 2014. It was mainly attributable to the non-interest bearing advances provided by our related parties to our Group in meeting its capital expenditures, resulting in the amounts due to related parties which have been recorded as current liabilities of our Group. Our net current liabilities position as at 31 March 2014 turned around into net current assets position as at 31 March 2015. This was mainly due to the receipts of the proceeds from the Pre-IPO Investments in December 2014, which have been partially utilised by our Group for, among others, repaying part of the outstanding amounts due to related parties and as our general working capital. Our net current assets position further improved from approximately HK$3.6 million as at 31 March 2015 to approximately HK$13.8 million as at 31 March 2016 which was mainly attributable to (i) our amount due to Controlling Shareholders decreased from approximately HK$25.4 million as at 31 March 2015 to nil as at 31 March 2016; and (ii) our trade and other payables decreased from approximately HK$59.1 million as at 31 March 2015 to HK$50.3 million as at 31 March 2016. Such amount was partly offset by the decrease in our bank balances and cash from approximately HK$57.4 million as at 31 March 2015 to approximately HK$25.7 million as at 31 March 2016. At the request of CIS Strategic, the Second Exchangeable Bond was redeemed fully by Dining Concepts (International) in September 2015 at the redemption price of approximately HK$32.6 million, being the principal amount of the Second Exchangeable Bond together with the return at an internal rate of 13%. The repayment of the redemption of approximately HK$32.6 million was funded by our Company on behalf of Dining Concepts (International). For the repayment of such amount to our Company, Dining Concepts (International) has undertaken to (i) take up all the amounts due to Controlling Shareholders of approximately HK$25.1 million as at the date of redemption; and (ii) repay the remaining amount by settlement of the amount due from Controlling Shareholders as at 31 March 2016 of approximately HK$7.5 million before Listing. Our net current assets position decreased from approximately HK$13.8 million as at 31 March 2016 to approximately HK$6.4 million as at 31 May 2016. Such decrease was mainly due to increase in our trade and other payables from approximately HK$50.3 million as at 31 March 2016 to approximately HK$55.1 million as at 31 May 2016 and decrease in our bank balances and cash from approximately HK$25.7 million as at 31 March 2016 to approximately HK$21.3 million as at 31 May 2016.

Save as the balance with related parties of our Group in connection with the continuing connected transactions, details of which are set out in the section headed "Connected transactions" in this prospectus, the amounts due from and to related parties of our Group will be fully settled prior to the Listing. Our Group intends to settle the outstanding amounts due to related parties with its internal resources.

Our Directors are of the view that, taking into account (i) the further improvement of our net current assets position from approximately HK$3.6 million as at 31 March 2015 to approximately HK$13.8 million as at 31 March 2016; (ii) the estimated amount of net proceeds from the Placing of approximately HK$32.8 million to be received by our Group; (iii) the cash flows from operating activities to be generated by our Group; and (iv) the full settlement of amounts due from and to related parties of our Group upon Listing (save as the balance with related parties of our Group in connection with the continuing connected transactions, details of which are set out in the section headed "Connected

Transactions" in this prospectus), our Group's net current assets position is expected to be further improved after Listing.

The following table sets out the current ratio and quick ratio of our Group as at the end of each reporting date during the Track Record Period:

	At 31 March		
	2014	2015	2016
Current ratio(1)	0.6	1.0	1.3
Quick ratio(2)	0.6	1.0	1.2

Notes:

1. *Current ratio is calculated based on the total current assets at the end of the year divided by the total current liabilities at the end of the year.*

2. *Quick ratio is calculated based on the total current assets excluding inventories at the end of the year divided by the total current liabilities at the end of the year.*

As at 31 March 2014, 31 March 2015 and 31 March 2016, current ratio of our Group was approximately 0.6, 1.0 and 1.3, respectively, and quick ratio of our Group was approximately 0.6, 1.0 and 1.2, respectively. Our quick ratio was generally close to our current ratio because inventories of our Group only accounted for less than 10% of our total current assets as at 31 March 2014, 31 March 2015 and 31 March 2016.

The improvement of current ratio and quick ratio of our Group as at 31 March 2015 as compared to those as at 31 March 2014 was mainly attributable to the more significant growth in our current assets than that of our current liabilities. Contributed by the increase in major items of our current assets, such as inventories, trade and other receivables, and bank balances and cash, our current assets increased from approximately HK$62.1 million as at 31 March 2014 to approximately HK$92.2 million as at 31 March 2015. The relatively significant improvement of our current ratio and quick ratio as at 31 March 2015 as compared to those as at 31 March 2014 was mainly as a result of the receipts of proceeds from the Pre-IPO Investments during the year ended 31 March 2015, which have been partially utilised by our Group for, among others, repaying part of the outstanding amounts due to related parties and as our general working capital. Our current ratio and quick ratio of our Group remained relatively stable that they further improved to approximately 1.3 and 1.2 as at 31 March 2016 from approximately 1.0 and 1.0 as at 31 March 2015, respectively, primarily due to the decrease of our trade and other payables by approximately HK$8.8 million mainly as a result of the settlement of payable for intangible assets and Listing expenses of approximately HK$3.4 million and HK$2.1 million, respectively.

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 paragraph headed "Description and analysis of principal components in the consolidated statements of financial position" in this section.

DESCRIPTION AND ANALYSIS OF PRINCIPAL COMPONENTS IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Property, plant and equipment

Our Group's property, plant and equipment mainly represented the leasehold improvements, furniture, fixtures and equipment for our restaurants, as well as office equipment. As at 31 March 2014, 31 March 2015 and 31 March 2016, the carrying values of our Group's property, plant and equipment amounted to approximately HK$48.7 million, HK$54.6 million and HK$41.1 million, respectively.

Our capital expenditures on property, plant and equipment amounted to approximately HK$23.2 million, HK$35.0 million and HK$22.2 million for each of the years ended 31 March 2014, 2015 and 2016, respectively. For each of the years ended 31 March 2014 and 2015, it was mainly attributable to our two and four new restaurants opened during the corresponding years. For our capital expenditure for the year ended 31 March 2016, it was mainly attributable to (i) two new restaurants opened during the year; and (ii) renovation to change the restaurant concept from "The Bellbrook" to "Cecconi's Italian" from June to July 2015 and upgrading, by way of renovation, the premises of "BLT Burger" in April 2015. The effect of our capital expenditures on the carrying amounts of property, plant and equipment was mitigated by (i) the relevant depreciation charges of approximately HK$28.9 million, HK$29.1 million and HK$26.9 million for each of the years ended 31 March 2014, 2015 and 2016, respectively; and (ii) the decrease in carrying amount of approximately HK$5.8 million for the year ended 31 March 2016 arising from the disposal of our subsidiary which operated Gaucho in January 2016.

Intangible assets

Intangible assets of our Group represent the franchise and licensing rights acquired from franchisors/licensors in respect of our restaurants operating under franchised/licensed brands. The intangible assets have estimated useful lives of five to ten years and are amortised on a straight-line basis over their estimated useful lives. As at 31 March 2014, 31 March 2015 and 31 March 2016, the carrying values of our Group's intangible assets amounted to approximately HK$7.7 million, HK$14.8 million and HK$13.5 million, respectively. The movement of the carrying values of our Group's intangible assets was primarily attributable to the acquisitions of franchise and licensing rights for our one and four new restaurant(s) under the franchised/licensed brands during each of the years ended 31 March 2014 and 2015, respectively, the change of one of our restaurants operated under our self-owned brands to licensed brands in March 2014, and the relevant amortisation recognised for the corresponding year. Our Group's intangible assets decreased from approximately HK$14.8 million as at 31 March 2015 to approximately HK$13.5 million as at 31 March 2016. Such decrease was mainly due to amortisation of approximately HK$2.0 million provided for the year ended 31 March 2016.

Rental and utilities deposits

Rental and utilities deposits of our Group during the Track Record Period mainly consisted of the deposits paid by our Group for our leased properties pursuant to the respective lease agreements entered into by our Group and the deposits for utilities, such as electricity, water and gas supplies. As at 31 March 2014, 31 March 2015 and 31 March 2016, rental and utilities deposits of our Group amounted to approximately HK$19.7 million, HK$24.7 million and HK$30.4 million, respectively. The increasing trend of our rental and utilities deposits during the Track Record Period was mainly attributable to (i) the rental and utilities deposits incurred for our new restaurants opened during the Track Record Period and to be opened subsequent to 31 March 2016; and (ii) the upward adjustment of monthly rentals for certain of our restaurants during the same period pursuant to the escalation clause of relevant lease agreements and upon renewal of lease agreements.

Inventories

During the Track Record Period, our inventories mainly comprised of food and beverages used in our operations, including food ingredients, foods and beverages, as well as other supplies for restaurant operations.

The following table sets out the breakdown of our Group's inventories as at the end of each reporting period during the Track Record Period:

	At 31 March		
	2014	2015	2016
	(HK$'000)	*(HK$'000)*	*(HK$'000)*
Food ingredients	1,426	1,873	1,703
Beverages and others	3,185	5,130	4,077
Total	4,611	7,003	5,780

The following table sets out the inventory turnover days of our Group for the Track Record Period:

	Year ended 31 March		
	2014	2015	2016
	(Days)	*(Days)*	*(Days)*
Inventory turnover days (Note)	16.7	18.0	19.8

Note: Inventory turnover days are calculated by dividing the average inventory balance by cost of inventories consumed for the year multiplied by the number of days during the year (i.e. 365 days for each of the years ended 31 March 2014 and 2015 and 366 days for the year ended 31 March 2016). Average inventory balance is the average of the beginning and ending inventory balances for the relevant year.

As at 31 March 2014 and 31 March 2015, our inventory balance amounted to approximately HK$4.6 million and HK$7.0 million, respectively. Such increase of our inventory balance was mainly attributable to the expansion of our restaurant network during the Track Record Period, during which we opened two and four new restaurants during each of the years ended 31 March 2014 and 2015, respectively. Our inventory balance slightly decreased from approximately HK$7.0 million as at 31 March 2015 to approximately HK$5.8 million as at 31 March 2016 mainly due to decrease in the number of restaurants from 24 restaurants as at 31 March 2015 to 22 restaurants as at 31 March 2016. As the shelf life of the fresh seafood, fresh vegetables and fruits and fresh meats are relatively short, our Group aims at maintaining our inventory level at a minimum level.

Our Directors believe that fresh seafood, fresh vegetables and fruits and fresh meats have shelf life of approximately three to 15 days, dried food has a shelf life of approximately six months and frozen food has a shelf life of approximately two weeks. For each of the years ended 31 March 2014, 2015 and 2016, inventory turnover days of our Group were approximately 16.7 days, 18.0 days and 19.8 days, respectively. The increasing trend of our inventory turnover days during the Track Record Period was mainly due to majority of our inventory balance were beverages and others, which were generally consumed at a slower pace than food ingredients.

As at 31 May 2016, approximately 94% of our inventories as at 31 March 2016 have been subsequently utilised.

Trade receivables

During the Track Record Period, since majority of our customers settled their bills by cash or credit cards, our Group's trade receivables mainly represented receivables from credit card issuers and certain corporate customers who held events in our restaurants, which are considered well established and to which we have offered credit terms of 20 days. We normally receive remittances from the relevant credit card issuers, net of service charges, on the second or third business day after the day on which the credit card transaction is approved.

As at 31 March 2014, 31 March 2015 and 31 March 2016, our trade receivables amounted to approximately HK$3.2 million, HK$2.4 million and HK$2.2 million, respectively. The relatively higher balance of trade receivables as at 31 March 2014 was primarily due to the fact that 31 March 2015 was

Tuesday, while 31 March 2014 was Monday and hence, there was one additional business day for the credit card issuers for processing the credit card transactions which took place during the weekend prior to 31 March 2015 as compared to 31 March 2014. The balance decreased from approximately HK$2.4 million as at 31 March 2015 to approximately HK$2.2 million as at 31 March 2016 mainly due to decrease in the number of restaurants from 24 restaurants as at 31 March 2015 to 22 restaurants as at 31 March 2016.

The following table sets out 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:

	At 31 March		
	2014	**2015**	**2016**
	(HK$'000)	*(HK$'000)*	*(HK$'000)*
0 - 20 days	2,891	2,170	1,871
21 to 90 days	162	115	212
Over 90 days	122	137	91
Total	3,175	2,422	2,174

As at 31 March 2014, 31 March 2015 and 31 March 2016, approximately HK$284,000, HK$252,000 and HK$303,000 of our trade receivables were past due for which our Group has not provided for impairment loss. Set out below is the ageing analysis on such trade receivables:

	At 31 March		
	2014	**2015**	**2016**
	(HK$'000)	*(HK$'000)*	*(HK$'000)*
21 to 90 days	162	115	212
Over 90 days	122	137	91
Total	284	252	303

As at the Latest Practicable Date, our Group's trade receivables as at 31 March 2016 were subsequently fully settled.

The following table sets out the trade receivable turnover days of our Group for the Track Record Period:

	Year ended 31 March		
	2014	**2015**	**2016**
	(Days)	*(Days)*	*(Days)*
Trade receivable turnover days(Note)	3.5	2.2	1.8

Note: Trade receivable turnover days are calculated by dividing the average trade receivable balance by revenue for the relevant year multiplied by the number of days during the year (i.e. 365 days for each of the years ended 31 March 2014 and 2015 and 366 days for the year ended 31 March 2016). Average trade receivable balance is the average of the beginning and ending trade receivable balances for the relevant year.

For each of the years ended 31 March 2014 and 2015 and 2016, trade receivable turnover days of our Group were approximately 3.5 days, 2.2 days and 1.8 days, respectively. Trade receivable turnover days of our Group for the years ended 31 March 2014, 2015 and 2016 were considered to be relatively stable and were generally in line with the fact that over 75% of our revenue was settled by our customers by credit cards during the Track Record Period and that the relevant credit card issuers, net of service charges, on the second or third business day after the day on which the credit card transaction is approved, together with the effect of weekends and holidays on settlement period of credit card issuers.

Other receivables

Our Group's other receivables as at 31 March 2014, 31 March 2015 and 31 March 2016 amounted to approximately HK$2.5 million, HK$7.9 million and HK$11.5 million, respectively. The following table sets out the breakdown of our Group's other receivables as at the end of each reporting period during the Track Record Period:

	At 31 March		
	2014	**2015**	**2016**
	(HK$'000)	*(HK$'000)*	*(HK$'000)*
Prepayments for insurances and consumables	1,032	2,645	1,432
Deferral for Listing expenses	—	3,113	4,685
Deferred consideration on disposal of a subsidiary	—	—	746
Prepayments for rental	—	—	2,035
Advance to employees	1,056	1,268	1,267
Others	364	843	1,325
Total	2,452	7,869	11,490

During the Track Record Period, our other receivables mainly consisted of prepayments for insurances and consumables, deferral for Listing expenses, advances to employees and others.

Prepayments for insurances and consumables of our Group mainly represented the prepaid expenses in respect of insurance, telecommunication and other expenses. The balance increased from approximately HK$1.0 million as at 31 March 2014 to approximately HK$2.6 million as at 31 March 2015 mainly as a result of the increase in prepaid insurance and other expenses for our restaurants and the expansion of our restaurant network. The balance decreased from approximately HK$2.6 million as at 31 March 2015 to approximately HK$1.4 million as at 31 March 2016 mainly due to the decrease of the prepayments for insurances and consumables from Gaucho of approximately HK$0.8 million which disposed the operating subsidiary, Golden Rock, in January 2016 and the closure of other three restaurants during the year ended 31 March 2016.

Deferred consideration on disposal of a subsidiary represented the consideration to be paid by Gaucho Grill regarding the disposal of entire equity interest of Golden Rock. The deferred consideration was subsequently settled in May 2016.

Prepayments for rental mainly represented the rental expenses in advance for London House, Le Pain Quotidien (Lee Tung Avenue) and our new restaurants which will commence operation subsequent to 31 March 2016.

Advance to employees of our Group mainly consisted of rental deposits paid on behalf of our overseas employees and advance made to employees, which were relatively stable ranging from approximately HK$1.1 million to approximately HK$1.3 million during the Track Record Period.

Trade payables

Our trade payables mainly related to our purchases of food ingredients and beverages for our restaurant operations. During the Track Record Period, payment terms granted by our suppliers are normally within 45 days after the monthly statement is issued.

The following table sets out the ageing analysis of our trade payable based on the invoice date as at the end of each reporting period during the Track Record Period:

	As at 31 March		
	2014	2015	2016
	(HK$'000)	*(HK$'000)*	*(HK$'000)*
0-60 days	15,336	20,454	17,981
Over 60 days	110	40	—
Total	15,446	20,494	17,981

The following table sets out the trade payable turnover days of our Group for the Track Record Period:

	Year ended 31 March		
	2014	2015	2016
	(Days)	*(Days)*	*(Days)*
Trade payable turnover days (Note)	57.0	55.8	59.6

Note: Trade payable turnover days are calculated by dividing the average trade payable balance by cost of inventories consumed for the relevant year multiplied by the number of days during the year (i.e. 365 days for each of the years ended 31 March 2014 and 2015 and 366 days for the year ended 31 March 2016). Average trade payable balance is the average of the beginning and ending trade payable balances for the relevant year.

As at 31 March 2014, 31 March 2015 and 31 March 2016, our trade payables amounted to approximately HK$15.4 million, HK$20.5 million and HK$18.0 million, respectively. As at 31 March 2015, the increase in our trade payables was generally in line with the increase in our costs of inventories sold mainly as a result of the expansion of our restaurant network. Our trade payables decreased from approximately HK$20.5 million as at 31 March 2015 to approximately HK$18.0 million as at 31 March 2016 was mainly due to decrease in number of restaurants from 24 restaurants as at 31 March 2015 to 22 restaurants as at 31 March 2016.

For each of the years ended 31 March 2014, 2015 and 2016, trade payable turnover days of our Group were approximately 57.0 days, 55.8 days and 59.6 days, respectively. Trade payable turnover days of our Group for the Track Record Period were considered to be relatively stable at approximately 60 days and were generally in line with the payment terms normally granted by our suppliers of within 45 days after the monthly statement is issued and the fact that our suppliers normally issue their monthly statements to our Group on a monthly basis for the purchases made by our Group in the last preceding month.

As at Latest Practicable Date, our Group's trade payables as at 31 March 2016 were subsequently fully settled.

Our Directors have confirmed that our Group did not have any material default in payment of trade payables during the Track Record Period.

Other payables

Our Group's other payables as at 31 March 2014, 31 March 2015 and 31 March 2016 amounted to approximately HK$30.5 million, HK$38.6 million and HK$32.3 million, respectively. The following table sets out the breakdown of our Group's other payables as at the end of each reporting period during the Track Record Period:

	At 31 March		
	2014	**2015**	**2016**
	(HK$'000)	*(HK$'000)*	*(HK$'000)*
Salary payables	8,181	10,207	8,748
Payable for property, plant and equipment	6,953	4,340	5,375
Rental payables	5,931	5,695	6,568
Franchise and licence fees payables	930	2,007	1,708
Deposits from customers	230	945	768
Audit fee accrual	726	670	787
Payable for repair and maintenance	1,662	1,405	1,662
Payable for utility and consumables	1,528	3,355	2,230
Payable for cleaning suppliers	1,049	1,573	1,525
Payable for intangible assets	2,581	3,412	—
Payable for Listing expenses	—	4,626	2,463
Other tax payables	717	384	481
Total	30,488	38,619	32,315

During the Track Record Period, our other payables mainly consisted of salary payables, rental payables, franchise and licence fees payables, payables for intangible assets and property, plant and equipment, and payable for Listing expenses and payables for other operating expenses.

The increase in our balances of salary payables, franchise and licence fees payables, payables for utilities and consumables, cleaning suppliers and intangible assets as at 31 March 2015 as compared to 31 March 2014 was generally in line with the increases in our staff costs, franchise and licence fees, utilities and consumables, amortisation expenses and other expenses mainly as a result of the expansion of our restaurant network for the year ended 31 March 2015.

Other payables decreased from approximately HK$38.6 million as at 31 March 2015 to approximately HK$32.3 million as at 31 March 2016 mainly due to (i) the decrease in salary payables of approximately HK$1.5 million mainly due to decrease in the number of headcounts from 589 staff as at 31 March 2015 to 548 staff as at 31 March 2016; (ii) the decrease in payable for Listing expenses of approximately HK$2.2 million; and (iii) the decrease in payable for intangible assets in regards to the remaining amount of development fee payable under the area development agreement date 1 December 2014 which had been fully settled as at 31 March 2016.

Deposits from customers mainly represented the deposits received from our customers for holding events in our restaurants and dining vouchers issued to our customers. Such amounts would be recognised in our profit or loss upon provision of our catering services to our customers. The balance increased to approximately HK$0.9 million as at 31 March 2015 mainly because of the expansion of our restaurant network. Such balance decreased from approximately HK$0.9 million as at 31 March 2015 to approximately HK$0.8 million as at 31 March 2016 mainly due to decrease in number of restaurants from 24 restaurants as at 31 March 2015 to 22 restaurants as at 31 March 2016.

Other tax payables of our Group represented the withholding tax in relation to the franchise and licence fees paid or payable to the relevant franchisors and licensors who were non-resident enterprises. We accrue for the amount of tax based on the amount of franchise and licence fees paid or payable to the relevant franchisors and licensors.

Our Directors have confirmed that our Group did not have any material default in payment of other payables during the Track Record Period.

Amounts due from and to related parties

The following table sets for a summary of the amounts due from and to related parties, including related companies, Controlling Shareholders and a director, as at the end of each reporting period during the Track Record Period:

	At 31 March		
	2014	2015	2016
	(HK$'000)	*(HK$'000)*	*(HK$'000)*
Amounts due from related companies	13,024	4,526	621
Amounts due from a director	5,837	7,638	10,864
Amounts due from Controlling Shareholders	1,701	3,030	7,528
	20,562	15,194	19,013
Amounts due to related companies	9,395	2,790	2,455
Amounts due to a director	1,523	—	—
Amounts due to Controlling Shareholders	38,957	25,369	—
	49,875	28,159	2,455

The amounts due from related parties are unsecured, interest-free and repayable on demand. Except for the amounts due to related companies, the amounts due to related parties (Director and Controlling Shareholders) were mainly originated from the non-interest bearing advances provided by our related parties to our Group in meeting its capital expenditures for the opening of restaurants during the Track Record Period. These amounts are non-trade in nature, unsecured, interest-free and repayable on demand. The amounts due to related companies represented the balance in connection with the continuing connected transactions, detail of which are set out in the section head "Connected transactions" in this prospectus. These amounts are unsecured, interest-free and repayable on demand.

Save as the balance with related parties of our Group in connection with the continuing connected transactions, the amounts due from and to related parties of our Group will be fully settled prior to the Listing.

INDEBTEDNESS

Borrowings

The following table sets out the borrowings of our Group as at 31 March 2014, 31 March 2015, 31 March 2016 and 31 May 2016, being the latest practicable date for the purpose of this statement of indebtedness:

	At 31 March			At 31 May
	2014	2015	2016	2016
	(HK$'000)	*(HK$'000)*	*(HK$'000)*	*(HK$'000)* *(Unaudited)*
Amounts due to related companies	9,395	2,790	2,455	1,679
Amount due to a director	1,523	—	—	—
Amounts due to Controlling Shareholders	38,957	25,369	—	—
Total	49,875	28,159	2,455	1,679

As at 31 March 2014, 31 March 2015, 31 March 2016 and 31 May 2016, our Group's borrowings mainly represented amounts due to related parties, including related companies, a Director and Controlling Shareholders, which in aggregate amounted to approximately HK$49.9 million, HK$28.2 million, HK$2.4 million and HK$1.7 million, respectively. Such borrowings are interest-free, unsecured and have no fixed terms of repayment or covenant. All of the amounts due to related parties of our Group will be fully settled prior to the Listing.

Our Directors have confirmed that our Group has not had any material delay or default in payment with regard to any borrowings during the Track Record Period and up to the Latest Practicable Date.

Banking facilities

As at 31 March 2014, 31 March 2015, 31 March 2016 and 31 May 2016, our Group did not have any utilised or unutilised banking facilities.

During the Track Record Period, our Group did not obtain any banking facilities. Our Directors have confirmed that our Group did not experience any difficulty in obtain credit facilities or withdrawal of facilities during the Track Record Period and up to the Latest Practicable Date.

To the best knowledge and belief of our Directors, our Group will not have difficulties in obtaining banking facilities after Listing.

Secured assets

As at 31 March 2014, 31 March 2015, 31 March 2016 and 31 May 2016, our Group placed restricted bank deposits of approximately HK$1.9 million, HK$2.0 million, HK$2.1 million and HK$2.1 million, respectively, in banks pursuant to our Group's obligations under certain operating leases. The restricted bank deposits carried interest at 2.5%, 2.0%, 1.5% and 1.5% per annum as at 31 March 2014, 31 March 2015, 31 March 2016 and 31 May 2016, respectively. The deposits will be released upon termination of lease agreements.

Contingent liabilities

On 25 November 2014, our Group granted a financial guarantee to the holder of the First Exchangeable Bond issued by Dining Concepts (International), one of our Controlling Shareholders. The maximum amounts that could be required to be paid during the guarantee period if Dining Concepts (International) were default in entirety amounted to approximately US$4,666,000 (equivalent to approximately HK$36.3 million), representing the principal and accrual interest relating to the First Exchangeable Bond. The fair value of the financial guarantee obligation was approximately HK$3,639,000 at the inception date. On 31 March 2015, the financial guarantee provided by our Group was released. There were no outstanding unamortised amount of the financial guarantee obligation as at 31 March 2015, 31 March 2016 and 31 May 2016.

Disclaimer

Save as disclosed above, our Group did not have any outstanding loan capital issued or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptable credits, debentures, mortgages, charges, finance leases, hire purchases commitments, guarantees or other material contingent liabilities as at 31 May 2016, being the latest practicable date for the preparation of the indebtedness statement in this prospectus.

Material indebtedness change

Our Directors have confirmed that, up to the Latest Practicable Date, there has been no material change in indebtedness, capital commitment and contingent liabilities of our Group since 31 May 2016, being the latest practicable date for determining our indebtedness.

Our Directors have further confirmed that as at the Latest Practicable Date, our Group did not have any plan to raise any material debt financing shortly after Listing.

OPERATING LEASE COMMITMENTS

As at 31 March 2014, 31 March 2015 and 31 March 2016, our Group had commitments for future minimum lease payments in respect of rented premises under non-cancellable operating leases which fall due as follows:

	At 31 March		
	2014	**2015**	**2016**
	(HK$'000)	*(HK$'000)*	*(HK$'000)*
Within one year	54,420	72,130	80,943
In the second to the fifth year inclusive	85,301	83,495	127,082
Total	139,721	155,625	208,025

The above lease commitments represent basic rents only and do not include contingent rents payable in respect of certain restaurants leased by our Group. In general, these contingent rents are calculated based on the relevant restaurants' turnover pursuant to the terms and conditions as set out in the respective rental agreements. It is not possible to estimate in advance the amount of such contingent rent payable. During the Track Record Period, the amounts of contingent rental recognised as expenses were approximately HK$7.7 million, HK$7.1 million and HK$3.6 million for each of the years ended 31 March 2014, 2015 and 2016, respectively.

CAPITAL COMMITMENTS

As at 31 March 2014, 31 March 2015 and 31 March 2016, our Group had the following capital commitments:

	At 31 March		
	2014	**2015**	**2016**
	(HK$'000)	*(HK$'000)*	*(HK$'000)*
Capital expenditure in respect of the acquisition of property, plant and equipment and intangible assets:			
— contracted for but not provided	6,911	2,744	4,710

Our Group's capital commitments in respect of acquisition of property, plant and equipment and intangible assets which were contracted but not provided mainly represented the expected capital expenditures in relation to the opening of new restaurants.

CAPITAL EXPENDITURES

Historical capital expenditures

Our capital expenditures in the past mainly related to opening of restaurants in Hong Kong. For each of the years ended 31 March 2014, 2015 and 2016, our capital expenditures in relation to additions of property, plant and equipment amounted to approximately HK$23.2 million, HK$35.0 million and HK$22.2 million, respectively, and our capital expenditures in relation to additions of intangible assets amounted to approximately HK$3.2 million, HK$8.4 million and HK$0.9 million, respectively. We principally funded our capital expenditures through a combination of advances from related parties and internally generated funds during the Track Record Period.

Planned capital expenditures

Our planned capital 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 expects that the planned capital expenditure will be principally funded by the net proceeds from the Placing and cash generated from our operations, as well as other possible equity and debt financings as and when appropriate.

Save as disclosed above and the additions of property, plant and equipment, such as office equipments, furniture, fixtures and equipments and leasehold improvement necessary for our business operations which will be made by our Group from time to time, our Group 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 — Properties" in this prospectus.

RELATED PARTY TRANSACTIONS

During the Track Record Period, we had entered into certain related party transactions, details of which are set out in note 30 to the Accountants' Report. Our Directors have confirmed that during the Track Record Period, these related party transactions were conducted in the ordinary course of our Group's business based on normal commercial terms, and such terms were no less favourable to our Group than terms available to Independent Third Parties and were fair and reasonable and in the interest of the Shareholders as a whole.

Having considered that the amounts of these related party transactions are relatively immaterial as compared to the revenue generated by our Group, our Directors are of the view that the aforesaid related party transactions did not distort our financial results during the Track Record Period or cause our Track Record Period results to be unreflective of our future performance.

Save for the related party transactions in respect of (i) tenancy agreement with Total Commitment (HK); (ii) the procurement of food delivery services rendered by Cuisine Courier and Waiters On Wheels; and (iii) the supply of utensils and kitchen equipment by Global Hotelware, which will constitute continuing connected transactions of our Company upon Listing, the other related party transactions as disclosed in note 30 to the Accountants' Report will be discontinued before Listing. Please refer to the section headed "Connected transactions" in this prospectus for further details of the continuing connected transactions of our Company.

OFF-BALANCE SHEET TRANSACTIONS

We have not entered into any material off-balance sheet transactions or arrangements during the Track Record Period.

ANALYSIS OF OTHER KEY FINANCIAL RATIOS

	Year ended 31 March		
	2014	2015	2016
Net profit margin before interest and tax(1) (%)	13.5	7.4	5.5
Net profit margin(2) (%)	10.1	5.0	3.9
Return on equity(3) (%)	97.5	23.4	15.3
Return on total assets(4) (%)	27.5	12.4	10.6
Interest coverage(5) (times)	N/A	27.8	N/A

	At 31 March		
	2014	2015	2016
Gearing ratio(6) (%)	122.9	28.1	2.1
Debt-to-equity ratio(7) (%)	48.2	N/A	N/A

Notes:

1. *Net profit margin before interest and tax is calculated based on the net profit netting off the interest and tax expense for the year divided by total revenue for the year multiplied by 100%.*

2. *Net profit margin is calculated based on the net profit for the year divided by total revenue for the year and multiplied by 100%.*

3. *Return on equity is calculated based on the net profit for the year divided by issued share capital and reserves at the end of the year and multiplied by 100%.*

4. *Return on total assets is calculated based on the net profit for the year divided by total assets at the end of the year and multiplied by 100%.*

5. *Interest coverage is calculated based on the profit before interest and tax for the year divided by interest expenses for the year.*

6. *Gearing ratio is calculated based on total debt at the end of the year divided by total equity at the end of the year and multiplied by 100%. Total debt refers to all borrowings of our Group as at 31 March 2014, 31 March 2015 and 31 March 2016, which included amounts due to related companies, our Director and Controlling Shareholders.*

7. *Debt-to-equity ratio is calculated based on net debt at the end of the year divided by total equity at the end of the year and multiplied by 100%. Net debt is defined to include all borrowings net of bank balances and cash.*

Net profit margin and net profit margin before interest and tax

Our Group recorded net profit margin of approximately 10.1%, 5.0% and 3.9% for each of the years ended 31 March 2014, 2015 and 2016, respectively. The decline of our net profit margin was mainly attributable to the decrease in revenue of the comparable restaurants during the Track Record Period resulting the increase in our staff costs, rental and related expenses and other expenses in proportional to our total revenue, as well as the impact of the financial results of the new restaurants as mentioned in the paragraph headed “Opening of new restaurants” in this section and the recognition of non-recurring Listing expenses for the years ended 31 March 2015 and 2016. Our net profit margin was affected by the same factors affecting our profit attributable to owners of our Company. For details, please refer to the paragraph headed “Profit attributable to owners of our Company” in this section.

Net profit margin before interest and tax of our Group was approximately 13.5%, 7.4% and 5.5% for each of the years ended 31 March 2014, 2015 and 2016, respectively, which was generally in line with the trend of our net profit margin as discussed above.

Return on equity

For each of the years ended 31 March 2014, 2015 and 2016, our Group had return on equity of approximately 97.5%, 23.4% and 15.3%, respectively. Our return on equity decreased from approximately 97.5% for the year ended 31 March 2014 to approximately 23.4% for the year ended 31 March 2015 mainly as a result of the lower net profit for the year ended 31 March 2015 as compared to the previous financial year and our strengthened equity base as at 31 March 2015 as compared to that as at 31 March 2014 primarily contributed by the receipt of proceeds from the Pre-IPO Investments during the year ended 31 March 2015. Our return on equity further decreased from approximately 23.4% for the year ended 31 March 2015 to approximately 15.3% for the year ended 31 March 2016 mainly as a result of the lower net profit for the year ended 31 March 2016 as compared to the previous financial year and our strengthened equity base as at 31 March 2016 of approximately HK$118.2 million as compared to approximately HK$100.1 million as at 31 March 2015.

Return on total assets

Our Group had return on total assets of approximately 27.5%, 12.4% and 10.6% for each of the years ended 31 March 2014, 2015 and 2016, respectively. Our return on total assets decreased from approximately 27.5% for the year ended 31 March 2014 to approximately 12.4% for the year ended 31 March 2015 mainly due to the decline in net profit for the year ended 31 March 2015 as compared to the previous financial year and the increase in our total assets as at 31 March 2015 as compared to that as at 31 March 2014 primarily due to the opening of four new restaurants and the receipt of proceeds from the Pre-IPO Investments during the year ended 31 March 2015. Our return on total assets further decreased from approximately 12.4% for the year ended 31 March 2015 to approximately 10.6% for the year ended 31 March 2016 mainly due to the decline in net profit for the year ended 31 March 2016 as compared to the previous financial year and partially offset by decrease in our total assets as at 31 March 2016 as compared to that as at 31 March 2015 primarily due to full settlement of amounts due to Controlling Shareholders during the year end 31 March 2016.

Gearing ratio

Gearing ratio of our Group was approximately 122.9%, 28.1% and 2.1% as at 31 March 2014, 31 March 2015 and 31 March 2016, respectively. Our gearing ratio significantly improved from approximately 122.9% as at 31 March 2014 to approximately 28.1% as at 31 March 2015 primarily as a result of the receipts of proceeds from the Pre-IPO Investments during the year ended 31 March 2015, which have been partially utilised by our Group for, among others, repaying part of the outstanding amounts due to related parties. Our gearing ratio further improved from approximately 28.1% as at 31 March 2015 to approximately 2.1% as at 31 March 2016 mainly due to repayment of part of the outstanding amounts due to related parties.

Debt-to-equity ratio

Our Group had debt-to-equity ratio of approximately 48.2% as at 31 March 2014. As at 31 March 2015 and 31 March 2016, debt-to-equity ratio was not applicable to our Group as we recorded a net cash position.

Interest coverage

For the years ended 31 March 2014 and 2016, interest coverage was not applicable to our Group as we had no interest bearing borrowing, and accordingly, we did not incur any finance cost. For the year ended 31 March 2015, we recorded interest coverage of approximately 27.8 times. The finance cost recognised for the year ended 31 March 2015 represented the imputed interest expense derived from the two-year's interest-free loan from a Controlling Shareholder, with principal amount of US$4 million. The repayment obligation of our Company to a Controlling Shareholder has been waived on 31 March 2015 pursuant to the Deed of Waiver.

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 cost of inventories consumed, staff costs and rental and related expenses, and its effect on our Group's profit before taxation and profit for each financial year end during the Track Record Period. The sensitivity analysis is performed with reference to the historical changes in assumptions regarding cost of inventories consumed, staff costs and rental and related expenses with all other assumptions held constant.

		Year ended 31 March					
		2014		2015		2016	
	Increase/ (decrease) in percentage	(Decrease)/ increase in profit before taxation	(Decrease)/ increase in profit for the year	(Decrease)/ increase in profit before taxation	(Decrease)/ increase in profit for the year	(Decrease)/ increase in profit before taxation	(Decrease)/ increase in profit for the year
		(HK$'000)	*(HK$'000)*	*(HK$'000)*	*(HK$'000)*	*(HK$'000)*	*(HK$'000)*
Cost of inventories consumed	4.9%	(4,770)	(3,983)	(5,764)	(4,813)	(5,787)	(4,832)
	(4.9%)	4,770	3,983	5,764	4,813	5,787	4,832
Staff costs	5.0%	(4,518)	(3,772)	(6,094)	(5,088)	(6,287)	(5,250)
	(5.0%)	4,518	3,772	6,094	5,088	6,287	5,250
Rental and related expenses	2.6%	(1,609)	(1,344)	(2,101)	(1,754)	(2,349)	(1,962)
	(2.6%)	1,609	1,344	2,101	1,754	2,349	1,962

Cost of inventories consumed

Our cost of inventories consumed mainly represents the costs of food ingredients and beverage for the operation of our Group's restaurants. Being one of the major components of our Group's operating expenses, our cost of inventories consumed amounted to approximately HK$97.3 million, HK$117.6 million and HK$118.1 million for the each of the years ended 31 March 2014, 2015 and 2016, respectively, representing approximately 25.0%, 25.1% and 25.5% of our Group's total revenue for the corresponding year.

The above sensitivity analysis illustrates the impact of hypothetical fluctuations in cost of inventories consumed on our Group's profit before taxation and profit for the year during the Track Record Period. A hypothetical change of 4.9% was adopted in the above sensitivity analysis with reference to the average year-on-year change of consumer price index of approximately 4.9% from 2014 to 2015 of the food ingredients as disclosed under the section headed "Industry overview — Market overview for food ingredients used by the full-service restaurants" in this prospectus.

Staff costs

Restaurant operation is highly service-oriented and labour-intensive. During the Track Record Period, staff costs represented one of the major components of our Group's operating expenses, which amounted to approximately HK$90.4 million, HK$121.9 million and HK$125.7 million for the each of the years ended 31 March 2014, 2015 and 2016, respectively, representing approximately 23.2%, 26.0% and 27.2% of our Group's total revenue for the corresponding year.

The above sensitivity analysis illustrates the impact of hypothetical fluctuations in staff costs on our Group's profit before taxation and profit for the year during the Track Record Period. A hypothetical change of 5.0% was adopted in the above sensitivity analysis with reference to the year-on-year change of the nominal index of payroll per person engaged in accommodation and food service activities for the first quarter of 2016 published by the Census and Statistics Department of Hong Kong.

Rental and related expenses

During the Track Record Period and up to the Latest Practicable Date, all of the premises for our office, restaurants, central bakery and takeaway outlet were leased properties. For each of the years ended 31 March 2014, 2015 and 2016, our Group recorded rental and related expenses of approximately HK$61.9 million, HK$80.8 million and HK$90.4 million, respectively, representing approximately 15.9%, 17.3% and 19.5% of our Group's total revenue for the corresponding year. Rental and related expenses are one of the major components of our Group's operating expenses during the Track Record Period.

The above sensitivity analysis illustrates the impact of hypothetical fluctuations in rental and related expenses on our Group's profit before taxation and profit for the year during the Track Record Period. A hypothetical change of 2.6% was adopted in the above sensitivity analysis with reference to the year-on-year change of the rental index of private retail sector for May 2016 published by the Rating and Valuation Department of Hong Kong.

Breakeven analysis

For the year ended 31 March 2014, it is estimated that, holding all other variables constant, our Group would achieve breakeven (i) with an increase in cost of inventories consumed of approximately 54.1%; (ii) with an increase in staff costs of approximately 58.3%; or (iii) with an increase in rental and related expenses of approximately 85.1%.

For the year ended 31 March 2015, it is estimated that, holding all other variables constant, our Group would achieve breakeven (i) with an increase in cost of inventories consumed of approximately 28.3%; (ii) with an increase in staff costs of approximately 27.4%; or (iii) with an increase in rental and related expenses of approximately 41.3%.

For the year ended 31 March 2016, it is estimated that, holding all other variables constant, our Group would achieve breakeven (i) with an increase in cost of inventories consumed of approximately 21.8%; (ii) with an increase in staff costs of approximately 20.4%; or (iii) with an increase in rental and related expenses of approximately 28.5%.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Currency risk

Since most of our Group's transactions are mainly denominated in HK$, our Directors are of the opinion that our Group's exposure to foreign exchange rate risk is minimal.

Credit risk

As at the respective reporting dates during the Track Record Period, our Group's maximum exposure to credit risk 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 consolidated statements of financial position. In order to minimise the credit risk, our Group reviews the recoverable amount of each individual trade debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, our Directors consider that our Group's credit risk is significantly reduced.

For the amounts due from related parties (including amounts due from related companies, amounts due from Controlling Shareholders and amounts due from a Director), our Group had not encountered any difficulties in collecting from the related parties in the past and are not aware of any financial difficulties being experienced by the related parties.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings. Our Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Interest rate risk

Our Group is exposed to cash flow interest rate risk in relation to variable-rate bank deposits. Our Group continues to monitor the exposure on cash flow interest rate risk, and our Directors are of the opinion that our Group does not have material interest rate risk exposure.

Liquidity risk

In the management of the liquidity risk, our Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance our Group's operations and mitigate the effects of fluctuations in cash flows.

For details regarding our Group's remaining contractual maturities for its financial liabilities as at each reporting date during the Track Record Period, please refer to the section headed "Liquidity risk" under note 27 to the Accountants' Report set out in Appendix I to this prospectus.

UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following statement of unaudited pro forma adjusted consolidated net tangible assets of our Group is prepared in accordance with Rule 7.31 of the GEM Listing Rules and is set out below to illustrate the effect of the Placing on the consolidated net tangible assets attributable to owners of our Company as at 31 March 2016 as if the Placing had taken place on that date.

The unaudited pro forma adjusted consolidated net tangible assets of our Group has been prepared for illustration purposes only and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of our Group attributable to owners of our Company had the Placing been completed as at 31 March 2016 or at any future dates. It is prepared based on the audited consolidated net tangible assets of our Group attributable to owners of our Company as at 31 March 2016 as set out in the Accountants' Report in Appendix I to this prospectus, and adjusted as described below.

	Audited consolidated net tangible assets of our Group attributable to owners of our Company as at 31 March 2016[(1)]	**Estimated net proceeds from the Placing[(2)]**	**Unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to owners of our Company**	**Unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to owners of our Company per Share[(3)]**
	HK$'000	*HK$'000*	*HK$'000*	*HK$*
Based on the Placing Price of HK$0.40 per Share	104,688	34,232	138,920	0.17
Based on the Placing Price of HK$0.60 per Share	104,688	61,300	165,988	0.21

Notes:

1. *The audited consolidated net tangible assets attributable to owners of our Company as at 31 March 2016 is based on the consolidated net assets attributable to owners of our Company of approximately HK$118,197,000 adjusted for intangible assets of approximately HK$13,509,000 as extracted from the Accountants' Report set out in Appendix I to this prospectus.*

2. *The estimated net proceeds from the Placing are based on 140,990,000 New Shares at the Placing Price of HK$0.40 and of HK$0.60 being the low-end and the high-end of the indicative Placing Price range, per Placing Share, after deduction of the*

underwriting fees and other related expenses payable by our Company (other than expenses already recognised in profit or loss up to 31 March 2016). It does not take into account of any Shares that may be issued pursuant to the exercise of the Offer Size Adjustment Option and any options granted or to be granted under the Share Option Schemes.

3. *The unaudited pro forma adjusted consolidated net tangible assets attributable to owners of our Company per Share has been arrived at after making the adjustments referred to in this section and on the basis of a total of 800,000,000 Shares comprising 659,010,000 (including 59,010,000 Sale Shares) Shares in issue taking into account the Capitalisation Issue and 140,990,000 Shares to be issued pursuant to the Placing. It does not take into account any Shares that may be issued pursuant to the exercise of the Offer Size Adjustment Option and any options granted or to be granted under the Share Option Schemes.*

4. *The unaudited pro forma adjusted consolidated net tangible assets of our Company does not take into account the dividend of approximately HK$7.3 million declared by our Company on 14 July 2016. The unaudited pro forma adjusted consolidated net tangible assets per Share would have been HK$0.16 and HK$0.20 per Share based on the Placing Price of HK$0.40 and HK$0.60 respectively, after taking into account the declaration of the dividend of approximately HK$7.3 million.*

5. *No adjustment has been made to the audited consolidated net tangible assets attributable to the owners of our Company as at 31 March 2016 to reflect the issue of 9,835 Shares (before the Capitalisation Issue), any trading results or other transactions of our Group entered into subsequent to 31 March 2016.*

DIVIDEND POLICY

During each of the years ended 31 March 2014, 2015 and 2016, certain subsidiaries now comprising our Group paid dividends of approximately HK$36,215,000, HK$28,950,000 and nil to their then shareholders, respectively. On 14 July 2016, our Company declared dividends of approximately HK$7.3 million to our then shareholders and the amount was settled on 18 July 2016 from internal resources. Save as disclosed above, no dividends have been paid or declared by our Company since its incorporation and no dividends have been declared and paid by the companies now comprising our Group to their then respective shareholders during the Track Record Period and up to the Latest Practicable Date.

Our Board has absolute discretion as to whether to declare any dividend for any year end and if any, the amount of dividend and the means of payment. Such discretion is subject to any applicable laws and regulations including the Companies Law, and our Articles which requires also the approval of our Shareholders. The amount of any dividends to be declared and paid in the future will depend on, among other things, our dividend policy, results of operations, cash flows and financial condition, operating and capital requirements and other relevant factors. Currently, we do not have any predetermined dividend distribution ratio. There will be no assurance that our Company will be able to declare or distribute any dividend in the amount set out in any plan of our Board or at all. The dividend distribution record in the past may not be used as a reference or basis to determine the level of dividends that may be declared or paid by our Board in the future.

DISTRIBUTABLE RESERVES

Under the Companies Law, we may pay dividends out of our profit or our share premium account in accordance with the provisions of our Articles of Association, provided that immediately following the date on which the dividend is proposed to be distributed, we remain able to pay our debts as and when they fall due in the ordinary course of business. As at 31 March 2016, our Company had distributable reserve of approximately HK$46.6 million.

DISCLOSURE REQUIRED UNDER CHAPTER 17 OF THE GEM LISTING RULES

Save as disclosed 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.

POST BALANCE SHEET EVENTS

Please refer to the paragraph headed "Recent developments of our Group subsequent to the Track Record Period" below in this section and the section headed "Subsequent events" of the Accountants' Report set out in Appendix I to this prospectus.

RECENT DEVELOPMENTS OF OUR GROUP SUBSEQUENT TO THE TRACK RECORD PERIOD

Financial updates

Based on the unaudited financial information of our Company, our revenue for the two months ended 31 May 2016 was lower than that for the two months ended 31 May 2015, which was mainly due to (i) the decrease in number of our restaurants from 24 as at 31 May 2015 to 23 as at 31 May 2016 (including our new restaurant Ophelia which commenced operation on 11 May 2016); and (ii) the reduction of guest traffic at our restaurants as a result of the continuous slowdown of Hong Kong economy. According to the report released by the Census and Statistics Department of Hong Kong, the value of total restaurant receipts of non-Chinese restaurants in Hong Kong increased by 2.3% from the first quarter of 2015 to the first quarter of 2016, while it increased by 5.6% from the first quarter of 2014 to the first quarter of 2015. The recent deterioration in the performance of restaurant industry has affected our restaurant business. We considered that such impact has been lessened by the closure of our loss-making restaurants during the year ended 31 March 2016.

We currently expect that our financial results for the year ending 31 March 2017 will be negatively impacted by the non-recurring Listing expenses recognised and to be recognised as expenses in our consolidated statements of comprehensive income. For further details regarding our Listing expenses, please refer to the paragraph headed "Description and analysis of principal components in the consolidated statements of profit or loss and other comprehensive income — Listing expenses" in this section.

We also expect our financial results for the year ending 31 March 2017 will be negatively affected by the share-based compensation in respect of the options to be granted before Listing pursuant to the Pre-IPO Share Option Scheme conditionally adopted by our Company on 14 July 2016. The grant of the options under Pre-IPO Share Option Scheme is an equity-settled transaction and the fair value of the options to be granted under Pre-IPO Share Option Scheme will be recognised as expenses in our consolidated statement of profit or loss and other comprehensive income over the vesting periods by reference to the fair value at the date on which such options are granted. The fair value of the options to be granted under the Pre-IPO Share Option Scheme as at the Latest Practicable Date is estimated by Asset Appraisal Limited, an independent valuer, for illustration purposes only, to be approximately HK$9.3 million (assuming a Placing Price of HK$0.50 per Placing Share, being the mid-point of the indicative Placing Price range). Assuming the Offer Size Adjustment Option is not exercised and all the options granted under the Pre-IPO Share Option Scheme are exercised in full on the Listing Date, this would have a dilutive effect on the shareholdings of our Company and earnings per share of approximately 5.99%. For details of the Pre-IPO Share Option Scheme, please refer to the section headed "Share Option Schemes — Pre-IPO Share Option Scheme" in Appendix IV to this prospectus.

Prospective investors should note that our financial information subsequent to the Track Record Period is unaudited and may not reflect the full year results for the year ending 31 March 2017 and may be subject to adjustments based on the audit.

Prospective investors' attention is also drawn to the following principal factors which may indicate adverse impact on the future financial performance of our Group:

(i) the decline in the consolidated profit attributable to owners of our Company during the Track Record Period;

(ii) opening of new restaurants incurred higher start-up operating costs at the initial stage which has affected the financial performance of our Group during the Track Record Period;

(iii) the non-recurring Listing expenses to be recognised as expenses in our consolidated statements of comprehensive income for the year ending 31 March 2017;

(iv) the share-based compensation of approximately HK$9.3 million (assuming a Placing Price of HK$0.50 per Placing Share, being the mid-point of the indicative Placing Price range) in respect of the options to be granted before Listing pursuant to the Pre-IPO Share Option Scheme, which is expected to be recognised in our consolidated statements of profit or loss and other comprehensive income over the vesting periods up to one year upon Listing of such options;

(v) the increasing trend of rental and related expenses of our Group during the Track Record Period and the escalation clauses in some of the existing lease agreements entered into by our Group;

(vi) the recent deterioration in the performance of restaurant industry as affected by the slow down of Hong Kong economy;

(vii) the decreasing trend of our Group's net profit margin (excluding the non-recurring Listing expenses) of approximately 10.1%, 6.8% and 5.1% for each of the years ended 31 March 2014, 2015 and 2016, respectively; and

(viii) Mr. Sekhri has entered into a service agreement with our Company for a fixed term of three years with effect from the Listing Date. Pursuant to the service agreement, the basic annual remuneration payable by our Group to him will be HK$3,000,000. Mr. Sekhri's remuneration for the year ended 31 March 2014, 31 March 2015 and 31 March 2016 was approximately nil, HK$596,000 and HK$624,000, respectively. Furthermore, our Group shall pay a one-off bonus of HK$6,000,000 to Mr. Sekhri upon Listing.

In view of the above, prospective investors should note that the financial results of our Group for the year ending 31 March 2017 will be materially and adversely affected by the above factors. Accordingly, the future financial performance of our Group may not be comparable to the financial performance of our Group in the past, and the net profit and net profit margin of our Group may experience further decline.

Business updates

Subsequent to the Track Record Period, we continued to implement our business strategies to expand our business network in Hong Kong.

Since 1 April 2016 and up to the Latest Practicable Date, we had not entered into any new franchising agreements or licence agreements as our bakery restaurant was operating under the area development agreement pending the execution of franchising agreement. For details of the existing franchising agreements and licence agreements entered into by our Group, please refer to the section headed "Business — Overview of restaurant operations and management — Franchising agreements and licence agreements" in this prospectus.

On 11 May 2016, we opened Ophelia in the premises of Shop F39A and F41A, First Floor, Lee Tung Avenue, 200 Queen's Road East, Wan Chai, Hong Kong. Ophelia is operating under one of our operating subsidiaries, Trendy Move. For details of Ophelia, please refer to the section headed "Business — Overview of restaurant operations and management — Our restaurants" in this prospectus.

Due to the unsatisfactory business performance of Toro, we renovated the premises of Toro and recommenced the business under our self-owned brand as our Tango (Elements) on 7 July 2016 in view of the successful business of Tango (Central). On 10 June 2016, we entered into a termination agreement with the licensor of Toro, under which it was mutually agreed that the licence agreement of Toro shall terminate with the release of all obligations thereunder on 13 June 2016. On 13 June 2016, we ceased the business of Toro in preparation of the renovation. Our Directors consider that it will not have material impact on the future financial performance of our Group's restaurant operation as it incurred loss during the year ended 31 March 2016.

As at the Latest Practicable Date, we owned and operated restaurants (including 21 full-service restaurants, one clubhouse restaurant and one bakery restaurant) and one takeaway outlet under 21 brands.

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that, up to the Latest Practicable Date, there had been no material adverse change in the financial or trading position or prospects of our Group since 31 March 2016, being the date to which our latest audited financial information was prepared, and there had been no event since 31 March 2016 which would materially affect the information shown in the Accountants' Report set out in Appendix I to this prospectus.

BUSINESS OBJECTIVES

Our Group will endeavour to achieve its business objectives and adopt the following business objectives and implementation plans during the period from the Latest Practicable Date to 31 March 2019. Investors should note that the implementation plans and their scheduled times for attainment are formulated on the bases and assumptions referred to in the paragraph headed "Bases and assumptions" in this section. These bases and assumptions are subject to uncertainties, variables and unpredictable factors, in particular the risk factors set out in the section headed "Risk factors" in this prospectus. Our Group's actual course of business may vary from the business objectives set out in this prospectus. There can be no assurance that the plans of our Group will be materialised in accordance with the expected time frame or that the business objectives of our Group will be accomplished at all.

Continue to expand our restaurant network

We believe our multi-brand business model and "cluster" management strategy are crucial to our success and we intend to continue to expand our restaurant network in Hong Kong through these strategies.

We intend to open approximately four, four and four new restaurants in Hong Kong in the years ending 31 March 2017, 31 March 2018 and 31 March 2019, respectively. Among the 12 new restaurants, two, two and two new restaurants will be opened under self-owned brands for each of the three years ending 31 March 2019. Two, two and two new restaurants will be opened under franchised or licensed brands for each of the three years ending 31 March 2019. Among the two new restaurants to be opened under franchised or licensed brands for the year ending 31 March 2017, one will be opened under area development agreement. Among the two new restaurants to be opened under franchised or licensed brands for the year ending 31 March 2018, one will be opened under each of umbrella agreement and area development agreement respectively. Among the two new restaurants to be opened under franchised or licensed brands for the year ending 31 March 2019, both will be opened under area development agreement. The new restaurants will be opened in Central and Western District, Yau Tsim Mong District, Wan Chai District and Eastern District. As at the Latest Practicable Date, we executed the four lease agreements for the three and one new restaurants to be opened during the years ending 31 March 2017 and 31 March 2018 with the leased premises of LG Floor, Chinachem Hollywood Centre, 1, 3, 5, 7, 9, 11 and 13 Hollywood Road, Central, Hong Kong, Unit 8, LG Floor, Pacific Place Phase I, 88 Queensway, Admiralty, Hong Kong, 31st Floor, VPoint, 18 Tang Lung Street, Causeway Bay, Hong Kong and Shop 06-G03, Ground Floor, Block C Dormitory, Central Police Station, 10 Hollywood Road, Central, Hong Kong, respectively. On 19 January 2016, we entered into a lease agreement with regard to the operation of an Asian style restaurant, Ophelia. The term of the lease agreement is five years commencing on 16 December 2015 and expiring on 15 December 2020. On 11 May 2016, we opened Ophelia in the premises of Shops F39A and F41A, First Floor, Lee Tung Avenue, 200 Queen's Road East, Wan Chai, Hong Kong. Ophelia is operating under one of our operating subsidiaries, Trendy Move. For details of Ophelia, please refer to the section headed "Business — Overview of restaurant operations and management — Our restaurants" in this prospectus.

We expect to open new restaurants by our internal resources and net proceeds from the Placing. The total planned use of proceeds for our restaurant network expansion in Hong Kong is expected to be HK$13.0 million, HK$10.0 million and HK$6.2 million for the years ending 31 March 2017, 31 March 2018 and 31 March 2019, respectively. From 1 April 2016 and up to the Latest Practicable Date, we had incurred and committed to incur approximately HK$19.9 million and HK$21.2 million, respectively, for our network expansion in Hong Kong.

Further enhance our brand recognition in Hong Kong

While we will adopt a new expansion strategy through the opening of more scalable restaurants, we will also keep up with our current strategies in promoting our brands and restaurants and increasing customer traffic and restaurant visits through our marketing initiatives and cooperation with well-recognised brands and chefs. For details of our marketing strategy, please refer to the section headed "Business — Sales and marketing — Marketing" in this prospectus.

Apart from regular maintenance, some of our restaurants will also be upgraded, by way of renovation, adding new equipment and/or changing the themes of the relevant restaurants, where the average time for the design and renovation process generally takes approximately three to six months to new décor in order to stay competitive in the market and to attract new and returning customer traffic. The estimated total capital expenditures for upgrading restaurants are expected to be approximately HK$1.0 million, HK$0.5 million and HK$0.5 million in the years ending 31 March 2017, 31 March 2018 and 31 March 2019, respectively.

Enhance overall profitability of our restaurants

Apart from achieving higher restaurant sales through expansion of restaurant network and enhancement of brand awareness, we intend to increase our profitability by controlling our operating costs and enhancing marketing activities for promoting brand image.

We believe our well-recognised restaurant brands will enhance our bargaining power with our existing and potential lessors and suppliers. We will continue to centralise our purchase negotiations with our suppliers to leverage our extensive restaurant network for reduced costs and negotiate with our lessors for leases of longer terms and favourable conditions so as to reduce our rental costs. We will also identify suitable information technology systems, quality kitchen and cooking tools, equipment and appliances to increase the efficiency of our restaurant operations and management. We will continue to increase cost savings and operational efficiency by further utilising our takeaway outlet. The estimated total expenditures for enhancing overall profitability of our restaurants are expected to be approximately HK$0.2 million, HK$0.2 million and HK$0.1 million in the years ending 31 March 2017, 31 March 2018 and 31 March 2019, respectively.

IMPLEMENTATION PLAN

Our Group's implementation plans are set forth below for each of the six-month periods until 31 March 2019. Investors should note that the implementation plans and their scheduled times for attainment are formulated on the bases and assumptions referred to in the paragraph headed "Bases and assumptions" in this section. These bases and assumptions are subject to uncertainties, variables and unpredictable factors, in particular the risk factors set out in the section headed "Risk factors" in this prospectus. Our Group's actual course of business may vary from the business objectives set out in this prospectus. There can be no assurance that the plans of our Group will be materialised in accordance with the expected time frame or that the business objectives of our Group will be accomplished at all. Our Directors intend to carry out the following implementation plans:

From the Latest Practicable Date to 30 September 2016

Business objective	Use of proceeds	Implementation plan
Continue to expand our restaurant network	HK$7.0 million	• Identification of suitable locations and setup new restaurants in Hong Kong
Further enhance our brand recognition in Hong Kong	HK$1.0 million	• Upgrade, by way of renovation, our existing restaurant(s)
Enhance overall profitability of our restaurants	HK$0.1 million	• Marketing activities for promoting brand image

From 1 October 2016 to 31 March 2017

Business objective	Use of proceeds	Implementation plan
Continue to expand our restaurant network	HK$6.0 million	• Identification of suitable locations and setup new restaurant(s) in Hong Kong
Enhance overall profitability of our restaurants	HK$0.1 million	• Marketing activities for promoting brand image

From 1 April 2017 to 30 September 2017

Business objective	Use of proceeds	Implementation plan
Continue to expand our restaurant network	HK$5.0 million	• Identification of suitable locations and setup new restaurants in Hong Kong
Further enhance our brand recognition in Hong Kong	HK$0.5 million	• Upgrade, by way of renovation, our existing restaurant(s)
Enhance overall profitability of our restaurants	HK$0.1 million	• Marketing activities for promoting brand image

From 1 October 2017 to 31 March 2018

Business objective	Use of proceeds	Implementation plan
Continue to expand our restaurant network	HK$5.0 million	• Identification of suitable locations and setup new restaurants in Hong Kong
Enhance overall profitability of our restaurants	HK$0.1 million	• Marketing activities for promoting brand image

From 1 April 2018 to 30 September 2018

Business objective	Use of proceeds	Implementation plan
Continue to expand our restaurant network	HK$5.0 million	• Identification of suitable locations and setup new restaurants in Hong Kong
Further enhance our brand recognition in Hong Kong	HK$0.5 million	• Upgrade, by way of renovation, our existing restaurant(s)
Enhance overall profitability of our restaurants	HK$0.1 million	• Marketing activities for promoting brand image

From 1 October 2018 to 31 March 2019

Business objective	Use of proceeds	Implementation plan
Continue to expand our restaurant network	HK$1.2 million	• Identification of suitable locations and setup new restaurants in Hong Kong
Further enhance our brand recognition in Hong Kong	—	• Upgrade, by way of renovation, our existing restaurant(s)
Enhance overall profitability of our restaurants	—	• Marketing activities for promoting brand image

BASES AND ASSUMPTIONS

The implementation plan set out by our Directors are based on the following bases and assumptions:

- our Group will have sufficient financial resources to meet the planned capital expenditure and business development requirements during the period to which our future plans relate;
- there will be no material changes in the funding requirement for each of our Group's future plans described in this prospectus from the amount as estimated by our Directors;
- there will be no material changes in existing laws and regulations, or other governmental policies relating to our Group, or in the political, economic or market conditions in which our Group operates;
- there will be no changes in the effectiveness of the licences, permits and qualifications obtained by our Group;
- there will be no material changes in the bases or rates of taxation applicable to the activities of our Group;
- there will be no disasters, natural, political or otherwise, which would materially disrupt the businesses or operations of our Group; and
- our Group will not be materially affected by the risk factors as set out in the section headed "Risk factors" in this prospectus.

REASONS FOR THE PLACING

The Placing will enhance our Group's capital base and provide our Group with additional capital to implement the future plans set out in the paragraph headed "Future plans and use of proceeds — Implementation plan" above.

USE OF PROCEEDS

The aggregate net proceeds from the Placing will be approximately HK$61.1 million, of which (i) our Company will receive approximately HK$32.8 million from the sale of the New Shares (after deducting underwriting fees and estimated expenses in connection with the Placing payable by our Company, and assuming a Placing Price of HK$0.50 per Placing Share, being the mid-point of the indicative Placing Price range of HK$0.40 to HK$0.60 per Placing Share, and the Offer Size Adjustment Option is not exercised); and (ii) the Selling Shareholder will receive approximately HK$28.3 million from the sale of the Sale Shares (after deducting the underwriting commissions excluding the brokerage fee, SFC transaction levy and Stock Exchange trading fee payable by the Selling Shareholder in connection with the Placing). The net proceeds of approximately HK$28.3 million to be received by the Selling Shareholder from the sale of the Sale Shares will not be available to our Group.

Our Directors intend to apply the net proceeds from the Placing as follows:

- approximately HK$29.2 million, representing approximately 89.0% of the net proceeds, HK$2.0 million, representing approximately 6.1% of the net proceeds and HK$0.5 million, representing approximately 1.5% of the net proceeds, will be used for expanding our restaurant network, enhancing our brand recognition in Hong Kong and enhancing the overall profitability of our restaurants, respectively, with the intended timing of the deployment of the proceeds as follows:

	From the Latest Practicable Date to 30 September 2016	From 1 October 2016 to 31 March 2017	From 1 April 2017 to 30 September 2017	From 1 October 2017 to 31 March 2018	From 1 April 2018 to 30 September 2018	From 1 October 2018 to 31 March 2019	Total
	HK$ million	*HK$ million*	*HK$ million*	*HK$ million*	*HK$ million*	*HK$ million*	*HK$ million*
Continue to expand our restaurant network	7.0	6.0	5.0	5.0	5.0	1.2	29.2
Further enhance our brand recognition in Hong Kong	1.0	—	0.5	—	0.5	—	2.0
Enhance overall profitability of our restaurants	0.1	0.1	0.1	0.1	0.1	—	0.5

- the remaining balance of approximately HK$1.1 million, representing approximately 3.4% of the net proceeds will be used as our general working capital and for general corporate purposes.

If the Offer Size Adjustment Option is exercised in full, our Directors estimate that the additional net proceeds from the offering of these additional Shares to be received by us, after deducting underwriting fees and estimated expenses payable by us, will be approximately (i) HK$17.3 million, assuming the Placing Price is fixed at the high-end of the indicative Placing Price range, being HK$0.60 per Placing Share; (ii) HK$14.4 million, assuming the Placing Price is fixed at the mid-point of the indicative Placing Price range, being HK$0.50 per Placing Share; and (iii) HK$11.5 million, assuming the Placing Price is fixed at the low-end of the indicative Placing Price range, being HK$0.40 per Placing Share. Any additional proceeds to be received by us from the exercise of the Offer Size Adjustment Option will also be allocated to the opening of new restaurants.

In the event that the Placing Price is set at the high-end or the low-end of the indicative Placing Price range, the net proceeds from the Placing will be increased by approximately HK$13.4 million to approximately HK$46.2 million or decreased by approximately HK$12.5 million to approximately HK$20.3 million, after deducting underwriting fees and estimated expenses in connection with the Placing payable by our Company, respectively. Our Group intends to use the net proceeds based on the percentages disclosed above, regardless of whether the Shares are priced at the high-end or low-end of the indicative Placing Price. Our Directors consider in the event that the Placing is priced at the low-end of the indicative Placing Price range, there would be no material impact on our proposed expansion plan, having considered our Group's internal resources and the cash flows from operation, will be sufficient to finance the future plans of our Group as scheduled up to 31 March 2019.

To the extent that the net proceeds are not immediately applied to the above purposes and to the extent permitted by applicable laws and regulations, our Directors intend to deposit the net proceeds into short-term demand deposits with authorised financial institutions and/or licensed banks in Hong Kong.

In the event that any part of the future plans does not materialise or proceed as planned, we will carefully evaluate the situation and may reallocate the intended funding to our other future plans and/or to place the proceeds on short-term interest bearing deposit accounts with licensed banks and/or financial institutions in Hong Kong so long as we consider it to be in the best interest of our Company and our shareholders taken as a whole. Should our Directors decide to allocate the net proceeds from the Placing to business plans and/or new projects of our Group other than those disclosed in this prospectus after the Listing, we will make an announcement to notify our Shareholders and investors of the changes in compliance with the GEM Listing Rules.

Save as provided for under the Underwriting Agreement and save as disclosed in this prospectus, neither the Sole Sponsor nor any of its close associates has or may have, as a result of the Placing, any interest in any securities of our Company or any other member of our Group (including rights to subscribe for such securities).

Neither the Sole Sponsor nor any of its close associates has accrued any material benefit as a result of the successful outcome of the Placing, other than the following:

(a) by way of documentation and financial advisory fee to be paid to the Sole Sponsor for acting as the sponsor of the Placing;

(b) in taking up the underwriting obligations under the Underwriting Agreement;

(c) by way of an underwriting commission to be paid to Quam Securities for acting as one of the Underwriters to the Placing pursuant to the Underwriting Agreement;

(d) by way of the compliance adviser fee to be paid to the Sole Sponsor for acting as our Company's compliance adviser pursuant to Rule 6A.19 of the GEM Listing Rules; and

(e) certain close associates of the Sole Sponsor whose usual and ordinary courses of business involve trading of and dealing in securities may derive commissions from the trading of and dealing in securities of our Company or provide margin financing in connection thereto or purchase or sell securities of our Company or hold securities of our Company for investment purposes after our Listing on GEM.

None of the directors and employees of the Sole Sponsor has any directorship in our Company or any other companies comprising our Group.

UNDERWRITERS

Sole Bookrunner and Sole Lead Manager

Quam Securities Company Limited

Co-Managers

Ample Orient Capital Limited

China Investment Securities International Brokerage Limited

Finet Securities Limited

Great Roc Capital Securities Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

The Underwriting Agreement

Pursuant to the Underwriting Agreement, our Company and the Selling Shareholder are offering initially 200,000,000 Placing Shares (comprising 140,990,000 New Shares and 59,010,000 Sale Shares, and subject to the Offer Size Adjustment Option) for subscription or purchase by way of placing to selected professional, institutional or other investors in Hong Kong at the Placing Price on and subject to the terms and conditions in the Underwriting Agreement and this prospectus.

Subject to, among other conditions, the Listing Division granting the listing of, and permission to deal in, our Shares in issue and to be issued as mentioned in this prospectus (including any Shares which may fall to be issued pursuant to the Capitalisation Issue and upon exercise of the Offer Size Adjustment Option and the options that may be granted under the Share Option Schemes) and to certain other conditions set out in the Underwriting Agreement being fulfilled or waived on or before the dates and times specified in the Underwriting Agreement, the Underwriters have severally agreed to subscribe for or purchase or procure subscribers or purchasers for their respective applicable proportions of the Placing Shares on the terms and conditions of the Underwriting Agreement and this prospectus.

Grounds for Termination

The obligations of the Underwriters in respect of the Placing Shares under the Underwriting Agreement are subject to termination. The Sole Lead Manager (for itself and on behalf of the Underwriters) shall have the absolute right by notice in writing to our Company (for itself and on behalf of the Selling Shareholder) to terminate the Underwriting Agreement with immediate effect at any time prior to 8:00 a.m. on the Listing Date (the **"Termination Time"**) if any of the following events shall occur prior to the Termination Time:

(a) there develops, occurs, exists or comes into force:

(i) any change or development involving a prospective change or development in, or any event or series of events resulting or likely to result in or representing any prospective change or development in, local, national, regional or international financial, political, military, industrial, legal, economic, currency market, credit, fiscal or regulatory or market matters or conditions (including, without limitation, conditions in stock and bond markets, money and foreign exchange markets, credit markets, and inter-bank markets, 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 devaluation of the Renminbi against any foreign currencies) in or affecting Hong Kong, the PRC, the Cayman Islands, the BVI, the United States, the United Kingdom, the European Union (or any member thereof), or any other jurisdiction relevant to any member of our Group (each a "**Relevant Jurisdiction**"); or

(ii) any new law or regulation or any change or development involving a prospective change in any existing law or regulation, or any change or development involving a prospective change in the interpretation or application thereof by any court or other competent authority in or affecting any Relevant Jurisdiction; or

(iii) any event or series of events in the nature of force majeure (including, without limitation, acts of government, labour disputes, strikes, lock-outs, fire, explosion, flooding, earthquake, civil commotion, riots, public disorder, declaration of a national or international emergency, acts of war, riot, public disorder, acts of terrorism (whether or not responsibility has been claimed), acts of God, epidemic, pandemic, outbreak of disease (including without limitation Severe Acute Respiratory Syndromes (SARS), H5N1, H1N1, H7N9)), economic sanctions, in or affecting any of the Relevant Jurisdictions; or

(iv) any local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared) or other state of emergency or calamity or crisis in or affecting any of the Relevant Jurisdictions; or

(v) (A) any moratorium, suspension, restriction or limitation on trading in securities generally on the Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market, the American Stock Exchange, the London Stock Exchange, the Shanghai Stock Exchange, the Tokyo Stock Exchange, the Shenzhen Stock Exchange, or (B) a general moratorium on commercial banking activities in any of the Relevant Jurisdictions declared by the relevant authorities, or a disruption in commercial banking activities or foreign exchange trading or securities settlement or clearance services procedures or matters in or affecting any of the Relevant Jurisdictions; or

(vi) any change or development or event involving a prospective change in taxation, exchange controls (or the implementation of any exchange control) or foreign investment regulations in any of the Relevant Jurisdictions; or

(vii) any imposition of economic sanction or withdrawal of trading privileges, in whatever form, directly or indirectly, by, or for, any of the Relevant Jurisdictions; or

(viii) any adverse change or development or event or a prospective adverse change or development or event in our Group's assets, liabilities, profit, losses, performance, condition, business, financial, earnings, trading position, prospects, properties, results of operations, general affairs, shareholders' equity, management, position or condition, financial or otherwise, whether or not arising in the ordinary course of business; or

(ix) a Director being charged with an indictable offence or prohibited by operation of law or otherwise disqualified from taking part in the management of a company; or

(x) the chairman or chief executive officer of our Company vacating his office; or

(xi) a contravention by any member of our Group of the GEM Listing Rules or any applicable laws or regulations in the PRC, the Cayman Islands, Hong Kong and the BVI; or

(xii) an order or petition is presented for the winding up or liquidation of our Company or any of our subsidiaries, or our Company or any of our subsidiaries make any compromise or arrangement with its creditors or enter into a scheme of arrangement or any resolution is passed for the winding-up of our Company or any of our subsidiaries or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of our Company or any of our subsidiaries or anything analogous thereto occurs in respect of our Company or any of our subsidiaries; or

(xiii) a demand by any creditor for repayment or payment of any of our Company's indebtednesses or those of any of our subsidiaries or in respect of which our Company or any of our subsidiaries is liable prior to its stated maturity; or

(xiv) any material loss or damage on our Group's financial and business operations sustained by our Company or any of our subsidiaries (howsoever caused and whether or not the subject of any claim against any person); or

(xv) any litigation or claim being instigated against our Company or any of our subsidiaries or the covenantors as defined in the Underwriting Agreement (the "**Covenantors**"); or

(xvi) a prohibition on our Company or the Selling Shareholder for whatever reason from allotting or transferring the Placing Shares pursuant to the terms of the Placing; or

(xvii) non-compliance by our Group or our Directors of this prospectus (of any other documents used in connection with the contemplated Placing of our Shares) or any aspect of the Placing with the GEM Listing Rules or any other applicable law or regulation; or

(xviii) other than with the approval of the Sole Sponsor, the issue or requirement to issue by our Company of any supplement or amendment to this prospectus (or to any other documents used in connection with the contemplated Placing of our Shares) pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance or the GEM Listing Rules or any requirement or request of the Stock Exchange and/or the SFC; or

(xix) any event which give rise or would give rise to liability on the part of our Company pursuant to the indemnity provisions in the Underwriting Agreement; or

(xx) any change or prospective change in, or a materialisation of, any of the risks set out in the section headed "Risk Factors" in this prospectus, and which, individually or in the aggregate, in the opinion of the Sole Sponsor and the Sole Lead Manager (for itself and on behalf of the Underwriters) and after consultation with our Company,

(A) has or may have or will have or is likely to have a materially adverse effect, whether directly or indirectly, on the assets, liabilities, business, general affairs, management, shareholders' equity, profits, losses, trading position, results of operation, prospects, position or condition, financial or otherwise, or performance of our Company or our subsidiaries as a whole; or

(B) has or may have or will have or is likely to have a material adverse effect on the success or the indication of level of interest in the Placing; or

(C) makes, may make or will or is likely to make it impracticable or inadvisable or inexpedient for the Placing to proceed or to be performed or implemented as envisaged or to market the Placing; or

(D) makes or may make or will or is likely to make it inadvisable or inexpedient to proceed with the Placing or the delivery of the Placing Shares on the terms and in the manner contemplated by this prospectus; or

(b) there has come to the notice of the Sole Sponsor and the Sole Lead Manager or any of the Underwriters after the date of the Underwriting Agreement:

(i) that any statement contained in this prospectus and other Placing Documents (as defined in the Underwriting Agreement), the formal notice or any announcements in the agreed form issued or used by or on behalf of our Company in connection with the Placing (including any supplement or amendment thereto) was, when it was issued, or has or may become untrue or incorrect or misleading in any material respect, or that any forecast, expression of opinion, intention or expectation contained therein is not fair and honest and based on reasonable assumptions with reference to the facts and circumstances then subsisting; or

(ii) that any matter has arisen or has been discovered which, had it arisen or been discovered immediately before the date of this prospectus, would or might constitute a material omission from this prospectus and/or in any notices or announcements issued or used by or on behalf of our Company in connection with the Placing (including any supplement or amendment thereto); or

(iii) that any of the warranties as set out in the Underwriting Agreement given by our Company, the Selling Shareholder and the Covenantors or the Underwriting Agreement is (or would when repeated be) untrue, inaccurate or misleading or having been breached; or

(iv) that any matter, event, act or omission which gives or is likely to give rise to any liability of our Company or the Covenantors out of or in connection with any breach, inaccuracy and/or incorrectness of the warranties as set out in the Underwriting Agreement and/or pursuant to the indemnities given by our Company, the Covenantors or any of them under the Underwriting Agreement; or

(v) that any breach of any of the obligations or undertakings of any party to the Underwriting Agreement (other than the Sole Sponsor, the Sole Lead Manager or the Underwriters); or

(vi) that our Company withdraws this prospectus; or

(vii) that approval by the Listing Division of the listing of, and permission to deal in, our Shares in issue and to be issued (including the Shares to be allotted and issued pursuant to the exercise of options that may be granted under the Share Option Schemes) under the Placing is refused or not granted, other than subject to customary conditions, on or before the date of approval of the Listing, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld; or

(viii) that Deloitte Touche Tohmatsu as the Reporting Accountants, Mr. Lung Chi Tak as the legal advisers to the Company on Hong Kong law, Appleby as the legal advisers to the Company on Cayman law or Asset Appraisal Limited as the independent valuer in relation to the Placing, has withdrawn its respective consent to the issue of this prospectus with the inclusion of its reports, letters, summaries of valuations 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.

Undertakings to the Stock Exchange Pursuant to the GEM Listing Rules

(A) Undertakings by Our Company

Pursuant to Rule 17.29 of the GEM Listing Rules, we have undertaken to the Stock Exchange that we will not, at any time within six months from the Listing Date, issue any Shares or other securities convertible into equity securities of our Company (whether or not of a class already listed) or enter into any agreement or arrangement to issue any Shares or such other securities (whether or not such issue of Shares or such other securities will be completed within six months from the Listing Date), except pursuant to the Placing (including pursuant to the exercise of the Offer Size Adjustment Option and any options which were granted or to be granted under the Share Option Schemes) or under any of the circumstances provided under Rule 17.29 of the GEM Listing Rules.

(B) Undertakings by the Controlling Shareholders

Pursuant to Rule 13.16A(1) of the GEM Listing Rules, each of our Controlling Shareholders has jointly and severally undertaken to the Stock Exchange and to our Company that, except pursuant to the Placing, they will not and will procure that the relevant registered holder(s) will not:

(a) in the period commencing on the date by reference to which disclosure of his or its shareholding in our Company is made in this prospectus and ending on the date which is six months from the date on which dealings in the Shares commence on the Stock Exchange, 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 in respect of which he or it is shown by this prospectus to be the beneficial owner; and

(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 if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, he or it would cease to be a controlling shareholder of our Company.

Pursuant to Note to Rule 13.16A(1) of the GEM Listing Rules, each of our Controlling Shareholders has undertaken to the Stock Exchange and to our Company that, within the period commencing on the date by reference to which disclosure of his or its shareholding in our Company is made in this prospectus and ending on the date which is 12 months from the date on which dealings in, he or it will:

(i) when he or it pledges or charges any Shares beneficially owned by him or it whether directly or indirectly in favour of an authorised institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) pursuant to Rule 13.18(1) of the GEM Listing Rules, immediately inform our Company of such pledge or charge together with the number of Shares so pledged or charged; and

(ii) when he or it receives indications, either verbal or written, from the pledgee or chargee of any Shares that any of the pledged or charged Shares will be disposed of, immediately inform our Company of such indications and of the number of Shares affected.

Our Company will inform the Stock Exchange in writing as soon as we have been informed of matters referred in above by any of our Controlling Shareholders and disclose such matters by way of announcement pursuant to the requirements under the GEM Listing Rules as soon as possible.

Undertakings Pursuant to the Underwriting Agreement

(A) Undertakings by Our Company

We have undertaken to the Sole Lead Manager (for itself and on behalf of the Underwriters) under the Underwriting Agreement that, and our Controlling Shareholders have undertaken to the Sole Lead Manager (for itself and on behalf of the Underwriters) to procure, that except pursuant to the Placing and the exercise of the options granted under the Pre-IPO Share Option Scheme and the allotment and issue of Shares pursuant to the exercise of the options so granted, (1) our Company will not without the prior written consent of the Sole Lead Manager (such consent not to be unreasonably withheld or delayed) and unless in compliance with the GEM Listing Rules, at any time after the date of the Underwriting Agreement up to and including the date falling six months after the Listing Date (the "**First Six-month Period**"), (i) 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 buy back, any of our share capital, debt capital or other securities of our Company or any of our subsidiaries 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 any interest therein) save as pursuant to the Repurchase Mandate granted by our Shareholders to our Directors as described in Appendix IV to this prospectus, or (ii) enter into any swap or other arrangement that transfers to any third party other than any member of our Group, 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 (iii) enter into any transaction with the same economic effect as any transaction described in (i) and (ii) above, or (iv) agree or contract to, or publicly announce any intention to enter into, any foregoing transaction described in (i), (ii) and (iii); whether any of the foregoing transactions described in (i), (ii) and (iii) is to be settled by delivery of Shares or such other securities, in cash or otherwise; and (2) in the event of an issue or disposal of any Shares or any interest therein or any voting right or any other right attaching thereto during the six-month period immediately following the First Six-month Period (the "**Second Six-month Period**"), we will take all reasonable steps to ensure that such issue or disposal will not create a disorderly or false market in the securities of our Company.

(B) Undertakings by the Controlling Shareholders

Each of our Controlling Shareholders has jointly and severally undertaken to our Company and the Sole Lead Manager (for itself and on behalf of the Underwriters) under the Underwriting

Agreement, that it will not without the prior written consents of the Sole Lead Manager (such consent not to be unreasonably withheld or delayed) and unless in compliance with the GEM Listing Rules, (i) he or she or it will not at any time during the First Six-Month Period offer, pledge, charge, sell, 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 for, lend or otherwise transfer or dispose of (nor enter into any agreement to transfer or dispose of or otherwise create any options, rights, interests or encumbrances in respect 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 held by him or her or it or any voting right or any other right attaching thereto (including, but not limited to any securities that are convertible into or exercisable or exchangeable for, or that represent the right to receive, any such share capital or other securities of our Company or any interest therein) whether currently held or enter into any swap or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of such share capital or securities or any interest therein or any voting right or any other right attaching thereto, whether any of the foregoing transactions is to be settled by delivery of share capital or such other securities, in cash or otherwise, or offer to or agree or contract to do any of the foregoing or announce any intention to do so, provided that the restriction shall not apply to any pledge or charge of Shares by our Controlling Shareholders in favour of an authorised institution as defined in the Banking Ordinances (Chapter 155 of the Laws of Hong Kong) for a bona fide commercial loan in accordance with the GEM Listing Rules; (ii) he or she or it will not at any time during the Second Six-Month Period enter into any of the transactions described in (i) above if, immediately following such transaction, he or she or it would cease to be a controlling shareholder (as defined in the GEM Listing Rules) of our Company, provided that the restriction shall not apply to any pledge or charge of Shares by our Controlling Shareholders in favour of an authorised institution as defined in the Banking Ordinances (Chapter 155 of the Laws of Hong Kong) for a bona fide commercial loan in accordance with the GEM Listing Rules; and (iii) in the event of a disposal by him or her or it of any share capital or any interest therein or any voting right or any other right attaching thereto during the period referred to in (ii) above, he or she or it will take all reasonable steps to ensure that such a disposal will not create a disorderly or false market for our Shares or other securities of our Company.

Fees, Commission and Expenses

The Underwriters will receive an aggregate underwriting commission of 4% of the aggregate Placing Price of all the Placing Shares (including any additional Shares that may be allotted and issued pursuant to the exercise of the Offer Size Adjustment Option), out of which they will pay any sub-underwriting commissions. The Sole Sponsor will receive sponsor fee in relation to the Listing and will be reimbursed for their expenses.

The aggregate commissions, fees and expenses relating to the Placing and the Listing, together with the Stock Exchange listing fees, the SFC transaction levy and the Stock Exchange trading fee, legal and other professional fees and printing and all other expenses relating to the Placing, which are estimated to amount in aggregate to approximately HK$37.6 million (assuming a Placing Price of HK$0.50 per Share (being the mid-point of the indicative Placing Price range stated in this prospectus)), shall be borne by our Company, save for the underwriting commission attributable to the Sale Shares which shall be borne by the Selling Shareholder.

Indemnity

We, the Controlling Shareholders have agreed to indemnify the Underwriters for certain losses which they may suffer, including losses arising from their performance of their obligations under the Underwriting Agreement and any breach by us of the Underwriting Agreement.

INDEPENDENCE OF THE SOLE SPONSOR

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

Save for their obligations under the Underwriting Agreement, none of the Underwriters has any shareholding interests in any member of our Group or any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for shares in any member of our Group.

THE PLACING

Placing

Our Company and the Selling Shareholder are initially offering 200,000,000 Placing Shares for subscription or purchase by way of placing to selected professional, institutional or other investors in Hong Kong at the Placing Price subject to the terms and conditions in the Underwriting Agreement and this prospectus. The Placing Shares will represent 25% of our Company's enlarged issued share capital immediately after completion of the Capitalisation Issue and the Placing (assuming the Offer Size Adjustment Option is not exercised). Subject to the terms of the Underwriting Agreement, the Placing is fully underwritten by the Underwriters.

Pursuant to the Placing, it is expected that the Underwriters or selling agents nominated by them will, on behalf of our Company and the Selling Shareholder, conditionally place the Placing Shares at the Placing Price plus 1% brokerage fee, 0.005% Stock Exchange trading fee and 0.0027% SFC transaction levy, and with selected professional, institutional or other investors in Hong Kong. Professional, institutional and other investors generally include brokers, dealers, high net worth individuals and companies (including fund managers) whose ordinary business involves dealing and investing in shares and other securities.

Placing Price

The Placing Price will not be more than HK$0.60 per Placing Share and is expected to be not less than HK$0.40 per Placing Share. Investors, when subscribing for or purchasing the Placing Shares shall pay on application, the maximum Placing Price of HK$0.60 per Placing Share plus 1.0% brokerage, 0.005% Stock Exchange trading fee and 0.0027% SFC transaction levy, amounting to a total of approximately HK$3,030.23 for one board lot of 5,000 Shares.

The Placing Price is expected to be fixed by the Price Determination Agreement between our Company (for itself and on behalf of the Selling Shareholder) and the Sole Lead Manager (for itself and on behalf of the Underwriters) on the Price Determination Date, which is expected to be on or around Friday, 29 July 2016 (or such later date as may be agreed between our Company and the Sole Lead Manager). If our Company (for itself and on behalf of the Selling Shareholder) and the Sole Lead Manager (for itself and on behalf of the Underwriters) are unable to reach an agreement on the Placing Price by the Price Determination Date or such later date as may be agreed between our Company (for itself and on behalf of the Selling Shareholder) and the Sole Lead Manager (for itself and on behalf of the Underwriters), the Placing will not become unconditional and will not proceed. Prospective investors of the Placing Shares should be aware that the Placing Price to be determined on the Price Determination Date may be, but is currently not expected to be, lower than the indicative range of the Placing Price as stated in this prospectus.

If, the Sole Lead Manager (for itself and on behalf of the Underwriters) and with the consent of our Company (for itself and on behalf of the Selling Shareholder) considers it appropriate (for instance, if the level of interest is below the indicative Placing Price range), the indicative Placing Price range may be reduced below that stated in this prospectus at any time prior to the Price Determination Date. In such a case, our Company (for itself and on behalf of the Selling Shareholder) shall, as soon as practicable following the decision to make such reduction, and in any event not later than 9:00 a.m. on the Price Determination Date publish an announcement on the reduction of the indicative Placing Price range on the website of the Stock Exchange at *www.hkexnews.hk* and our Company's website at *www.diningconcepts.com*.

The indication of level of interest in the Placing and the basis of allocations of the Placing Shares will be announced on the website of the Stock Exchange at *www.hkexnews.hk* and our Company's website at *www.diningconcepts.com* on or before Thursday, 4 August 2016.

Conditions of the Placing

The Placing is conditional upon, among other things:

(a) the Listing Division granting the listing of, and permission to deal in, our Shares in issue and to be issued as mentioned in this prospectus;

(b) the obligations of the Underwriters under the Underwriting Agreement becoming unconditional (including, if relevant, as a result of the waiver of any condition(s) by the Sole Lead Manager (for itself and on behalf of the Underwriters) and the Underwriting Agreement not being terminated in accordance with its terms and conditions or otherwise prior to 8:00 a.m. (Hong Kong time) on the Listing Date). Details of the Underwriting Agreement, its conditions and grounds for termination, are set out in the section headed "Underwriting" in this prospectus; and

(c) the Price Determination Agreement having been executed by the Sole Lead Manager (for itself and on behalf of the Underwriters) and our Company (for itself and on behalf of the Selling Shareholder) and becoming effective on the Price Determination Date;

in each case, on or before the dates and times specified in the Underwriting Agreement (unless and to the extent such conditions are validly waived on or before such dates and times) and in any event not later than the date which is 30 days after the date of this prospectus.

If such conditions have not been fulfilled or waived prior to the times and dates specified, the Placing will lapse and Listing Division will be notified immediately. Notice of the lapse of the Placing will be published by our Company on the website of the Stock Exchange at *www.hkexnews.hk* and our Company's website at *www.diningconcepts.com* on the next business day following such lapse.

Basis of Allocation

Allocation of the Placing Shares will be based on a number of factors, including the level and timing of demand and whether or not it is expected that the relevant investor is likely to purchase further Shares or hold or sell the Shares after the listing of the Shares on GEM. Such allocation is intended to result in a distribution of the Placing Shares which would lead to the establishment of a solid professional, and institutional shareholder base to the benefit of our Company and the Shareholders as a whole. In particular, Placing Shares will be allocated pursuant to Rule 11.23(8) of the GEM Listing Rules, that no more than 50% of the Shares in public hands at the time of the Listing will be owned by the three largest public shareholders.

Save with the prior written consent of the Stock Exchange, no allocations of the Placing Shares will be permitted to nominee companies unless the name of the ultimate beneficiary is disclosed. There will not be any preferential treatment in the allocation of the Placing Shares to any persons.

Offer Size Adjustment Option

Pursuant to the Underwriting Agreement, we have granted to the Underwriters the Offer Size Adjustment Option, which is exercisable by the Sole Lead Manager (for itself and on behalf of the Underwriters) in its sole and absolute discretion on or before 6:00 p.m. on the business day immediately before the date of the allotment results announcement, in writing, to require our Company to allot and issue up to 30,000,000 additional Shares at the Placing Price, representing 15% of the total number of Shares initially available under the Placing. Any such additional Shares may be issued to cover any excess demand in the Placing at the absolute discretion of the Sole Lead Manager.

For the avoidance of doubt, the purpose of the Offer Size Adjustment Option is to provide flexibility for the Sole Lead Manager to meet any excess demand in the Placing. The Offer Size

Adjustment Option will not be associated with any price stabilisation activity of the Shares in the secondary market after the listing of the Shares on GEM and will not be subject to the Securities and Futures (Price Stabilising) Rules of the SFO (Chapter 571W of the Laws of Hong Kong). No purchase of the Shares in the secondary market will be effected to cover any excess demand in the Placing which will only be satisfied by the exercise of the Offer Size Adjustment Option in full or in part.

We will disclose in our allotment results announcement whether and to what extent the Offer Size Adjustment Option has been exercised, and will confirm in the announcement that, if the Offer Size Adjustment Option is not exercised by then, the Offer Size Adjustment Option will lapse and cannot be exercised on any future date. The allotment results announcement will be published on the website of the Stock Exchange at *www.hkexnews.hk* and our website at *www.diningconcepts.com.*

In the event that the Offer Size Adjustment Option is exercised in full, 30,000,000 additional Shares will be allotted and issued resulting in a total number of 830,000,000 Shares in issue and the shareholding of the Shareholders will be diluted by approximately 3.75%.

If the Offer Size Adjustment Option is exercised in full, the additional net proceeds received from the placing of the additional Shares allotted and issued will be allocated in accordance with the allocations as disclosed in the section headed "Future plans and use of proceeds" of this prospectus, on a pro-rata basis.

COMMENCEMENT OF DEALINGS IN THE SHARES

Dealings in the Shares on the Stock Exchange are expected to commence at 9:00 a.m. on Friday, 5 August 2016. The Shares will be traded in board lots of 5,000 Shares each.

Our Company will not issue any temporary documents of title.

OUR SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the Stock Exchange granting the listing of, and permission to deal in, our Shares on GEM and our 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 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. You should seek advice from your stockbroker or other professional advisers for details of such settlement arrangements as such arrangements will affect your rights and interests.

We have made all necessary arrangements for our Shares to be admitted into CCASS. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Deloitte.
德勤

德勤・關黃陳方會計師行
香港金鐘道88號
太古廣場一座35樓

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

27 July 2016
The Directors
Dining Concepts Holdings Limited

Quam Capital Limited

Dear Sirs,

We set out below our report on the financial information (the "Financial Information") relating to Dining Concepts Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") for each of the three years ended 31 March 2016 (the "Relevant Periods") for inclusion in the prospectus dated 27 July 2016 issued by the Company (the "Prospectus") in connection with the proposed listing of the shares of the Company on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company, which acts as an investment holding company, was incorporated in the Cayman Islands as an exempted company and registered with limited liability under the Companies Law of the Cayman Islands on 22 May 2014. Pursuant to group reorganisation, as more fully explained in the paragraph headed "History, Development and Reorganisation" to the Prospectus (the "Group Reorganisation"), the Company became the holding company of the companies comprising the Group on 18 November 2014.

At the date of this report, the Company has the following subsidiaries comprising the Group:

Name of subsidiary	Place and date of incorporation	Equity interests attributable to the Group				Issued and fully paid share capital	Principal activities
		31 March 2014	31 March 2015	31 March 2016	Date of this report		
Dining Concepts (Asian) Limited ("Dining Concepts Asian")*	British Virgin Islands ("BVI") 11 June 2014	N/A	100%	100%	100%	US$1	Investment holding
Dining Concepts (Casual) Limited ("Dining Concepts Casual")*	BVI 7 August 2014	N/A	100%	100%	100%	US$1	Investment holding
Dining Concepts (Italian) Limited ("Dining Concepts Italian")*	BVI 11 June 2014	N/A	100%	100%	100%	US$1	Investment holding
Dining Concepts (Overseas) Limited ("Dining Concepts Overseas")*	BVI 11 June 2014	N/A	100%	100%	100%	US$1	Investment holding
Dining Concepts (Western) Limited ("Dining Concepts Western")*	BVI 11 June 2014	N/A	100%	100%	100%	US$1	Investment holding
Dining Concepts Limited ("Dining Concepts")	Hong Kong 11 September 2002	100%	100%	100%	100%	HK$10,000	Provision of catering management and design services in Hong Kong
BBQ Restaurants Limited ("BBQ Restaurants")	Hong Kong 9 March 2010	100%	100%	100%	100%	HK$1,000	Operating restaurant in Hong Kong
BLT Burger (HK) Limited ("BLT Burger")	Hong Kong 27 July 2009	100%	100%	100%	100%	HK$500,000	Operating restaurant in Hong Kong

Name of subsidiary	Place and date of incorporation	Equity interests attributable to the Group 31 March 2014	2015	2016	Date of this report	Issued and fully paid share capital	Principal activities
BLT Restaurants (HK) Limited ("BLT Restaurants")	Hong Kong 10 September 2008	100%	100%	100%	100%	HK$500,000	Operating restaurant in Hong Kong
Bombay Dreams (HK) Limited ("Bombay Dreams (HK)")	Hong Kong 26 July 2002	100%	100%	100%	100%	HK$10,000	Operating restaurant in Hong Kong
California Vintage Limited # ("California Vintage (HK)")	Hong Kong 28 June 2010	N/A	100%	100%	100%	HK$10,000	Inactive
Excel Team Restaurants Limited ("Excel Team")	Hong Kong 14 January 2005	100%	100%	100%	100%	HK$1,000	Operating restaurants in Hong Kong
Excel Team Trading Limited 卓榮貿易有限公司 ("Excel Team Trading")	Hong Kong 3 September 2003	100%	100%	100%	100%	HK$1,000	Operating restaurant in Hong Kong
Fame Top Holdings Limited 銘高集團有限公司 ("Fame Top")	Hong Kong 7 December 2011	100%	100%	100%	100%	HK$10,000	Operating restaurant in Hong Kong
Full Merit Holdings Limited 滿豐集團有限公司 ("Full Merit'')	Hong Kong 13 April 2004	100%	100%	100%	100%	HK$1,000	Operating restaurant in Hong Kong
Global Profit Enterprise Limited ("Global Profit")	Hong Kong 22 January 2007	100%	100%	100%	100%	HK$10,000	Operating restaurant in Hong Kong
Golden Rock Limited ("Golden Rock")**	Hong Kong 5 September 2014	N/A	100%	—	—	HK$2	Operating restaurant in Hong Kong
Heaven Limited ("Heaven")	Hong Kong 15 December 2004	100%	100%	100%	100%	HK$10,000	Production of bakery in Hong Kong
Lettuce Entertain You Limited ("Lettuce Entertain")	Hong Kong 18 November 2005	100%	100%	100%	100%	HK$1,000	Operating restaurant in Hong Kong
Max Prospect Holdings Limited 鴻昇集團有限公司 ("Max Prospect")	Hong Kong 18 November 2013	100%	100%	100%	100%	HK$10,000	Operating restaurant in Hong Kong
Most Glory Holdings Limited 至威集團有限公司 ("Most Glory")	Hong Kong 3 March 2011	100%	100%	100%	100%	HK$10,000	Operating restaurant in Hong Kong
Multi Million Way Limited 萬之威有限公司 ("Multi Million")	Hong Kong 18 October 2010	100%	100%	100%	100%	HK$500,000	Inactive
New Era Worldwide Limited 新昇環球有限公司 ("New Era")	Hong Kong 22 March 2014	100%	100%	100%	100%	HK$10,000	Inactive
Nice Empire Holdings Limited 君益集團有限公司 ("Nice Empire")	Hong Kong 2 August 2012	100%	100%	100%	100%	HK$10,000	Inactive
Pine Best Limited ("Pine Best")	Hong Kong 17 March 2014	100%	100%	100%	100%	HK$1	Operating restaurant in Hong Kong

Name of subsidiary	Place and date of incorporation	Equity interests attributable to the Group 31 March 2014	2015	2016	Date of this report	Issued and fully paid share capital	Principal activities
Profit Best Holdings Limited 澤成集團有限公司 ("Profit Best")	Hong Kong 17 September 2009	100%	100%	100%	100%	HK$500,000	Operating restaurant in Hong Kong
Smart Joy Limited 卓喜有限公司 ("Smart Joy")	Hong Kong 15 April 2010	100%	100%	100%	100%	HK$10,000	Operating restaurant in Hong Kong
Spectrum Rise Limited 濤昇有限公司 ("Spectrum Rise")	Hong Kong 12 December 2014	N/A	100%	100%	100%	HK$1	Operating restaurant in Hong Kong
Stanley Oriental Limited ("Stanley Oriental")	Hong Kong 22 June 2006	100%	100%	100%	100%	HK$10,000	Operating restaurant in Hong Kong
Strong Ace Limited 堅峻有限公司 ("Strong Ace")	Hong Kong 11 December 2014	N/A	100%	100%	100%	HK$1	Operating restaurant in Hong Kong
Strong Empire Limited ("Strong Empire")	Hong Kong 8 October 2015	N/A	N/A	100%	100%	HK$1,000,000	Inactive
Rich Ever Limited 眾富有限公司 ("Rich Ever")	Hong Kong 24 December 2015	N/A	N/A	100%	100%	HK$300,000	Inactive
Success Glory Limited ("Success Glory")	Hong Kong 5 January 2016	N/A	N/A	100%	100%	HK$10,000	Inactive
Winner Star Limited ("Winner Star")	Hong Kong 18 December 2015	N/A	N/A	100%	100%	HK$10,000	Inactive
Trendy Move Limited 健海有限公司 ("Trendy Move")	Hong Kong 12 December 2014	N/A	100%	100%	100%	HK$1	Inactive
Wealthy Home Limited 財庭有限公司 ("Wealthy Home")	Hong Kong 11 July 2011	100%	100%	100%	100%	HK$500,000	Operating restaurant in Hong Kong
Wealthy Trade Limited 貿寶有限公司 ("Wealthy Trade")	Hong Kong 8 November 2013	100%	100%	100%	100%	HK$300,000	Operating restaurant in Hong Kong
Wide Scope Holdings Limited 景宏集團有限公司 ("Wide Scope")	Hong Kong 28 May 2004	100%	100%	100%	100%	HK$1,000	Operating restaurant in Hong Kong

* *The equity interest of the subsidiary is directly held by the Company.*

\# *The equity interest of California Vintage (HK) was acquired from an independent third party on 3 June 2014.*

** *The entire equity interest of Golden Rock was disposed to an independent third party on 15 January 2016. Details are set out in note 24.*

Except for California Vintage (HK), the Company and its subsidiaries have adopted 31 March as their financial year end date for statutory financial reporting purposes. The financial year end date of California Vintage (HK) was 31 December and changed to 31 March effective from 2 July 2014.

No audited financial statements have been prepared for the Company, Dining Concepts Asian, Dining Concepts Casual, Dining Concepts Italian, Dining Concepts Overseas and Dining Concepts Western since their respective dates of incorporation as there are no statutory audit requirements in their place of incorporation.

No statutory financial statements have been prepared for Strong Empire, Success Glory, Rich Ever and Winner Star as they are not due for issuance.

The statutory financial statements of subsidiaries for the Relevant Periods or since their respective dates of incorporation, where this is a shorter period, were prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") and were audited by the certified public accountants set out as below:

Name of subsidiary	Financial periods	Name of certified public accountants
Dining Concepts	Year ended 31 March 2014	C.K. Liu & Company Certified Public Accountants
	Year ended 31 March 2015	C.K. Liu & Company Certified Public Accountants
	Year ended 31 March 2016	C.K. Liu & Company Certified Public Accountants
BBQ Restaurants	Year ended 31 March 2014	Deloitte Touche Tohmatsu
	Year ended 31 March 2015	Deloitte Touche Tohmatsu
	Year ended 31 March 2016	Deloitte Touche Tohmatsu
BLT Burger	Year ended 31 March 2014	Deloitte Touche Tohmatsu
	Year ended 31 March 2015	Deloitte Touche Tohmatsu
	Year ended 31 March 2016	Deloitte Touche Tohmatsu
BLT Restaurants	Year ended 31 March 2014	Deloitte Touche Tohmatsu
	Year ended 31 March 2015	Deloitte Touche Tohmatsu
	Year ended 31 March 2016	Deloitte Touche Tohmatsu
Bombay Dreams (HK)	Year ended 31 March 2014	Deloitte Touche Tohmatsu
	Year ended 31 March 2015	Deloitte Touche Tohmatsu
	Year ended 31 March 2016	Deloitte Touche Tohmatsu
California Vintage (HK)	Period ended 31 March 2015	C.K. Liu & Company Certified Public Accountants
	Year ended 31 March 2016	C.K. Liu & Company Certified Public Accountants
Excel Team	Year ended 31 March 2014	Deloitte Touche Tohmatsu
	Year ended 31 March 2015	Deloitte Touche Tohmatsu
	Year ended 31 March 2016	Deloitte Touche Tohmatsu
Excel Team Trading	Year ended 31 March 2014	Deloitte Touche Tohmatsu
	Year ended 31 March 2015	Deloitte Touche Tohmatsu
	Year ended 31 March 2016	Deloitte Touche Tohmatsu
Fame Top	Year ended 31 March 2014	Deloitte Touche Tohmatsu
	Year ended 31 March 2015	Deloitte Touche Tohmatsu
	Year ended 31 March 2016	Deloitte Touche Tohmatsu
Full Merit	Year ended 31 March 2014	Deloitte Touche Tohmatsu
	Year ended 31 March 2015	Deloitte Touche Tohmatsu
	Year ended 31 March 2016	Deloitte Touche Tohmatsu
Golden Rock$^{\Delta}$	Period ended 31 March 2015	Deloitte Touche Tohmatsu
Global Profit	Year ended 31 March 2014	Deloitte Touche Tohmatsu
	Year ended 31 March 2015	Deloitte Touche Tohmatsu
	Year ended 31 March 2016	Deloitte Touche Tohmatsu

Name of subsidiary	Financial periods	Name of certified public accountants
Heaven	Year ended 31 March 2014	C.K. Liu & Company Certified Public Accountants
	Year ended 31 March 2015	C.K. Liu & Company Certified Public Accountants
	Year ended 31 March 2016	C.K. Liu & Company Certified Public Accountants
Lettuce Entertain	Year ended 31 March 2014	Deloitte Touche Tohmatsu
	Year ended 31 March 2015	Deloitte Touche Tohmatsu
	Year ended 31 March 2016	Deloitte Touche Tohmatsu
Max Prospect$^{\Delta}$	Period ended 31 March 2015	Deloitte Touche Tohmatsu
	Year ended 31 March 2016	Deloitte Touche Tohmatsu
Most Glory	Year ended 31 March 2014	Deloitte Touche Tohmatsu
	Year ended 31 March 2015	Deloitte Touche Tohmatsu
	Year ended 31 March 2016	Deloitte Touche Tohmatsu
Multi Million	Year ended 31 March 2014	Deloitte Touche Tohmatsu
	Year ended 31 March 2015	Deloitte Touche Tohmatsu
	Year ended 31 March 2016	Deloitte Touche Tohmatsu
New Era$^{\Delta}$	Period ended 31 March 2015	Deloitte Touche Tohmatsu
	Year ended 31 March 2016	Deloitte Touche Tohmatsu
Nice Empire	Year ended 31 March 2014	Deloitte Touche Tohmatsu
	Year ended 31 March 2015	Deloitte Touche Tohmatsu
	Year ended 31 March 2016	Deloitte Touche Tohmatsu
Pine Best$^{\Delta}$	Period ended 31 March 2015	Deloitte Touche Tohmatsu
	Year ended 31 March 2016	Deloitte Touche Tohmatsu
Profit Best	Year ended 31 March 2014	Deloitte Touche Tohmatsu
	Year ended 31 March 2015	Deloitte Touche Tohmatsu
	Year ended 31 March 2016	Deloitte Touche Tohmatsu
Smart Joy	Year ended 31 March 2014	Deloitte Touche Tohmatsu
	Year ended 31 March 2015	Deloitte Touche Tohmatsu
	Year ended 31 March 2016	Deloitte Touche Tohmatsu
Spectrum Rise*	Period ended 31 March 2016	Deloitte Touche Tohmatsu
Stanley Oriental	Year ended 31 March 2014	Deloitte Touche Tohmatsu
	Year ended 31 March 2015	Deloitte Touche Tohmatsu
	Year ended 31 March 2016	Deloitte Touche Tohmatsu
Strong Ace*	Period ended 31 March 2016	Deloitte Touche Tohmatsu
Trendy Move*	Period ended 31 March 2016	Deloitte Touche Tohmatsu
Wealthy Home	Year ended 31 March 2014	Deloitte Touche Tohmatsu
	Year ended 31 March 2015	Deloitte Touche Tohmatsu
	Year ended 31 March 2016	Deloitte Touche Tohmatsu
Wealthy Trade$^{\Delta}$	Period ended 31 March 2015	Deloitte Touche Tohmatsu
	Year ended 31 March 2016	Deloitte Touche Tohmatsu

Name of subsidiary	Financial periods	Name of certified public accountants
Wide Scope	Year ended 31 March 2014	Deloitte Touche Tohmatsu
	Year ended 31 March 2015	Deloitte Touche Tohmatsu
	Year ended 31 March 2016	Deloitte Touche Tohmatsu

Δ *The first statutory financial statements of these companies covered the period from the dates of their incorporation to 31 March 2015.*

* *The first statutory financial statements of these companies covered the period from the dates of their incorporation to 31 March 2016.*

For the purpose of this report, the directors of the Company have prepared the consolidated financial statements of the Company and its subsidiaries now comprising the Group for the Relevant Periods (the "Underlying Financial Statements"), in accordance with accounting policies which conform with HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). We have audited the Underlying Financial Statements in accordance with Hong Kong Standards on Auditing issued by the HKICPA.

We have examined the Underlying Financial Statements in accordance with Auditing Guideline 3.340 "Prospectus and the Reporting Accountant" as recommended by the HKICPA.

The Financial Information of the Group for the Relevant Periods set out in this report has been prepared from the Underlying Financial Statements on the basis set out in note 2 of section A below. No adjustments are considered necessary to the Underlying Financial Statements in preparing our report for inclusion in the Prospectus.

The Underlying Financial Statements are the responsibility of the directors of the Company who approved their issue. The directors of the Company are also responsible for the contents of the Prospectus in which this report is included. It is our responsibilities to compile the Financial Information set out in this report from the Underlying Financial Statements to form an independent opinion on the Financial Information and to report our opinion to you.

In our opinion, on the basis of presentation set out in note 2 of section A below, the Financial Information gives, for the purpose of this report, a true and fair view of the financial position of the Company as at 31 March 2015 and 2016 and of the Group as at 31 March 2014, 2015 and 2016 and of the financial performance and cash flows of the Group for the Relevant Periods.

A. FINANCIAL INFORMATION

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

THE GROUP

	Notes	Year ended 31 March 2014	2015	2016
		HK$'000	HK$'000	HK$'000
Revenue	7	389,793	468,241	462,921
Cost of inventories consumed		(97,339)	(117,631)	(118,092)
Staff costs		(90,351)	(121,878)	(125,749)
Depreciation and amortisation		(29,578)	(30,060)	(28,902)
Rental and related expenses		(61,899)	(80,805)	(90,364)
Utilities and consumables		(15,953)	(19,513)	(20,303)
Listing expenses		—	(8,599)	(5,610)
Franchise and licensing fees		(9,687)	(13,971)	(13,292)
Other expenses	8	(31,007)	(41,749)	(44,287)
Other gains and losses	9	(1,284)	541	9,391
Finance cost		—	(1,242)	—
Profit before taxation		52,695	33,334	25,713
Taxation	10	(13,140)	(9,956)	(7,593)
Profit and total comprehensive income for the years attributable to owners of the Company	11	39,555	23,378	18,120
Earnings per share-basic (HK$)	13	0.07	0.04	0.03

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

THE GROUP

	Notes	At 31 March 2014	2015	2016
		HK$'000	*HK$'000*	*HK$'000*
Non-current assets				
Property, plant and equipment	15	48,729	54,636	41,125
Intangible assets	16	7,680	14,776	13,509
Rental and utilities deposits		19,710	24,724	30,359
Deposit for property, plant and equipment		3,445	362	17,230
Restricted bank deposits	22	1,918	1,966	2,143
		81,482	96,464	104,366
Current assets				
Inventories	18	4,611	7,003	5,780
Trade and other receivables	19	5,627	10,291	13,664
Amounts due from related companies	20	13,024	4,526	621
Amounts due from a director	21	5,837	7,638	10,864
Amounts due from Controlling Shareholders	21	1,701	3,030	7,528
Tax recoverable		1,008	2,302	2,554
Bank balances and cash	22	30,300	57,407	25,722
		62,108	92,197	66,733
Current liabilities				
Trade and other payables	23	45,934	59,113	50,296
Amounts due to related companies	20	9,395	2,790	2,455
Amounts due to a director	21	1,523	—	—
Amounts due to Controlling Shareholders	21	38,957	25,369	—
Tax liabilities		7,199	1,312	151
		103,008	88,584	52,902
NET CURRENT (LIABILITIES)/ASSETS		(40,900)	3,613	13,831
NET ASSETS		40,582	100,077	118,197
Capital and reserves				
Share capital	26	2,906	9	9
Reserves		37,676	100,068	118,188
Total equity attributable to owners of the Company		40,582	100,077	118,197

STATEMENTS OF FINANCIAL POSITION

THE COMPANY

	Notes	At 31 March 2015	At 31 March 2016
		HK$'000	*HK$'000*
Non-current asset			
Investments in subsidiaries	25	—	—
Current assets			
Deferral for listing expenses	19	3,113	4,685
Amounts due from subsidiaries	20	55,798	67,700
Amounts due from Controlling Shareholder	21	—	7,528
Bank balances and cash	22	—	3,641
		58,911	83,554
Current liabilities			
Other payables	23	4,626	2,463
Amounts due to subsidiaries	20	1,931	34,435
		6,557	36,898
NET CURRENT ASSETS AND NET ASSETS		52,354	46,656
Capital and reserves			
Share capital	26	9	9
Reserves		52,345	46,647
Total equity attributable to owners of the Company		52,354	46,656

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

THE GROUP

	Attributable to owners of the Company				
	Share capital	Share premium	Other reserve	Retained profits	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2013	2,596	—	—	35,334	37,930
Profit and total comprehensive income recognised for the year	—	—	—	39,555	39,555
Dividend paid (note 12)	—	—	—	(36,215)	(36,215)
Capital contributions	310	—	—	—	310
Deemed distribution to the Controlling Shareholders (note c) (note 30a)	—	—	(998)	—	(998)
At 31 March 2014	2,906	—	(998)	38,674	40,582
Profit and total comprehensive income recognised for the year	—	—	—	23,378	23,378
Dividend paid (note 12)	—	—	—	(28,950)	(28,950)
Issue of share capital (note 26)	9	30,000	—	—	30,009
Arising from reorganisation (note a)	(2,906)	—	2,906	—	—
Deemed distribution to Dining Concepts (International) Limited ("Dining Concepts (International)") (note 30a)	—	—	(628)	—	(628)
Deemed contributions from the Controlling Shareholders (note b)	—	—	35,686	—	35,686
At 31 March 2015	9	30,000	36,966	33,102	100,077
Profit and total comprehensive income recognised for the year	—	—	—	18,120	18,120
At 31 March 2016	9	30,000	36,966	51,222	118,197

Notes:

(a) Amount represents the transfer of nominal value of share capital of the subsidiaries acquired by the Company to other reserve upon Group Reorganisation.

(b) Amount represents deemed contributions from the Controlling Shareholders (as defined in note 2) comprising the following:

- *During the year ended 31 March 2015, related companies controlled by the Controlling Shareholders and a director of the Company waived amounts due to related companies and a director of approximately HK$2,924,000 and HK$400,000, respectively, which were recognised as equity as shown in the consolidated statements of changes in equity.*

- *Deemed contributions from Dining Concepts (International), a company owned by the Controlling Shareholders, which was subsequently wholly owned by one of the Controlling Shareholders, of HK$32,362,000 as detailed in note 30(a).*

(c) Amount represents deemed distribution to the Controlling Shareholders (as defined in note 2) in relation to a waiver of amount due from a related company, which was controlled by the Controlling Shareholders of the Group, of approximately HK$998,000.

STATEMENTS OF CHANGES IN EQUITY

THE COMPANY

	Share capital	Share premium	Other reserve	Accumulated losses	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Issue of share capital at date of incorporation (note 26)	—	—	—	—	—
Issue of share capital (note 26)	9	30,000	—	—	30,009
Loss and total comprehensive expenses recognised for the period	—	—	—	(9,389)	(9,389)
Deemed contributions from Dining Concepts (International) (note 30a)	—	—	32,362	—	32,362
Deemed distribution to Dining Concepts (International) (note 30a)	—	—	(628)	—	(628)
At 31 March 2015	9	30,000	31,734	(9,389)	52,354
Loss and total comprehensive expenses recognised for the year	—	—	—	(5,698)	(5,698)
At 31 March 2016	9	30,000	31,734	(15,087)	46,656

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 March 2014	2015	2016
		HK$'000	HK$'000	HK$'000
OPERATING ACTIVITIES				
Profit before taxation		52,695	33,334	25,713
Adjustments for:				
Depreciation of property, plant and equipment		28,937	29,079	26,949
Amortisation of intangible assets		641	981	1,953
Loss (gain) on disposals of property, plant and equipment		1,284	(119)	940
Gain on disposal of a subsidiary	24	—	—	(10,518)
Loss on disposals of intangible assets		—	304	187
Bargain purchase gain		—	(98)	—
Finance cost		—	1,242	—
Financial guarantee income		—	(628)	—
Operating cash flows before movements in working capital		83,557	64,095	45,224
Increase in rental and utilities deposits		(5,513)	(4,446)	(7,081)
(Increase) decrease in inventories		(326)	(2,392)	707
Decrease (increase) in trade and other receivables		128	(4,664)	(3,609)
Increase (decrease) in trade and other payables		3,280	14,956	(5,197)
Cash generated from operations		81,126	67,549	30,044
Income tax paid		(8,555)	(17,137)	(9,006)
NET CASH FROM OPERATING ACTIVITIES		72,571	50,412	21,038
INVESTING ACTIVITIES				
Purchase of and deposits paid for property, plant and equipment		(22,873)	(34,558)	(38,054)
Purchase of intangible assets		(622)	(7,550)	(4,285)
Proceed for disposals of property, plant and equipment		982	161	2,008
Acquisition of a subsidiary, net of cash acquired	17	—	(465)	—
Disposal of a subsidiary, net of cash disposed	24	—	—	17,308
Advances to related companies		(20,158)	(19,355)	(5,258)
Repayments from related companies		19,180	27,853	9,163
Advances to a director		(6,331)	(9,640)	(6,865)
Repayments from a director		957	7,839	3,639
Advances to Controlling Shareholders		(38,882)	(38,849)	(38,858)
Repayments from Controlling Shareholders		39,504	37,520	34,360
Withdrawals from restricted bank deposits		462	—	—
Placements of restricted bank deposits		(2,380)	(48)	(177)
NET CASH USED IN INVESTING ACTIVITIES		(30,161)	(37,092)	(27,019)
FINANCING ACTIVITIES				
Advances from related companies		10,873	11,957	5,189
Repayments to related companies		(6,191)	(15,238)	(5,524)
Advances from a director		1,088	—	—
Repayments to a director		(500)	(1,523)	—
Advances from Controlling Shareholders		11,573	29,557	—
Repayments to Controlling Shareholders		(11,899)	(43,145)	(25,369)
Dividend paid		(36,215)	(28,950)	—
Advance from Dining Concepts (International)		—	31,120	—
Capital contributions/issue of shares		310	30,009	—
NET CASH (USED IN) FROM FINANCING ACTIVITIES		(30,961)	13,787	(25,704)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		11,449	27,107	(31,685)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		18,851	30,300	57,407
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, represented by bank balances and cash		30,300	57,407	25,722

NOTES TO THE FINANCIAL INFORMATION

1. GENERAL

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 22 May 2014 and its registered office is located at Clifton House, 75 Fort Street, Grand Cayman, KY1-1108, Cayman Islands and its principal place of business is located at Suite 1701-3, 17/F, Chinachem Hollywood Centre 1, 3, 5, 7, 9, 11 and 13 Hollywood Road, Central, Hong Kong.

The Company is an investment holding company. The subsidiaries of the Company is principally engaged in operation of restaurants and provision of catering management and design services.

The Financial Information is presented in Hong Kong dollars ("HK$"), which is the functional currency of the Company and its subsidiaries.

2. BASIS OF PRESENTATION OF FINANCIAL INFORMATION

On 15 February 2010, Total Commitment Holdings Limited ("Total Commitment"), Ideal Winner Investments Limited ("Ideal Winner"), Minrish Limited ("Minrish"), Indo Gold Limited ("Indo Gold") and Mr. Jugdish Johnny Uttamchandani (hereinafter defined as the "Controlling Shareholders") entered into a profit sharing agreement under which the Controlling Shareholders agreed, among other things, from the date of agreement or if the relevant subsidiary is incorporated after the date of agreement, the date of incorporation of such subsidiary, that the Controlling Shareholders contributed to the capital and shared the profit generated and dividends distributed from the Group's subsidiaries in the following percentage: 50.2% by Total Commitment, 15.9% by Ideal Winner, 8.5% by Minrish, 18.7% by Indo Gold and 6.7% by Mr. Jugdish Johnny Uttamchandani. Prior to the Group Reorganisation, each of the Controlling Shareholders has, in respect of the arrival and/or execution of all decisions, including but not limited to, financial, management and operational matters, of the Group's subsidiaries, been acting in concert with each other.

Pursuant to the Group Reorganisation as set out in the section headed "History, Development and Reorganisation" in the Prospectus, which was completed on 18 November 2014 by interspersing the Company, and certain companies between the Controlling Shareholders and the group entities, 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 is regarded as a continuing entity. On 18 November 2014, the Company became the holding company of the Group.

The consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows which include the results, changes in equity and cash flows of the companies comprising the Group for the years ended 31 March 2014 and 2015, have been prepared as if the Company had always been the holding company of the Group and the current group structure had been in existence throughout those two years, or since their respective dates of incorporation, where it is a shorter period.

The consolidated statement of financial position as at 31 March 2014 has been prepared to present the assets and liabilities of the companies comprising the Group as if the current group structure had been in existence at that date.

3. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

For the purpose of preparing and presenting the Financial Information for the Relevant Periods, the Group has consistently adopted Hong Kong Accounting Standards (''HKASs''), HKFRSs, amendments and interpretations ("HK(IFRIC)-Int") issued by the HKICPA which are effective for the accounting periods beginning on 1 April 2015 throughout the Relevant Periods.

At the date of this report, the HKICPA has issued the following new and revised standards and amendments that are not yet effective. The Group has not early applied these standards and amendments.

HKFRS 9	Financial Instruments[1]
HKFRS 14	Regulatory Deferral Accounts[2]
HKFRS 15	Revenue from Contracts with Customers[1]
HKFRS 16	Leases[5]
Amendments to HKAS 1	Disclosure Initiative[3]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[3]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[3]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception[3]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[3]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle[3]
Amendments to HKFRS 15	Clarifications to HKFRS 15 Revenue from Contracts with Customers[1]
Amendments to HKAS 7	Disclosure Initiative[6]
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses[6]

[1] *Effective for annual periods beginning on or after 1 January 2018*

[2] *Effective for first annual HKFRS financial statements beginning on or after 1 January 2016*

[3] *Effective for annual periods beginning on or after 1 January 2016*

[4] *Effective for annual periods beginning on or after a date to be determined*

[5] *Effective for annual periods beginning on or after 1 January 2019*

[6] *Effective for annual periods beginning on or after 1 January 2017*

HKFRS 16 Leases

HKFRS 16 *Leases* will be effective for annual periods beginning on or after 1 January 2019 and will supersede HKAS 17 *Leases*. This new standard provides a comprehensive model for the identification of lease arrangements and their treatment in the consolidated financial statements of both lessors and lessees. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value.

A lessee is required to recognise a right-of-use asset and a lease liability at the commencement of lease arrangement. Right-of-use asset includes the amount of initial measurement of lease liability, any lease payment made to the lessor at or before the lease commencement date, estimated cost to be incurred by the lessee for dismantling or removing the underlying assets from and restoring the site, as well as any other initial direct cost incurred by the lessee. Lease liability represents the present value of the lease payments. Subsequently, depreciation and impairment expenses, if any, on the right-of-use asset will be charged to profit or loss following the requirements of HKAS 16 *Property, Plant and Equipment*, while lease liability will be increased by the interest accrual, which will be charged to profit or loss, and deducted by lease payments.

In respect of the lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The directors of the Company consider that the application of this standard will result in recognition of right-of-use asset and a lease liability in the Group's financial statements in relation to the lease agreements where the Group is the lessee.

The directors of the Company anticipate that the application of the other new and revised standards or amendments will have no material impact on the financial statements of the Group.

4. SIGNIFICANT ACCOUNTING POLICIES

The Financial Information has been prepared in accordance with accounting policies which conform with HKFRSs issued by the HKICPA. These policies have been consistently applied throughout the Relevant Periods. In addition, the Financial Information includes 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.

The Financial Information has been prepared on the historical cost basis explained in the accounting policies set out below. 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 at the measurement date. Fair value for measurement and/or disclosure purposes in the Financial Information is determined on such a basis, except 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".

The principal accounting policies are set out below:

Basis of consolidation

The Financial Information incorporates the financial statements of the Company and entities controlled by the Company. 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 the facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation 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 are included in the consolidated 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.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Merger accounting for business combination involving entities under common control

The Financial Information incorporates the financial statements items of the consolidated entities or businesses in which the common control combination occurs as if they had been consolidated from the date when the consolidated entities or businesses first came under the control of the controlling party.

The net assets of the consolidated entities or businesses are consolidated using the existing book values from the controlling parties' perspective. No amount is recognised in respect of goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The consolidated statements of profit or loss and other comprehensive income includes the results of each of the consolidated entities or businesses from the earliest date presented or since the date when the consolidated entities or businesses first came under the common control, where this is a shorter period, regardless of the date of the common control combination.

Businesses combination other than common control combination

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.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Investments in subsidiaries

Investments in subsidiaries included in the Company's statement of financial position are stated at cost less any identified impairment loss.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services provided in the normal course of business net of discounts.

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Service income is recognised when services are provided. Revenue from sale of goods are recognised when goods are delivered and titles have passed.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. 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 in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on 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.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Impairment losses on tangible and intangible assets (other than goodwill)

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives 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 immediately in profit or loss.

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 lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

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, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

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 the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in, first-out method. Net realisable value represents the estimate selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Customer loyalty award credits

Customer loyalty award credits granted to customers as part of a sales transaction are to be accounted for as a separate component of the sales transaction in which they are granted. The consideration received in the sales transaction is allocated between the loyalty award credits and the other components of the sale. The amount allocated to the loyalty award credits is determined by reference to their fair value and is deferred until the awards are redeemed or the liability is otherwise extinguished.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before taxation as reported in the consolidated 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 liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Information and the corresponding tax base 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 difference 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 the 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 in which 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 the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred taxes are recognised in profit or loss.

Financial instruments

Financial assets and financial liabilities are recognised in the Company and consolidated statements of financial position when a group entity becomes a party to the contractual provisions of the instruments.

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. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are classified as 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 periods. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and 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.

Loans and receivables

Loans and receivables are 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, amounts due from related companies, amounts due from Controlling

Shareholders, amounts due from a director, restricted bank deposits and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment (see accounting policy on impairment loss on financial assets below).

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of the reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

Financial assets such as trade receivables that are assessed not to be impaired individually are, subsequently, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the respective credit period, observable changes in national or local economic conditions that correlate with default on receivables.

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.

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 and loss.

If, in a subsequent period, the amount of the 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 the Group 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 the group entity after deducting all of its liabilities. Equity instruments issued by the group entity are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities including trade and other payables, amounts due to related companies, amounts due to Controlling Shareholders and amounts due to a director are subsequently measured at amortised cost, using the effective interest method.

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 and 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 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.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. A financial guarantee contract issued by the Group and the Company and not designated as at fair value through profit or loss is recognised initially at its fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Company measures the financial guarantee contract at the higher of: (i) the amount determined in accordance with HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets"; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with HKAS 18 "Revenue".

5. KEY SOURCES OF ESTIMATION UNCERTAINTIES

In the application of the Group's accounting policies, which are described in note 4, the directors of the Company are required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 estimate 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 are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next twelve months.

Income taxes

As at 31 March 2014, 2015 and 2016, no deferred tax asset has been recognised in relation to the tax losses of approximately HK$14,050,000, HK$18,862,000 and HK$26,409,000 and deductible temporary differences of approximately HK$36,270,000, HK$49,342,000 and HK$60,400,000 respectively, due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future taxable profits generated are more than expected, recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such recognition takes place.

Estimated useful lives of property, plant and equipment

The Group depreciates the property, plant and equipment over their estimated useful lives, using straight-line method, at the rates ranging from 20% to 25% per annum or shorter of the remaining lease term or 5 years. The estimated useful lives that the Group depreciates the property, plant and equipment reflect the directors' estimate of the periods that the Group intends to derive future economic benefits from the use of the assets. Actual economic lives may differ from estimated useful lives. Periodic review could result in a change in useful lives and therefore depreciation and impairment losses in future years.

As at 31 March 2014, 2015 and 2016, the carrying amounts of property, plant and equipment are approximately HK$48,729,000, HK$54,636,000 and HK$41,125,000 respectively.

Impairment loss recognised in respect of property, plant and equipment and intangible assets

Determining whether property, plant and equipment and intangible assets are impaired requires an estimation of the recoverable amount, which is the higher of value in use and fair values less cost of disposal of the relevant assets. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the property, plant and equipment and intangible assets, and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

As at 31 March 2014, 2015 and 2016, the carrying amounts of property, plant and equipment are approximately HK$48,729,000, HK$54,636,000 and HK$41,125,000 and intangible assets are approximately HK$7,680,000, HK$14,776,000 and HK$13,509,000 respectively.

6. 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 equity owners through the optimisation of the debt and equity balances. The Group's overall strategy remains unchanged throughout the Relevant Periods.

The capital structure of the Group consists of net debt, which includes amounts due to the related companies, Controlling Shareholders and a director, as disclosed in notes 20 and 21, net of restricted bank deposits, bank balances and cash and equity attributable to owners of the Company, comprising issued share capital, reserves and retained profits.

The management of the Group reviews the capital structure from time to time. As a part of this review, the management considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management, the Group will balance its overall capital structure through the payment of dividends, the issue of new shares, new debts or the redemption of existing debts.

7. REVENUE AND SEGMENT INFORMATION

The Group's revenue represents the amount received and receivable for the operation of restaurants and provision of catering management and design services, net of discount, as follows:

	Year ended 31 March		
	2014	**2015**	**2016**
	HK$'000	*HK$'000*	*HK$'000*
Operation of restaurants	389,236	467,929	462,881
Catering management and design services	557	312	40
	389,793	468,241	462,921

Information about the segments of the Group reported to board of directors of the Company, the chief operating decision maker ("CODM"), being regularly reviewed in order to allocate resources to segments and to assess their performance is prepared under HKFRSs, based on style of restaurants, including Italian style, Western style and Asia style. In addition, the CODM also reviews performance of catering management and design services for resources allocation.

The following is an analysis of the Group's revenue, results, assets and liabilities by operating and reportable segments:

Year ended 31 March 2014

	Italian style	Western style	Asian style	Catering management and design services	Elimination	Consolidated total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
REVENUE						
External sales	155,985	176,383	56,868	557	—	389,793
Inter-segment sales	—	2,581	—	16,601	(19,182)	—
Total	155,985	178,964	56,868	17,158	(19,182)	389,793
RESULT						
Segment profit	28,010	27,851	8,522	318	—	64,701
Unallocated staff costs						(8,979)
Unallocated depreciation and amortisation						(458)
Unallocated rental and related expenses						(1,330)
Unallocated utilities and consumables						(208)
Unallocated other expenses						(1,031)
Profit before taxation						52,695

At 31 March 2014

	Italian style	Western style	Asian style	Catering management and design services	Elimination	Consolidated total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Segment assets	71,469	64,323	17,000	11,914	(21,116)	143,590
Elimination of inter-segment receivables	(12,263)	(5,158)	(1,114)	(2,581)	21,116	—
	59,206	59,165	15,886	9,333	—	143,590
Segment liabilities	(48,944)	(54,394)	(14,025)	(6,761)	21,116	(103,008)
Elimination of inter-segment payables	3,630	14,274	2,965	247	(21,116)	—
	(45,314)	(40,120)	(11,060)	(6,514)	—	(103,008)

Year ended 31 March 2015

	Italian style	Western style	Asian style	Catering management and design services	Elimination	Consolidated total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
REVENUE						
External sales	162,582	229,439	75,908	312	—	468,241
Inter-segment sales	—	3,498	—	21,938	(25,436)	—
Total	162,582	232,937	75,908	22,250	(25,436)	468,241
RESULT						
Segment profit	22,831	24,780	12,705	437	—	60,753
Unallocated staff costs						(14,593)
Unallocated depreciation and amortisation						(284)
Unallocated rental and related expenses						(1,986)
Unallocated utilities and consumables						(359)
Listing expenses						(8,599)
Finance cost						(1,242)
Financial guarantee income						628
Unallocated other expenses						(984)
Profit before taxation						33,334

At 31 March 2015

	Italian style	Western style	Asian style	Catering management and design services	Elimination	Consolidated total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Segment assets	58,909	123,052	24,160	71,567	(92,140)	185,548
Elimination of inter-segment receivables	(13,702)	(17,186)	(3,147)	(58,105)	92,140	—
	45,207	105,866	21,013	13,462	—	
Deferral for listing expenses						3,113
						188,661
Segment liabilities	(40,558)	(114,232)	(14,039)	(7,269)	92,140	(83,958)
Elimination of inter-segment payables	16,400	68,609	5,126	2,005	(92,140)	—
	(24,158)	(45,623)	(8,913)	(5,264)	—	
Other payables						(4,626)
						(88,584)

Year ended 31 March 2016

	Italian style	Western style	Asian style	Catering management and design services	Elimination	Consolidated total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
REVENUE						
External sales	139,898	250,706	72,277	40	—	462,921
Inter-segment sales	—	1,418	—	20,846	(22,264)	—
Total	139,898	252,124	72,277	20,886	(22,264)	462,921
RESULT						
Segment profit	7,861	24,474	9,607	417	—	42,359
Unallocated staff costs						(17,670)
Unallocated depreciation and amortisation						(280)
Unallocated rental and related expenses						(1,956)
Unallocated utilities and consumables						(462)
Listing expenses						(5,610)
Gain on disposal of a subsidiary						10,518
Unallocated other expenses						(1,186)
Profit before taxation						25,713

At 31 March 2016

	Italian style	Western style	Asian style	Catering management and design services	Elimination	Consolidated total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Segment assets	65,602	153,447	40,291	95,858	(188,784)	166,414
Elimination of inter-segment receivables	(36,169)	(66,963)	(13,373)	(72,279)	188,784	—
	29,433	86,484	26,918	23,579	—	
Deferral for listing expenses						4,685
						171,099
Segment liabilities	(54,227)	(116,499)	(24,709)	(43,788)	188,784	(50,439)
Elimination of inter-segment payables	41,216	88,079	17,759	41,730	(188,784)	—
	(13,011)	(28,420)	(6,950)	(2,058)	—	
Other payables						(2,463)
						(52,902)

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 4. Segment profit represents the profit earned by each segment without allocation of the common management expenses incurred. This is the measure reported to the CODM for the purpose of resource allocation and performance assessment. For the purposes of monitoring segment performances and allocating resources between segments, all assets and liabilities, other than deferral for listing expenses and payable for listing expenses, are allocated to operating segments.

Inter-segment sales are charged at cost plus approach.

Other segment information

The followings are included in the measure of segment results and segment assets.

	Depreciation and amortisation			**Additions to non-current assets**		
	Year ended 31 March			**Year ended 31 March**		
	2014	**2015**	**2016**	**2014**	**2015**	**2016**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Italian style	11,727	12,543	11,088	7,246	2,289	1,396
Western style	13,953	14,376	15,539	18,038	33,298	20,794
Asian style	3,398	2,854	1,994	512	7,384	613
Catering management and design services	42	3	1	619	438	291
	29,120	29,776	28,622	26,415	43,409	23,094

The unallocated depreciation and amortisation amounted to approximately HK$458,000, HK$284,000 and HK$280,000 for the years ended 31 March 2014, 2015 and 2016.

Non-current assets included property, plant and equipment and intangible assets.

Geographical information

As all of the Group's operations and non-current assets are located in Hong Kong, no additional geographical segment information is presented.

Information about major customers

There was no revenue from individual customer contributing over 10% of total revenue of the Group during the Relevant Periods.

8. OTHER EXPENSES

	Year ended 31 March		
	2014	2015	2016
	HK$'000	*HK$'000*	*HK$'000*
Advertising	2,700	5,083	5,391
Air-conditioning charge	1,489	1,858	1,934
Auditor's remuneration	528	733	898
Cleaning and laundry expenses	7,880	10,079	10,344
Credit card commission	6,036	7,506	7,471
Donation	276	338	333
Insurance	1,416	2,486	2,655
Legal and professional fee	281	1,408	1,711
License expenses	263	293	190
Packing and printing materials	3,564	4,730	4,219
Repairment and maintenance	4,985	5,331	6,459
Travelling expenses	908	1,180	1,244
Others	681	724	1,438
	31,007	41,749	44,287

9. OTHER GAINS AND LOSSES

	Year ended 31 March		
	2014	2015	2016
	HK$'000	*HK$'000*	*HK$'000*
(Loss) gain on disposals of property, plant and equipment	(1,284)	119	(940)
Loss on disposals of intangible assets	—	(304)	(187)
Gain on disposal of a subsidiary (note 24)	—	—	10,518
Bargain purchase gain (note 17)	—	98	—
Financial guarantee income (note 30)	—	628	—
	(1,284)	541	9,391

10. TAXATION

	Year ended 31 March		
	2014	2015	2016
	HK$'000	*HK$'000*	*HK$'000*
Hong Kong Profits Tax	12,365	10,106	8,032
Under (over) provision in respect of prior years	915	—	(207)
One-off tax reduction of profits tax by the Hong Kong Inland Revenue Department ("IRD")	(140)	(150)	(232)
	13,140	9,956	7,593

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the Relevant Periods.

Taxation for the Relevant Periods can be reconciled to the profit before taxation per the consolidated statements of profit or loss and other comprehensive income as follows:

	Year ended 31 March		
	2014	2015	2016
	HK$'000	*HK$'000*	*HK$'000*
Profit before taxation	52,695	33,334	25,713
Tax at the statutory tax rate	8,695	5,500	4,243
Tax effect of expenses not deductible for tax purpose	659	1,702	2,081
Tax effect of income not taxable for tax purpose	(3)	(140)	(1,866)
Tax effect of deductible temporary differences not recognised	3,274	2,753	2,817
Utilisation of deductible temporary differences previously not recognised	(857)	(596)	(797)
Tax effect of tax losses not recognised	967	1,488	2,531
Under (over) provision in respect of prior years	915	—	(207)
Utilisation of tax losses previously not recognised	(370)	(694)	(957)
One-off tax reduction by the IRD	(140)	(150)	(232)
Others	—	93	(20)
Taxation for the year	13,140	9,956	7,593

At 31 March 2014, 2015 and 2016, the Group has unrecognised tax losses of approximately HK$14,050,000, HK$18,862,000 and HK$26,409,000 respectively, which may be carried forward indefinitely, available for offset against future profits. The unrecognised tax losses at 31 March 2016 was reduced by the unrecognised tax losses of HK$1,992,000 due to disposal of a subsidiary in January 2016. In the opinion of the directors of the Company, no deferred tax asset was recognised due to the unpredictability of future profit streams.

At 31 March 2014, 2015 and 2016, the Group has unrecognised deductible temporary differences of approximately HK$36,270,000, HK$49,342,000 and HK$60,400,000 respectively arising from property, plant and equipment and intangible assets. The unrecognised deductible temporary differences at 31 March 2016 was reduced by the unrecognised deductible temporary differences of HK$1,184,000 due to disposal of a subsidiary in January 2016. No deferred tax assets has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

11. PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR

	Year ended 31 March		
	2014	2015	2016
	HK$'000	*HK$'000*	*HK$'000*
Profit and total comprehensive income for the year has been arrived at after charging:			
Directors' emoluments (note 14)	1,635	2,464	2,562
Other staff costs			
— salaries and other benefits	85,661	115,401	118,910
— retirement benefit scheme contributions	3,055	4,013	4,277
Total staff costs	90,351	121,878	125,749
Depreciation of property, plant and equipment	28,937	29,079	26,949
Amortisation of intangible assets	641	981	1,953

12. DIVIDEND

No dividends have been paid or declared by the Company since its incorporation. During the Relevant Periods, dividends were paid by certain subsidiaries to the Controlling Shareholders prior to the Group Reorganisation as follows:

	Year ended 31 March		
	2014	2015	2016
	HK$'000	*HK$'000*	*HK$'000*
BLT Burger	6,800	4,900	—
BLT Restaurants	5,000	3,500	—
Bombay Dreams (HK)	1,465	—	—
Excel Team	2,000	1,000	—
Excel Team Trading	900	200	—
Full Merit	350	100	—
Global Profit	3,000	300	—
Lettuce Entertain	6,000	7,000	—
Multi Million	—	300	—
Profit Best	3,000	8,000	—
Smart Joy	7,200	3,400	—
Stanley Oriental	500	150	—
Wide Scope	—	100	—
	36,215	28,950	—

The rate of dividend and number of shares ranking for dividend are not presented as such information is not meaningful having regard to the purpose of this report.

13. EARNINGS PER SHARE

The basic earnings per share is calculated based on the profit attributable to the owners of the Company and the weighted average number of ordinary shares for the Relevant Periods on the assumption that the Group Reorganisation and Capitalisation Issue, as detailed in section C "subsequent events" below, had been effective on 1 April 2013.

	Year ended 31 March		
	2014	2015	2016
Profit for the year attributable to owners of the Company for the purpose of basic earnings per share (HK$'000)	39,555	23,378	18,120
Weighted average number of ordinary shares for the purpose of basic earnings per share (in thousands)	561,189	611,479	659,010

No diluted earnings per share are presented for the Relevant Periods as there were no potential ordinary shares in issue.

14. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

Directors

The directors' emoluments for the Relevant Periods representing the remuneration paid or payable by the entities comprising the Group to the executive directors and non-executive directors of the Company are set out below:

	Directors' fee	Salaries and other allowances	Discretionary bonus(note 2)	Retirement benefit scheme contributions	Total
Year ended 31 March 2014	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Executive directors:					
Sandeep Sekhri (note 1)	—	—	—	—	—
Sandip Gupta (note 3)	1,500	—	—	15	1,515
Non-executive directors:					
Shalu Anil Dayaram (note 4)	120	—	—	—	120
Jugdish Johnny Uttamchandani (note 4)	—	—	—	—	—
	1,620	—	—	15	1,635

	Directors' fee	Salaries and other allowances	Discretionary bonus(note 2)	Retirement benefit scheme contributions	Total
Year ended 31 March 2015	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Executive directors:					
Sandeep Sekhri (note 1)	352	—	230	14	596
Sandip Gupta (note 3)	1,770	—	—	18	1,788
Non-executive directors:					
Shalu Anil Dayaram (note 4)	80	—	—	—	80
Jugdish Johnny Uttamchandani (note 4)	—	—	—	—	—
	2,202	—	230	32	2,464

	Directors' fee	Salaries and other allowances	Discretionary bonus(note 2)	Retirement benefit scheme contributions	Total
Year ended 31 March 2016	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Executive directors:					
Sandeep Sekhri (note 1)	606	—	—	18	624
Sandip Gupta (note 3)	1,920	—	—	18	1,938
Non-executive directors:					
Shalu Anil Dayaram (note 4)	—	—	—	—	—
Jugdish Johnny Uttamchandani (note 4)	—	—	—	—	—
	2,526	—	—	36	2,562

Notes:

1. *Mr. Sandeep Sekhri was appointed as director of the Company and chief executive officer of the Group on 22 May 2014 and 23 March 2015 respectively.*

2. *The discretionary bonuses are determined with reference to the Group's and individual performance.*

3. *Mr. Sandip Gupta was appointed as executive director of the Company on 23 March 2015.*

4. *Mr. Shalu Anil Dayaram and Mr. Jugdish Johnny Uttamchandani were appointed as non-executive directors of the Company on 23 March 2015.*

Employees

The five highest paid individuals include 1, 1 and 1 director for the years ended 31 March 2014, 2015 and 2016 respectively and whose emoluments are disclosed in above. The emoluments of the remaining employees for the Relevant Periods are:

	Year ended 31 March		
	2014	**2015**	**2016**
	HK$'000	*HK$'000*	*HK$'000*
Salaries and other allowances	2,841	2,971	3,316
Discretionary bonus	44	—	—
Retirement benefit scheme contributions	88	58	44
	2,973	3,029	3,360

The emoluments of the remaining highest paid individuals are within the following band:

Number of individuals

	Year ended 31 March		
	2014	**2015**	**2016**
nil to HK$1,000,000	4	4	4

During the Relevant Periods, no emoluments were paid by the Group to any of the directors, chief executive of the Company or 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 directors of the Company has waived any emoluments during the Relevant Periods.

15. PROPERTY, PLANT AND EQUIPMENT

	Office equipment	Furniture, fixtures and equipment	Leasehold improvements	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
COST				
At 1 April 2013	2,100	36,043	89,154	127,297
Additions	1,576	6,444	15,192	23,212
Disposals	—	(1,200)	(2,121)	(3,321)
At 31 March 2014	3,676	41,287	102,225	147,188
Additions	1,963	12,430	20,635	35,028
Disposals	—	(16)	(46)	(62)
At 31 March 2015	5,639	53,701	122,814	182,154
Additions	1,132	8,354	12,735	22,221
Disposals	(635)	(6,640)	(12,258)	(19,533)
Disposal of a subsidiary (note 24)	(252)	(2,978)	(5,811)	(9,041)
At 31 March 2016	5,884	52,437	117,480	175,801
DEPRECIATION				
At 1 April 2013	914	16,272	53,391	70,577
Provided for the year	525	7,484	20,928	28,937
Eliminated on disposals	—	(250)	(805)	(1,055)
At 31 March 2014	1,439	23,506	73,514	98,459
Provided for the year	858	9,106	19,115	29,079
Eliminated on disposals	—	(2)	(18)	(20)
At 31 March 2015	2,297	32,610	92,611	127,518
Provided for the year	1,018	8,540	17,391	26,949
Eliminated on disposals	(339)	(4,978)	(11,268)	(16,585)
Eliminated on disposal of a subsidiary (note 24)	(61)	(860)	(2,285)	(3,206)
At 31 March 2016	2,915	35,312	96,449	134,676
CARRYING VALUES				
At 31 March 2014	2,237	17,781	28,711	48,729
At 31 March 2015	3,342	21,091	30,203	54,636
At 31 March 2016	2,969	17,125	21,031	41,125

The above items of property, plant and equipment are depreciated on a straight-line basis, after taking into account of their estimated residual value, at the following rates per annum:

Office equipment	20 - 25%
Furniture, fixtures and equipment	20 - 25%
Leasehold improvements	Shorter of the remaining lease term or 5 years

16. INTANGIBLE ASSETS

	Franchise and licensing rights
	HK$'000
COST	
At 1 April 2013	5,811
Additions	3,203
At 31 March 2014	9,014
Additions	8,381
Disposal	(388)
At 31 March 2015	17,007
Additions	873
Disposal	(250)
At 31 March 2016	17,630
AMORTISATION	
At 1 April 2013	693
Provided for the year	641
At 31 March 2014	1,334
Provided for the year	981
Eliminated on disposals	(84)
At 31 March 2015	2,231
Provided for the year	1,953
Eliminated on disposals	(63)
At 31 March 2016	4,121
CARRYING VALUES	
At 31 March 2014	7,680
At 31 March 2015	14,776
At 31 March 2016	13,509

The intangible assets represent the franchise and licensing rights acquired from independent third parties. The intangible assets have estimated useful lives of 5 to 10 years and are amortised on a straight-line basis over the estimated useful lives.

17. ACQUISITION OF A SUBSIDIARY

On 3 June 2014, one of the Controlling Shareholders acquired all the issued share capital of California Vintage (HK) for consideration of approximately HK$605,000 from an independent third party on the Group's behalf. This acquisition has been accounted for using the acquisition method.

The fair values of the identifiable assets and liabilities of California Vintage (HK) as at the date of acquisition are:

	HK$'000
Non-current asset	
Rental and utilities deposits	568
Current asset	
Bank balances and cash	140
Current liability	
Other payables	(5)
	703
Bargain purchase gain (note 9)	(98)
Total consideration paid	605

Net cash outflow arising on acquisition

	HK$'000
Total consideration paid	(605)
Add: cash and cash equivalents acquired	140
Net outflow of cash and cash equivalents in respect of the acquisition of California Vintage (HK)	(465)

Included in the Group's profit for year ended 31 March 2015 is profit of HK$98,000 from California Vintage (HK) since acquisition. Group's revenue for the year ended 31 March 2015 includes HK$5,690,000 generated from California Vintage (HK).

18. INVENTORIES

	At 31 March		
	2014	2015	2016
	HK$'000	HK$'000	HK$'000
Food and beverages	4,611	7,003	5,780

19. TRADE AND OTHER RECEIVABLES

THE GROUP

Trade receivables mainly represent receivables from financial institutions in relation to the payment settled by credit cards by customers of which the settlement period is normally within 3 days from transaction date. Generally, there is no credit period granted to customers, except for certain well established corporate customers in which credit period of 20 days is granted by the Group. The aged analysis of the Group's trade receivables, based on invoice date, at the end of respective reporting periods are as follows:

	At 31 March		
	2014	2015	2016
	HK$'000	HK$'000	HK$'000
0 - 20 days	2,891	2,170	1,871
21 to 90 days	162	115	212
Over 90 days	122	137	91
	3,175	2,422	2,174

Before accepting any new corporate customers, the management of the Group will base on the credit quality of the potential customers to define credit limits. Credit limits to customers are reviewed annually.

All of the trade receivables that are neither past due nor impaired are mainly from the reputable financial institutions. Included in the Group's trade receivable balance are debtors with aggregate carrying amount of approximately HK$284,000, HK$252,000 and HK$303,000, which are past due at 31 March 2014, 2015 and 2016 respectively for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances.

Ageing of trade receivables which are past due but not impaired:

	At 31 March		
	2014	**2015**	**2016**
	HK$'000	*HK$'000*	*HK$'000*
21 to 90 days	162	115	212
Over 90 days	122	137	91
	284	252	303

	At 31 March		
	2014	**2015**	**2016**
	HK$'000	*HK$'000*	*HK$'000*
Other receivables and deposits:			
Prepayments for insurances and consumables	1,032	2,645	1,432
Deferral for listing expenses	—	3,113	4,685
Deferred consideration on disposal of a subsidiary (note 24)	—	—	746
Prepayments for rental	—	—	2,035
Advance to employees	1,056	1,268	1,267
Others	364	843	1,325
	2,452	7,869	11,490

THE COMPANY

	At 31 March	
	2015	**2016**
	HK$'000	*HK$'000*
Deferral for listing expenses	3,113	4,685

20. AMOUNTS DUE FROM/(TO) RELATED COMPANIES/SUBSIDIARIES

THE GROUP

The related companies are under the common control of certain directors of the Company and the Controlling Shareholders with beneficial interests in both the Company and these entities. The amounts are non-trade in nature, unsecured, interest-free and repayable on demand. For the outstanding amounts due from related companies at 31 March 2016, in the opinion of the directors of the Company, they will be settled before listing of the shares of the Company on the GEM of the Stock Exchange by way of repayment. Details of the amounts due from related parties are shown as follows:

	At 31 March		
	2014	**2015**	**2016**
	HK$'000	*HK$'000*	*HK$'000*
Arbor Initiative Ltd.	5	—	—
Big Sky Holdings Ltd. ("Big Sky")	4,421	—	—
Cuisine Courier (HK) Ltd. ("Cuisine Courier")	307	293	417
Dining Concepts Restauracao Limited ("Dining Concepts (Macau)")	87	594	—
Etceteras (HK) Limited	509	509	—
Fast Fortune Limited ("Fast Fortune")	3,070	—	—
Global Hotelware Limited ("Global Hotelware")	209	38	—
Gourmet Express Ltd. ("Gourmet Express")	391	—	—
Great Honest Trading Limited ("Great Honest")	43	—	—
Great Vision Company Ltd. ("Great Vision")	—	—	183
Sure Power Holdings Ltd.	2,568	2,568	—
Total Commitment Holdings Limited ("Total Commitment (HK)")	893	—	19
Waiters On Wheels Ltd. ("Waiters On Wheels")	521	524	2
	13,024	4,526	621

Maximum amount of amounts due from related parties during the Relevant Periods are:

	Year ended 31 March		
	2014	**2015**	**2016**
	HK$'000	*HK$'000*	*HK$'000*
Arbor Initiative Ltd.	5	10	—
Big Sky	5,264	5,461	—
Cuisine Courier	392	605	740
Dining Concepts (Macau)	895	623	594
Etceteras (HK) Limited	509	560	509
Fast Fortune	6,809	9,511	—
Global Hotelware	643	1,521	641
Gourmet Express	395	391	—
Great Honest	1,197	59	—
Great Vision	—	—	435
Sure Power Holdings Ltd.	6,877	2,568	2,568
Total Commitment (HK)	893	1,076	19
Waiters On Wheels	573	539	535

For the outstanding amounts due to related companies as at 31 March 2016, in the opinion of the directors of the Company, they will be settled before listing of the shares of the Company on GEM of the Stock Exchange by way of repayment or capitalisation. Details of the amounts due to related parties are shown as follows:

	At 31 March		
	2014	2015	2016
	HK$'000	*HK$'000*	*HK$'000*
Big Sky	(22)	—	—
Cuisine Courier	(786)	(715)	(31)
Dining Concepts (Macau)	—	(495)	—
Etceteras (HK) Limited	(300)	—	—
Fast Fortune	(525)	—	—
Global Hotelware	(2,675)	(1,524)	(2,421)
Gourmet Express	(16)	—	—
Great Honest	(5,060)	—	—
Waiters On Wheels	(11)	(56)	(3)
	(9,395)	(2,790)	(2,455)

THE COMPANY

The amounts due from (to) subsidiaries are non-trade in nature, unsecured, interest-free and repayable on demand. In the opinion of directors of the Company, the amounts due from subsidiaries are expected to be realised within the next twelve months from the end of the reporting period.

Details of the amounts due from subsidiaries are shown as follows:

	At 31 March	
	2015	2016
	HK$'000	*HK$'000*
BBQ Restaurants	3,162	4,055
BLT Restaurants	16,217	3,012
Dining Concepts Asian	2	7
Dining Concepts Casual	3,287	3,289
Dining Concepts	—	5,204
Dining Concepts Italian	2	7
Dining Concepts Western	3	3
Fame Top	1,578	2,922
Golden Rock	7,228	—
Max Prospect	2,492	1,223
Most Glory	7,123	11,289
Nice Empire	4,308	7,963
Pine Best	4,369	8,090
Wealthy Home	2,714	4,426
Wealthy Trade	3,313	4,635
Trendy Move	—	4,618
Winner Star	—	2,314
Success Glory	—	2,897
Spectrum Rise	—	1,740
Dining Concepts Overseas	—	6
	55,798	67,700

Details of amounts due to subsidiaries are shown as follows:

	At 31 March	
	2015	2016
	HK$'000	*HK$'000*
BLT Burger	(140)	(1,340)
Bombay Dreams (HK)	—	(2,218)
Dining Concepts Western	—	(11,247)
Excel Team	—	(498)
Excel Team Trading	—	(517)
Full Merit	—	(300)
Global Profit	—	(3,000)
Profit Best	(955)	(5,614)
Lettuce Entertain	(580)	(5,680)
Smart Joy	(256)	(4,018)
Stanley Oriental	—	(3)
	(1,931)	(34,435)

21. AMOUNTS DUE FROM/(TO) CONTROLLING SHAREHOLDERS AND A DIRECTOR

Amounts due from/to Controlling Shareholders and a director are non-trade in nature, unsecured, interest-free and repayable on demand. For the outstanding amounts due from the Controlling Shareholders and a director as at 31 March 2016, in the opinion of the directors of the Company, they will be settled before listing of the shares of the Company on the GEM of the Stock Exchange by way of repayment. Details of amounts due from the Controlling Shareholders and a director are shown as follows:

THE GROUP

	At 31 March		
	2014	2015	2016
	HK$'000	*HK$'000*	*HK$'000*
Amounts due from a director			
Sandeep Sekhri	5,837	7,638	10,864

	At 31 March		
	2014	2015	2016
	HK$'000	*HK$'000*	*HK$'000*
Amounts due from Controlling Shareholders			
Ideal Winner	292	—	—
Indo Gold	400	—	—
Minrish	200	—	—
Total Commitment	809	922	—
Dining Concepts (International)	—	2,108	7,528
	1,701	3,030	7,528

THE COMPANY

	At 31 March	
	2015	2016
	HK$'000	*HK$'000*
Amounts due from Controlling Shareholder		
Dining Concepts (International)	—	7,528

Maximum amount of amounts due from a director and Controlling Shareholders during the Relevant Periods are:

THE GROUP

	Year ended 31 March		
	2014	**2015**	**2016**
	HK$'000	*HK$'000*	*HK$'000*
Amounts due from a director			
Sandeep Sekhri	7,019	8,202	12,595
Amounts due from Controlling Shareholders			
Ideal Winner	354	1,907	926
Indo Gold	402	400	1,024
Jugdish Johnny Uttamchandani	646	—	—
Minrish	202	200	2,327
Total Commitment	5,764	3,637	1,447
Dining Concepts (International)	—	2,108	10,537

THE COMPANY

	Year ended 31 March	
	2015	**2016**
	HK$'000	*HK$'000*
Amounts due from Controlling Shareholder		
Dining Concepts (International)	—	10,537

Details of amounts due to a director and the Controlling Shareholders are shown as follows:

	At 31 March		
	2014	**2015**	**2016**
	HK$'000	*HK$'000*	*HK$'000*
Amounts due to a director			
Sandeep Sekhri	(1,523)	—	—

	At 31 March		
	2014	**2015**	**2016**
	HK$'000	*HK$'000*	*HK$'000*
Amounts due to Controlling Shareholders			
Gita Daswani	(340)	—	—
Ideal Winner	(9,273)	(5,623)	—
Indo Gold	(12,726)	(7,022)	—
Jugdish Johnny Uttamchandani	(311)	(1,102)	—
Minrish	(8,532)	(5,425)	—
Total Commitment	(7,775)	(6,197)	—
	(38,957)	(25,369)	—

22. BANK BALANCES AND CASH/RESTRICTED BANK DEPOSITS

Restricted bank deposits represented fixed rate deposits placed in banks pursuant to the Group's obligations under certain operating leases. The restricted bank deposits carry interest at 2.5%, 2.0% and 1.5% per annum as at 31 March 2014, 2015 and 2016 respectively. The deposits will be released upon termination of lease agreements which is expected to be beyond one year from the end of respective reporting periods. Accordingly, the amounts are included in the non-current assets.

The Group's bank balances and cash comprise cash and bank deposits which carry interest at prevailing market rates ranging from 0.001% to 0.01% per annum at 31 March 2014, 2015 and 2016. The Company's bank balances and cash comprise cash and bank deposits which carry interest at prevailing market rate at 0.001% per annum at 31 March 2016.

23. TRADE AND OTHER PAYABLES

	At 31 March		
THE GROUP	**2014**	**2015**	**2016**
	HK$'000	*HK$'000*	*HK$'000*
Trade payables	(15,446)	(20,494)	(17,981)
Salary payables	(8,181)	(10,207)	(8,748)
Payable for property, plant and equipment	(6,953)	(4,340)	(5,375)
Rental payables	(5,931)	(5,695)	(6,568)
Franchise and licensing fees payables	(930)	(2,007)	(1,708)
Deposits from customers	(230)	(945)	(768)
Audit fee accrual	(726)	(670)	(787)
Payable for repair and maintenance	(1,662)	(1,405)	(1,662)
Payable for utility and consumables	(1,528)	(3,355)	(2,230)
Payable for cleaning suppliers	(1,049)	(1,573)	(1,525)
Payable for intangible assets	(2,581)	(3,412)	—
Payable for listing expenses	—	(4,626)	(2,463)
Other tax payables	(717)	(384)	(481)
	(45,934)	(59,113)	(50,296)

The credit period on purchases of goods is about 60 days. The Group has financial risk management policies in place to ensure that all payables are within the credit timeframe.

The following is an aged analysis of trade payables presented based on the invoiced date at the end of respective reporting periods:

	At 31 March		
	2014	**2015**	**2016**
	HK$'000	*HK$'000*	*HK$'000*
0 - 60 days	(15,336)	(20,454)	(17,981)
Over 60 days	(110)	(40)	—
	(15,446)	(20,494)	(17,981)

	At 31 March	
THE COMPANY	**2015**	**2016**
	HK$'000	*HK$'000*
Payable for listing expenses	(4,626)	(2,463)

24. DISPOSAL OF A SUBSIDIARY

On 15 January 2016, Dining Concepts Western entered into the sale and purchase agreement with Gaucho Grill Limited, an independent third party, to dispose of the entire equity interest of Golden Rock. The transaction was completed on 15 January 2016. The gain on disposal is approximately HK$10,518,000.

Details of the considerations, assets and liabilities disposed of in respects of disposed subsidiary during the year ended 31 March 2016 are set out below:

	HK$'000
Consideration	
Cash received	17,744
Deferred cash consideration (note 19)	746
Transaction costs	(179)
Net consideration received	18,311
Analysis of assets and liabilities over which control was lost:	
Property, plant and equipment	5,835
Rental and utilities deposits	1,446
Inventories	516
Trade and other receivables	982
Bank balances and cash	257
Trade and other payables	(1,243)
Net assets disposed of	7,793
Gain on disposed of a subsidiary	
Net consideration received	18,311
Net assets disposed of	(7,793)
Gain on disposal	10,518
Net cash inflows arising on the disposal for the year ended 31 March 2016:	
Cash consideration received less transaction costs	17,565
Less: bank balances and cash disposed of	(257)
	17,308

The deferred consideration was settled in cash by the purchaser on 13 May 2016.

25. INVESTMENTS IN SUBSIDIARIES

	At 31 March 2015 and 2016
	HK$
Unlisted investments — at cost	39

26. SHARE CAPITAL

The share capital of the Group at 31 March 2014 represents the aggregate share capital of the subsidiaries comprising the Group directly held by the Controlling Shareholders prior to the Group Reorganisation. The balances of the share capital at 31 March 2015 and 2016 represent the share capital of the Company.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Company Law of the Cayman Islands on 22 May 2014 with an authorised share of 50,000 of US$1 each and subdivided into 5,000,000 of US$0.01 each on 3 July 2014.

Details of movements of authorised and issued capital of the Company are as follow:

	Number of authorised shares	Number of issued shares	Issued and fully paid share capital
On the date of incorporation	50,000	1	US$ 1
Subdivision of share	4,950,000	99	—
Issue of shares (note a)	—	99,900	US$ 999
Issue of shares (note b)	—	9,835	US$ 99
At 31 March 2015 and 2016	5,000,000	109,835	US$1,099

	HK$'000
Presented in Financial Information as at 31 March 2015 and 2016	9

Note a: On 18 November 2014, the Company issued 99,900 shares to the Controlling Shareholders for the acquisition of equity interests of the Group's subsidiaries.

Note b: On 20 January 2015, Dining Concepts (International) subscribed for 9,835 shares of the Company at a cash consideration of HK$30,000,000.

27. FINANCIAL INSTRUMENTS

a. Categories of financial instruments

THE GROUP

	At 31 March		
	2014	**2015**	**2016**
	HK$'000	*HK$'000*	*HK$'000*
Financial assets			
Loans and receivables (including cash and cash equivalents)	57,375	79,100	52,390
Financial liabilities			
Amortised cost	94,862	85,943	51,502

THE COMPANY

	At 31 March	
	2015	**2016**
	HK$'000	*HK$'000*
Financial assets		
Loans and receivables (including cash and cash equivalents)	55,798	78,869
Financial liabilities		
Amortised cost	6,557	36,898

b. Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, amounts due from (to) related companies, amounts due from (to) Controlling Shareholders, amounts due from (to) a director, bank balances and cash, restricted bank deposits and trade and other payables. The Company's major financial instruments include amounts due from Controlling Shareholder, bank balances and cash, other payables and amounts due from (to) subsidiaries. Details of the financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include market risks (currency and interest rate risks), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Currency risk

Since most of the Group's and Company's transactions are mainly denominated in HK$, the directors of the Company are of the opinion that the Group's and Company's exposure to foreign exchange rate risk is minimal. Accordingly, no foreign currency sensitivity analysis is presented.

Interest rate risk

The Group and the Company are exposed to cash flow interest rate risk in relation to variable-rate bank deposits. The Group and the Company continue to monitor the exposure on cash flow interest rate risk and will consider hedging the interest rate should the need arise.

In management's opinion, the Group and the Company does not have material interest rate risk exposure and hence no sensitivity analysis is presented.

Credit risk

At the end of respective reporting periods, the Group's and Company's maximum exposure to credit risk 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 Company and consolidated statements of financial position.

In order to minimise the credit risk, the management of the Group reviews the recoverable amount of each individual trade debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

For the amounts due from related parties (including amounts due from related companies, amounts due from Controlling Shareholders and amounts due from a director), the Group had not encountered any difficulties in collecting from the related parties in the past and the directors of the Company are not aware of any financial difficulties being experienced by the related parties.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings.

Other than concentration of credit risk on amounts due from Controlling Shareholders and a director, the Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The Group's objective is to maintain a balance between continuity of funding and the flexibility through the use of advances from related parties (including amounts due to related companies, amounts due to Controlling Shareholders and amounts due to a director).

The following tables detail the Group's remaining contractual maturities for its 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. The table includes both interest and principal cash flows. To the extent that interest flows are at floating rate, the undiscounted amount is derived from applicable interest rate at the end of each reporting period.

Liquidity table

THE GROUP

	At 31 March		
	2014	**2015**	**2016**
	HK$'000	*HK$'000*	*HK$'000*
Repayable on demand or within 3 months			
Trade and other payables	44,987	57,784	49,047
Amounts due to related companies	9,395	2,790	2,455
Amounts due to a director	1,523	—	—
Amounts due to Controlling Shareholders	38,957	25,369	—
	94,862	85,943	51,502

THE COMPANY

	At 31 March	
	2015	**2016**
	HK$'000	*HK$'000*
Repayable on demand or within 3 months		
Other payables	4,626	2,463
Amounts due to subsidiaries	1,931	34,435
	6,557	36,898

All the financial liabilities at amortised cost are non-interest bearing. The undiscounted cash flow is same as the carrying amount of respective financial liabilities at amortised cost.

c. Fair value

The fair value of financial assets and financial liabilities at amortised cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The management of the Group considered that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the Financial Information approximate to their fair values.

28. OPERATING LEASE COMMITMENTS

At the end of respective reporting periods, the Group had commitments for future minimum lease payments in respect of rented premises under non-cancellable operating leases which fall due as follows:

	At 31 March		
	2014	**2015**	**2016**
	HK$'000	*HK$'000*	*HK$'000*
Within one year	54,420	72,130	80,943
In the second to the fifth year inclusive	85,301	83,495	127,082
	139,721	155,625	208,025

Leases are negotiated with monthly rental for a range of two to five years.

The above lease commitments represent basic rents only and do not include contingent rents payable in respect of certain restaurants leased by the Group. In general, these contingent rents are calculated based on the relevant restaurants' turnover pursuant to the terms and conditions as set out in the respective rental agreements. It is not possible to estimate in advance the amount of such contingent rent payable. During the years ended 31 March 2014, 2015 and 2016, the amounts of contingent rental recognised as expenses were approximately HK$7,719,000, HK$7,104,000 and HK$3,632,000 respectively.

29. CAPITAL COMMITMENTS

	At 31 March		
	2014	**2015**	**2016**
	HK$'000	*HK$'000*	*HK$'000*
Capital expenditure in respect of the acquisition of property, plant and equipment and intangible assets contracted for but not provided in the Financial Information	6,911	2,744	4,710

30. RELATED PARTY TRANSACTIONS

a. Significant related party transactions

All the related companies were under the common control of certain directors of the Company and the Controlling Shareholders with beneficial interests in both the Company and these entities. In addition to those disclosed in note 17, during the Relevant Periods, the Group entered into the following significant transactions with related companies:

		Year ended 31 March		
Name of related parties	**Nature of transactions**	**2014**	**2015**	**2016**
		HK$'000	*HK$'000*	*HK$'000*
Big Sky	Sales of bakery and pastry	(8)	—	—
Cuisine Courier	Purchases of courier materials	210	270	183
	Courier services fee paid	1,376	1,397	1,232
	Management fee received	(197)	(162)	—
Dining Concepts (International)	Imputed interest expenses	—	1,242	—
	Financial guarantee income	—	(628)	—
Fast Fortune	Management fee received	(120)	—	—
	Designing fee received	(150)	—	—
	Sales of bakery and pastry	(115)	(37)	—
Global Hotelware	Purchases of property, plant and equipment	3,406	4,112	4,799
Great Honest	Purchases of property, plant and equipment	3,256	—	—
	Management fee received	(90)	—	—
	Sales of bakery and pastry	(70)	—	—
Total Commitment (HK)	Rental paid	150	160	180
Waiters On Wheels	Purchases of materials	98	102	28
	Courier services fee paid	83	54	32

During the year ended 31 March 2014, the Group has waived a loan amounting to HK$998,000 to a related company controlled by the Controlling Shareholders, which was recognised as deemed distribution as shown in the consolidated statements of changes in equity.

During the year ended 31 March 2015, related companies controlled by the Controlling Shareholders and a director of the Company waived amounts due to related companies and a director of approximately HK$2,924,000 and HK$400,000, respectively, which were recognised as equity as shown in the consolidated statements of changes in equity.

On 25 November 2014, the Group and the Company granted a two year's financial guarantee to the holder of exchangeable bond issued by Dining Concepts (International), the company owned by the Controlling Shareholders, which was subsequently wholly owned by one of the Controlling Shareholders. The maximum amounts that could be required to be paid during the guarantee period if Dining Concepts (International) were default in entirety amounted to approximately US$4,666,000 (equivalent to HK$36,298,000) representing the principal and accrued interest relating to the exchangeable bond. The fair value of guarantee was approximately HK$3,639,000 at the inception date where the main assumptions are the probability of default by Dining Concepts (International) extrapolated from market-based credit information and the amount of loss, given the default. During the year ended 31 March 2015, the financial guarantee income amount of approximately HK$628,000 has been recognised in the profit or loss. Pursuant to the deed of novation as set out in the section headed "History, Development and Reorganisation" in the Prospectus, which was dated 31 March 2015, the financial guarantee obligation was undertaken by the director of the Company and the unamortised carrying amount of guarantee of HK$3,011,000 was reversed to the other reserve in the consolidated statements of changes in equity of the Group and the statement of change in equity of the Company, resulting in a net amount of HK$628,000 charged against equity in the year ended 31 March 2015.

On 4 December 2014, the Company received a two year's interest-free loan with principal amount of US$4 million (approximately HK$31,120,000) from Dining Concepts (International) to finance its daily operation. The interest-free loan was initially measured at its fair value of HK$22,240,000 at a discount rate of 18.31% per annum and subsequently carried at amortised cost using effective interest method, resulting in an imputed interest expense of HK$1,242,000 recognised in profit or loss in the year ended 31 March 2015. At 31 March 2015, Dining Concepts (International) agreed to waive the repayment of US$4 million, as such, a total amount of HK$32,362,000 comprising the carrying amount of loan of HK$23,482,000 and the fair value adjustment of HK$8,880,000 at initial recognition of the interest-free loan were recognised in equity as deemed contributions from Dining Concepts (International) in the year ended 31 March 2015.

b. Balances

Details of balances with related parties are set out in notes 20 and 21.

c. Compensation of key management personnel

The directors of the Company and the five highest paid employees (including directors and employees) are identified as key management members of the Group, their compensation during the Relevant Periods are set out in note 14.

The remuneration of key management is determined having regard to the performance of individuals and market trends.

31. MAJOR NON-CASH TRANSACTION

On 11 March 2015, the Group and Gioma (UK) Limited ("Gioma (UK)"), an independent third party, entered into an option agreement in connection with a franchising agreement dated 20 December 2014 entered into between Golden Rock and Gioma (UK) whereby the Group granted an option right to Gioma (UK) to acquire one share, representing 50% of the total issued shares of Golden Rock at a consideration of Great Britain Pound 1. Pursuant to the option agreement, Gioma (UK) may exercise the option right from 10 April 2015 to 10 October 2016, at an exercise price of half of 12 month earnings before interest, taxation, depreciation and amortisation of Golden Rock with a multiple of 2.85 times, provided that the exercise price shall not be lower than US$1,500,000. In the opinion of directors of the Company, the financial impact and fair value of the option right granted to Gioma (UK) was minimal to the Group at date of grant with reference to a valuation performed by an independent firm of professional valuers. As at 31 March 2015, the directors of the Company concluded that the fair value remained minimal having considered, among others, the exercise price and enterprise value of Golden Rock. On 15 January 2016, the contracted parties agreed to terminate the provisions of the option agreement.

B. DIRECTORS' REMUNERATION

Save as disclosed herein, no remuneration has been paid or is payable by the Group to the directors of the Company during the Relevant Periods.

C. SUBSEQUENT EVENTS

The following events took place subsequent to 31 March 2016:

On 14 July 2016, the Pre-IPO Share Option Scheme was conditionally approved and adopted. Details of the Pre-IPO Share Option Scheme are set out in the section headed "Share Option Schemes — Pre-IPO Share Option Scheme" in Appendix IV to the Prospectus.

Pursuant to written resolutions of the Company's shareholders passed on 14 July 2016, (i) the authorised share capital of the Company was increased from US$50,000 to US$100,000,000 by the creation of an additional new 9,995,000,000 shares, such new shares ranking pari passu in all respects with the existing shares; (ii) conditional upon the crediting of the share premium account of the Company as a result of the issue of shares pursuant to the Placing set out in the section headed "Share Capital" in the Prospectus, the directors of the Company had authorised to allot and issue a total of 658,900,165 shares, by way of capitalisation of the sum of approximately US$6,589,000 standing to the credit of the share premium account of the Company, credited as fully paid at par to the shareholders as appearing on the register of members of the Company ("Capitalisation Issue"), details are set out in Appendix IV to the Prospectus.

Pursuant to the written resolution of the Company's shareholders passed on 14 July 2016, the Company declared dividends of approximately HK$7.3 million and the amount was settled on 18 July 2016.

D. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements of the Group, the Company or any of the companies now comprising the Group have been prepared in respect of any period subsequent to 31 March 2016.

Yours faithfully,

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

The information set out in this appendix does not form part of the accountants' report on the financial information of the Group for the three years ended 31 March 2016 (the "Accountants' Report") prepared by Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, as set out in Appendix I to this Prospectus, and is included in this Prospectus 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 forth in Appendix I to this Prospectus.

UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following statement of unaudited pro forma adjusted consolidated net tangible assets of the Group is prepared in accordance with paragraph 7.31 of the GEM Rules and is set out below to illustrate the effect of the Placing on the consolidated net tangible assets of the Group attributable to owners of the Company as at 31 March 2016 as if the Placing had taken place on that date.

The unaudited pro forma adjusted consolidated net tangible assets of the Group has been prepared for illustration purposes only and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company had the Placing been completed as at 31 March 2016 or at any future dates. It is prepared based on the audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 March 2016 derived from the consolidated statement of financial position at that date as set out in the Accountants' Report in Appendix I to this Prospectus, and adjusted as described below.

	Audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 March 2016(1)	Estimated net proceeds from the Placing(2)	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share(3)
	HK$'000	*HK$'000*	*HK$'000*	*HK$*
Based on the Placing Price of HK$0.40 per Share	104,688	34,232	138,920	0.17
Based on the Placing Price of HK$0.60 per Share	104,688	61,300	165,988	0.21

Notes:

(1) *The audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 March 2016 is based on the consolidated net assets of the Group attributable to owners of the Company of approximately HK$118,197,000 adjusted for intangible assets of approximately HK$13,509,000 as extracted from the Accountants' Report set out in Appendix I to this Prospectus.*

(2) *The estimated net proceeds from the Placing are based on 140,990,000 Shares at the Placing Price of HK$0.40 and of HK$0.60 being the low-end and the high-end of the stated placing price range, per Placing Share, after deduction of the underwriting fees and other related expenses payable by the Company (other than expenses already recognised in profit or loss up to 31 March 2016). It does not take into account of any Shares that may be issued pursuant to the exercise of the Offer Size Adjustment Option or any options granted or to be granted.*

(3) *The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share has been arrived at after making the adjustments referred to in this section and on the basis of a total of 800,000,000 Shares comprising 659,010,000 Shares in issue as at 31 March 2016 after taking into account the Capitalisation Issue and*

140,990,000 Shares to be issued pursuant to the Placing. It does not take into account of any Shares that may be issued pursuant to the exercise of the Offer Size Adjustment Option or any options granted or to be granted.

(4) The unaudited pro forma adjusted consolidated net tangible assets of the Company does not take into account the dividend of approximately HK$7.3 million declared by the Company on 14 July 2016. The unaudited pro forma adjusted consolidated net tangible assets per Share would have been HK$0.16 and HK$0.20 per Share based on the Placing Price of HK$0.4 and HK$0.6 respectively, after taking into account the declaration of the dividend of approximately HK$7.3 million.

(5) No adjustment has been made to the audited consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 March 2016 to reflect any trading results or other transactions of the Group entered into subsequent to 31 March 2016 .

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report received from the reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, in respect of the Group's pro forma financial information for the purpose of incorporation in this Prospectus.

Deloitte.
德勤

Independent Reporting Accountants' assurance report on the compilation of pro forma financial information

TO THE DIRECTORS OF DINING CONCEPTS HOLDINGS LIMITED

We have completed our assurance engagement to report on the compilation of the unaudited pro forma financial information of Dining Concepts 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 consolidated net tangible assets of the Group as at 31 March 2016 and related notes, as set out on page II-1 of Appendix II to the prospectus issued by the Company dated 27 July 2016 (the "Prospectus"). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on page II-1 of Appendix II to the Prospectus.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the Placing (as defined in the Prospectus) on the Group's financial position as at 31 March 2016, as if the Placing had taken place at 31 March 2016. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial information for the three years ended 31 March 2016, on which an accountants' report set out in Appendix I to the Prospectus 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 behaviour.

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 the 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 March 2016 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 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 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 purposes 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
27 July 2016

SUMMARY OF THE CONSTITUTION OF OUR COMPANY AND CAYMAN ISLANDS COMPANY LAW

Set out below is a summary of certain provisions of the Memorandum and Articles of Association of our Company and of certain aspects of Cayman Islands company law.

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability on 22 May 2014 under the Cayman Companies Law. Our Company's constitutional documents consist of its Amended and Restated Memorandum of Association (**Memorandum**) and the Amended and Restated Articles of Association (**Articles**).

1. MEMORANDUM OF ASSOCIATION

(a) The Memorandum provides, *inter alia*, that the liability of members of our Company is limited and that the objects for which our Company is established are unrestricted (and therefore include acting as an investment company), and that our 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 our Company is an exempted company that our Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of our Company carried on outside the Cayman Islands.

(b) By special resolution our Company may alter the Memorandum with respect to any objects, powers or other matters specified in it.

2. ARTICLES OF ASSOCIATION

The Articles were adopted on 14 July 2016. The following is a summary of certain provisions of the Articles:

(a) Shares

(i) Classes of shares

The share capital of our Company consists of ordinary shares.

(b) Directors

(i) 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 thereto such rights, or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, as our 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 our Company or the holder thereof, they are liable to be redeemed.

The Board may issue warrants to subscribe for any class of shares or other securities of our Company on such terms as it may from time to time determine.

Where warrants are issued to bearer, no certificate thereof shall be issued to replace one that has been lost unless the Board is satisfied beyond reasonable doubt that the original certificate thereof has been destroyed and our Company has received an indemnity in such form as the Board shall think 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 our 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 our 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.

(ii) Power to dispose of the assets of our Company or any of it subsidiaries

While there are no specific provisions in the Articles relating to the disposal of the assets of our 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 our Company and which are not required by the Articles or the Cayman Companies Law to be exercised or done by our Company in general meeting, but if such power or act is regulated by our 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.

(iii) 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 our Company in general meeting.

(iv) Loans and provision of security for loans to Directors

There are provisions in the Articles prohibiting the making of loans to Directors and their close associates which are equivalent to provisions of Hong Kong law prevailing at the time of adoption of the Articles.

Our Company shall not directly or indirectly make a loan to a Director or a director of any holding company of our 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 our Company or any of their respective close associates, or if any one or more of the Directors hold (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.

(v) *Disclosure of interest in contracts with our Company or with any of its subsidiaries*

With the exception of the office of auditor of our Company, a Director may hold any other office or place of profit with our 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 our Company may be interested, and shall not be liable to account to our 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 our Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof 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 our 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 our Company for any profit realised by any such contract or arrangement by reason only of such Director holding that office or the fiduciary relationship thereby established. A Director who is, in any way, materially interested in a contract or arrangement or proposed contract or arrangement with our 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 therein have failed to disclose their interests to our Company.

A Director shall not vote (nor shall he be counted in the quorum) on any resolution of the Board in respect of any contract or arrangement or other proposal in which he or his close associate(s) is/are materially interested, 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 namely:

(aa) 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 our Company or any of its subsidiaries;

(bb) the giving of any security or indemnity to a third party in respect of a debt or obligation of our 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;

(cc) any proposal concerning an offer of shares or debentures or other securities of or by our Company or any other company which our 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;

(dd) any proposal or arrangement concerning the benefit of employees of our Company or 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 both to Directors, his close associates and employees of our Company or any of its subsidiaries and does not provide in respect of any Director or his close associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; or

(ee) 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 or debentures or other securities of our Company by virtue only of his/their interest in shares or debentures or other securities of our Company.

(vi) 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 our 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 amongst the Directors in such proportions and in such manner as they may agree or failing agreement, equally, except that in such event any Director holding office for only a portion of the period in respect of which the remuneration is payable shall only rank in such division in proportion to the time during such period for which he has held office. The Directors shall also be entitled to be repaid all travelling, hotel and other 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 our Company may be entitled by reason of such employment or office.

Any Director who, at the request of our 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 (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine and such extra remuneration shall be 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 (whether by way of salary, commission or participation in profits or otherwise or by all or any of those modes) and such other benefits (including pension and/or gratuity and/or other benefits on retirement) 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 other companies (being subsidiaries of our Company or with which our Company is associated in business), or may make contributions out of our Company's monies to, such 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 our Company or any of its subsidiaries) and former employees of our Company and their dependents or any class or classes of such persons.

In addition, 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.

(vii) 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 appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting of our Company after his appointment and be subject to re-election at such meeting. Any Director so appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of our Company and shall then be eligible for re-election. 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 will 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 who shall retire will be those who have been longest in the office since their last re-election or appointment but, as between persons who become or were last re-elected Directors on the same day, those to retire will (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 shall have been lodged at the head office or at the registration office. The period for lodgement of such notices will commence no earlier than the day after the despatch of the notice of the meeting appointed for such election and end no later than 7 days prior to the date of such meeting and the minimum length of the period during which such notices to our Company may be given must be at least 7 days.

A Director is not required to hold any shares in our 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 our 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 our Company) and our Company may by ordinary resolution appoint another in his place. Any Director so appointed shall be subject to retirement by rotation provisions in the articles of association. The number of Directors shall not be less than two.

In addition to the foregoing, the office of a Director shall be vacated if he:

(aa) resigns;

(bb) dies;

(cc) is declared to be of unsound mind and the Board resolved that his office be vacated;

(dd) without special leave, he is absent from meetings of the Board for six (6) consecutive months, and the Board resolves that his office is vacated;

(ee) becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally;

(ff) is prohibited from being a director by law;

(gg) ceases to be a director by virtue of any provision of law or is removed from office pursuant to the Articles;

(hh) has been required by the stock exchange of the Relevant Territory (as defined in the Articles) to cease to be a Director; or

(ii) if he is removed from office by the requisite majority of the Directors or otherwise pursuant to the Article.

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 our 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 or Directors and 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.

(viii) Borrowing powers

The Board may exercise all the powers of our Company to raise or borrow money, to mortgage or charge all or any part of the undertaking, property and uncalled capital of our Company and, subject to the Cayman Companies Law, to issue debentures, debenture stock, bonds and other securities of our Company, whether outright or as collateral security for any debt, liability or obligation of our Company or of any third party. The provisions summarised above, in common with the Articles of Association in general, may be varied with the sanction of a special resolution of our Company.

(ix) Register of Directors and officers

Pursuant to the Cayman Companies Law, our 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 30 days of any change in such directors or officers, including a change of the name of such directors or officers.

(x) Proceedings of the Board

Subject to the Articles, 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.

(c) Alterations to the constitutional documents

To the extent that the same is permissible under Cayman Islands law and subject to the Articles, the Memorandum and Articles of our Company may only be altered or amended, and the name of our Company may only be changed by our Company by special resolution.

(d) Variation of rights of existing shares or classes of shares

Subject to the Cayman Companies Law, if at any time the share capital of our 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. To every such separate general meeting the provisions of the Articles relating to general meetings shall mutatis mutandis apply, 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 authorised 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.

(e) Alteration of capital

Our 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 thereto respectively 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; and (e) cancel shares which, at the date of the passing 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; (g) change the currency of denomination of its share capital; and (h) reduce its share premium account in any manner authorised and subject to any conditions prescribed by law.

Reduction of share capital — subject to the Cayman Companies Law and to confirmation by the court, a company limited by shares may, if so authorised by its Articles of Association, by special resolution, reduce its share capital in any way.

(f) Meetings of member

(i) Special and ordinary resolutions

A special resolution of our 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 defined in the Articles to mean a resolution passed by a simple majority of the votes of such members of our 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 not less than 14 clear days’ notice has been given and held in accordance with the Articles. 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 our Company duly convened and held, and where relevant as a special resolution so passed.

(g) 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 our 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 the foregoing 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 duty authorised corporate representative):

(i) at least two members present; or

(ii) 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

(iii) a member or members and holding shares in our 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 our Company, such person or persons may be authorised as it thinks fit to act as its representative(s) at any meeting of our Company or at any meeting of any class of members of our 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 our Company has knowledge that any member is, under the GEM Listing Rules, required to abstain from voting on any particular resolution of our Company or restricted to voting only for or only against any particular resolution of our Company, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

(h) Annual general meetings

Our Company must hold an annual general meeting each year other than the year of our 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.

(i) Accounts and audit

The Board shall cause proper books of account to be kept of the sums of money received and expended by our Company, and the matters in respect of which such receipt and expenditure take place, and of the assets and liabilities of our Company and of all other matters required by the Cayman Companies Law necessary to give a true and fair view of the state of our Company's affairs and to show and explain its transactions.

The books of accounts of our Company shall be kept at the head office of our 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 or book or document of our Company except as conferred by the Cayman Companies Law or ordered by a court of competent jurisdiction or authorised by the Board or our Company in general meeting.

The Board shall from time to time cause to be prepared and laid before our 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 our 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), our Company may send summarised financial statements to shareholders who has, in accordance with the rules of the stock exchange of the Relevant Territory (as defined in the Articles), consented and elected to receive summarised financial statements instead of the full financial statements. The summarised financial statements must be accompanied by any other documents as may be required under the rules of the stock exchange of the Relevant Territory (as defined in the Articles), and must be sent to the shareholders not less than 21 days before the general meeting to those shareholders that have consented and elected to receive the summarised financial statements.

Our 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 our Company in general meeting or by the Board if authority is so delegated by the members.

The auditors shall audit the financial statements of our 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.

(j) Notices of meetings and business to be conducted thereat

An annual general meeting of our Company must be called by at least 21 days' notice in writing, and any other general meeting of our 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 our Company on any member either personally or by sending it through the post in a prepaid envelope or wrapper addressed to such member at his registered address as appearing in our Company's register of members or by leaving it at such registered address as aforesaid or (in the case of a notice) by advertisement in the newspapers. Any member whose registered address is outside Hong Kong may notify our Company in writing of an address in Hong Kong which for the purpose of service of notice shall be deemed to be his registered address. Where the registered address of the member is outside Hong Kong, notice, if given through the post, shall be sent by prepaid airmail letter where available. Subject to the Cayman Companies Law and the GEM Listing Rules, a notice or document may be served or delivered by our Company to any member by electronic means to such address as may from time to time be authorised by the member concerned or by publishing it on a website and notifying the member concerned that it has been so published.

Although a meeting of our 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:

(i) in the case of a meeting called as an annual general meeting, by all members of our Company entitled to attend and vote thereat; and

(ii) 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, being a majority together holding not less than 95% of the total voting rights at the meeting of all the members of our 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:

(k) Transfer of shares

Subject to the Cayman Companies Law and the requirements of the Stock Exchange of Hong Kong (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 provided always that it shall be in such form prescribed by the Stock Exchange 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 in any case in which it in its discretion thinks fit to do so, and 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 our 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 any share issued under any share option scheme upon which a restriction on transfer imposed thereby still subsists, and it may also refuse to register any transfer of any share to more than four joint holders or any transfer of any share (not being a fully paid up share) on which our Company has a lien.

The Board may decline to recognise any instrument of transfer unless a fee of such maximum sum as the Stock Exchange may determine to be payable or such lesser sum as the Board may from time to time require is paid to our Company in respect thereof, 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 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 (as defined in the Articles), 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 with respect to the right of the holder thereof to transfer such shares (except when permitted by the Stock Exchange) and shall also be free from all liens.

(l) Power of our Company to purchase its own shares

Our Company may purchase its own shares subject to certain restrictions and the Board may only exercise this power on behalf of our 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 our 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.

(m) Power of any subsidiary of our Company to own shares in our Company

There are no provisions in the Articles relating to the ownership of shares in our Company by a subsidiary.

(n) Dividends and other methods of distribution

Our 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:

(i) all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof 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; and

(ii) all dividends shall be apportioned and paid pro rata in accordance with the amount paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. 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 our Company on account of calls, instalments or otherwise.

Where the Board or our Company in general meeting has resolved that a dividend should be paid or declared on the share capital of our Company, the Board may resolve:

(aa) 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 thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment; or

(bb) 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, our Company may by ordinary resolution in respect of any one particular dividend of our 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 addressed to the holder at his registered address, but in the case of joint holders, shall be addressed to the holder whose name stands first in the register of members of our Company in respect of the shares at his address as appearing in the register, or addressed to such person and at such address as the holder or joint holders may in writing so direct. 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 our 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 our 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 made use of by the Board for the benefit of our Company until claimed and our 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 our Company.

No dividend or other monies payable by our Company on or in respect of any share shall bear interest against our Company.

Our 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.

(o) Proxies

Any member of our Company entitled to attend and vote at a meeting of our 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 our Company or at a class meeting. A proxy need not be a member of our 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 authorised 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 an officer or attorney duly authorised. 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 use by him 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.

(p) Calls on shares and forfeiture of shares

The Board may, from time to time make such calls as it may think 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 thereof 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 the payment thereof 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 our 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 thereof, the Board may, for so long as any part of the call or instalment remains unpaid, serve not less than 14 days' notice on him 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 will 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 it 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 time appointed, 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 our Company all monies which, at the date of forfeiture, were payable by him to our 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.

(q) Inspection of corporate records

For so long as any part of the share capital of our Company is listed on the Stock Exchange, any member may inspect any register of members of our Company maintained in Hong Kong (except when the register of member is closed) without charge and require the provision to him of copies or extracts thereof in all respects as if our Company were incorporated under and were subject to the Hong Kong Companies Ordinance.

(r) 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.

(s) 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 our Company under Cayman Islands law, as summarised in paragraph 3(f) of this Appendix.

(t) Procedures on liquidation

A resolution that our 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:

(i) if our Company shall be wound up and the assets available for distribution amongst the members of our Company shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, then the excess shall be distributed pari passu amongst such members in proportion to the amount paid up on the shares held by them respectively; and

(ii) if our Company shall be wound up and the assets available for distribution amongst the members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed 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.

In the event that our 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 our Company whether the assets shall consist of property of one kind or shall consist of properties of 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 divided as aforesaid 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 shall think fit, but so that no member shall be compelled to accept any shares or other property upon which there is a liability.

(u) 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 our Company and our 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

Our Company was incorporated in the Cayman Islands as an exempted company on 22 May 2014 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.

(a) Company operations

As an exempted company, our Company must conduct its operations mainly outside the Cayman Islands. Moreover, our Company is 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.

(b) Share capital

In accordance with the Cayman Companies Law, a Cayman Islands company may issue ordinary, preference or redeemable shares or any combination thereof. The Cayman Companies Law provides that 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 Cayman Companies Law provides that the share premium account may be applied by our 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:

(i) paying distributions or dividends to members;

(ii) paying up unissued shares of the company to be issued to members as fully paid bonus shares;

(iii) any manner provided in section 37 of the Cayman Companies Law;

(iv) writing-off the preliminary expenses of the company; and

(v) 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.

(c) 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 acting in good faith, for a proper purpose and in the interests of the company. Such assistance should be on an arm's-length basis.

(d) 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. Nonetheless, if the articles of association do not authorise the manner and terms of purchase, a company cannot purchase any of its own shares without the manner and terms of purchase first being authorised by an ordinary resolution of the company. 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 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 and sell and deal in personal property of all kinds.

Under Cayman Islands law, a subsidiary may hold shares in its holding company and, in certain circumstances, may acquire such shares.

(e) Dividends and distributions

Subject to a solvency test and the provisions, if any, of the company's memorandum and articles of association, the payment of dividends and distributions out of the 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 to the company, in respect of a treasury share.

(f) 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 thereto) which permit a minority member to commence a representative action against or derivative actions in the name of the company to challenge acts which is ultra vires the company or 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 thereof 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 thereon.

Moreover, 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.

(g) Disposal of assets

There are no specific restrictions in the Cayman Companies Law on the power of directors to dispose of assets of a company, however the directors have certain duties of care, diligence and skill and also 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).

(h) Accounting and auditing requirements

A company shall cause proper records of accounts to be kept with respect to (i) all sums of money received and expended by the company and the matters with respect to which the receipt and expenditure takes place; (ii) all sales and purchases of goods by the company and (iii) the assets and liabilities of the company.

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 the Company keeps its books of account at any place other than at its registered office or at 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.

(i) Exchange control

There are no exchange control regulations or currency restrictions in effect in the Cayman Islands.

(j) Taxation

Pursuant to section 6 of the Tax Concessions Law (2011 Revision) of the Cayman Islands, our Company has obtained an undertaking from the Governor-in-Cabinet:

(i) that 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 our Company or its operations; and

(ii) in addition, that 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 our Company:

(aa) on or in respect of the shares, debentures or other obligations of our Company; or

(bb) 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 our Company is for a period of twenty years from 28 April 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 our Company levied by the Government of the Cayman Islands save certain stamp duties which may be applicable, from time to time, on certain instruments.

(k) Stamp duty on transfers

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.

(l) Loans to directors

The Cayman Companies Law contains no express provision prohibiting the making of loans by a company to any of its directors. However, the Articles provide for the prohibition of such loans under specific circumstances.

(m) Inspection of corporate records

The members of the company have no general right under the Cayman Companies Law 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.

(n) 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. The Cayman Companies Law contains 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.

(o) Winding up

A Cayman Islands company may be wound up either 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 occurs where our Company so 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; or, in the case of a limited duration company, when the period fixed for the duration of the company by its memorandum or articles expires, or where the event occurs on the occurrence of which the memorandum or articles provides that the company is to be wound up. In the case of a voluntary winding up, such 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 shall be 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 has been disposed of, and thereupon call a general meeting of the company for the purposes of laying before it the account and giving an explanation thereof.

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 shall take 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, there may be appointed one or more persons to be called an official liquidator or official liquidators; and the court may appoint to such office such person or persons, either provisionally or otherwise, as it thinks fit, and if more than one persons are appointed to such office, the court shall declare whether any act required or authorised 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.

(p) Reconstructions

Reconstructions and amalgamations are governed by specific statutory provisions under the Cayman Companies Law whereby such arrangements may be approved by a majority in number representing 75% in value of 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 would have 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, nonetheless 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.

(q) 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 the said four months, by notice require the dissenting members to transfer their shares on the terms of the offer. A dissenting member may apply to the court of the Cayman Islands 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.

(r) 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, our Company's legal adviser on Cayman Islands law, has sent to our 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 Available for Inspection" in Appendix V. 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

Our Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 22 May 2014. Our Company has established a place of business in Hong Kong at 17th Floor, Chinachem Hollywood Centre, 1, 3, 5, 7, 9, 11 and 13 Hollywood Road, Central, Hong Kong and was registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on 31 March 2015. In connection with such registration, Mr. Sekhri and Mr. Sandip Gupta who reside at 9/F, Block 6, Repulse Bay Garden, 30 Belleview Drive, Repulse Bay, Hong Kong and Flat B, 13/F, Willow Mansion, Taikoo Shing, Shau Kei Wan, Hong Kong, respectively, have been appointed as the authorised representatives of our Company for acceptance of service of process and notices on behalf of our Company in Hong Kong.

As our Company was incorporated in the Cayman Islands, its operations are subject to the Companies Law and its constitution, which comprises the Memorandum and the Articles of Association. A summary of certain provisions of its constitution and relevant aspects of the Companies Law is set out in Appendix III 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 US$50,000 divided into 50,000 shares with a par value of US$1.00 each. On 22 May 2014, one share of US$1.00 each of our Company was allotted and issued to the initial subscriber, an Independent Third Party, which was then transferred to Total Commitment on the same date. This one issued share held by Total Commitment was credited as fully-paid.

(b) On 3 July 2014, each of the unissued and issued shares of US$1.00 each in the share capital of our Company was subdivided into 100 Shares of US$0.01 each. After such share subdivision, our Company has an authorised share capital of US$50,000 divided into 5,000,000 Shares, of which 100 fully-paid Shares were held by Total Commitment.

(c) On 18 November 2014, 50,100, 15,900, 8,500, 18,700 and 6,700 Shares were allotted and issued to Total Commitment, Ideal Winner, Minrish, Indo Gold and Mr. Uttamchandani respectively. All of the above mentioned issued Shares were credited as fully-paid.

(d) On 20 January 2015, 9,835 fully-paid Shares were allotted and issued to Dining Concepts (International) at the consideration of HK$30,000,000, being the entire net proceeds from the Second Pre-IPO Investment. Upon completion of such subscription, the issued share capital of our Company increased from US$1,000 divided into 100,000 Shares to US$1,098.35 divided into 109,835 Shares.

(e) On 14 July 2016, under the written resolutions of our Shareholders passed on the same day, the authorised share capital of our Company was increased from US$50,000 divided into 5,000,000 Shares to US$100,000,000 divided into 10,000,000,000 Shares by the creation of additional 9,995,000,000 Shares, which rank pari passu in all respects with the Shares in issue as at the date of such resolutions.

(f) Immediately prior to the Listing, 658,900,165 and 140,990,000 Shares will be allotted and issued pursuant to the Capitalisation Issue and under the Placing respectively. All of the above mentioned issued Shares will be credited as fully-paid.

(g) Immediately following completion of the Placing and the Capitalisation Issue (without taking into account the Shares to be allotted and issued upon the exercise of the Offer Size Adjustment Option or any options granted or to be granted under the Share Option

Schemes), the authorised share capital of our Company will be US$100,000,000 divided into 10,000,000,000 Shares, of which 800,000,000 Shares will be issued fully paid or credited as fully paid and 9,200,000,000 Shares will remain unissued.

Save as disclosed above, there has been no alteration in our Company's share capital since its incorporation.

3. Changes in share capital of our 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 for the subsidiaries mentioned in the Accountants' Report, our Company has no other subsidiaries.

Save for the increase in the issued share capital of Rich Ever from 1 share to 1,000,000 shares, the increase in the issued share capital of Strong Empire from 1 share to 1,000,000 shares, and the increase in the issued share capital of Winner Star and Success Glory, each from 1 share to 10,000 shares, 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.

4. Written resolutions of our Shareholders passed on 14 July 2016

Under the written resolutions of our Shareholders passed on 14 July 2016, among other things:

(a) our Company approved and adopted the Memorandum and the Articles of Association;

(b) the authorised share capital of our Company was increased from US$50,000 divided into 5,000,000 Shares to US$100,000,000 divided into 10,000,000,000 Shares by the creation of additional 9,995,000,000 Shares, which rank pari passu in all respects with the Shares in issue as at the date of such resolutions;

(c) conditional on (i) the Stock Exchange granting the listing of, and permission to deal in, the Shares in issue, the Shares to be issued pursuant to the Capitalisation Issue and the Shares to be issued as mentioned in this prospectus (including any Shares which may be allotted and issued pursuant to the exercise of the Offer Size Adjustment Option or options granted or to be granted under the Share Option Schemes); (ii) the entering into of the agreement on the Placing Price among our Company (for itself and on behalf of the Selling Shareholder) and the Sole Lead Manager (for itself and on behalf of the Underwriters) on the Price Determination Date; and (iii) the obligations of the Underwriters under the Underwriting Agreement becoming unconditional (including the waiver of any condition(s) by the Sole Lead Manager (for itself and on behalf of the Underwriters)) and not being terminated in accordance with the terms of such agreement (or any conditions as specified in this prospectus), in each case on or before the dates and times specified in the Underwriting Agreement:

   (i) the Placing and the grant of the Offer Size Adjustment Option by our Company were approved and our Directors were authorised to (aa) allot and issue the Placing Shares pursuant to the Placing and such number of Shares as may be required to be allotted and issued upon the exercise of the Offer Size Adjustment Option; (bb) implement the Placing and the listing of Shares on GEM; and (cc) do all things and execute all documents in connection with or incidental to the Placing and the Listing with such amendments or modifications (if any) as our Directors may consider necessary or appropriate;

(ii) the rules of the Share Option Schemes, the principal terms of which are set out in the paragraph headed "Share Option Schemes" in this appendix, were approved and conditionally adopted to be effective on the Listing Date and our Directors were authorised to approve any amendments to the rules of the Share Option Schemes as may be acceptable or not objected to by the Stock Exchange, and at their absolute discretion to grant options to subscribe for 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 Schemes and to take all such actions as they consider necessary or desirable to implement the Share Option Schemes;

(iii) conditional on the share premium account of our Company being credited as a result of the Placing, our Directors were authorised to capitalise US$6,589,001.65 standing to the credit of the share premium account of our Company by applying such sum in paying up in full at par 658,900,165 Shares for allotment and issue to our Shareholders whose names appeared on the register of members of our Company as at 8:00 a.m. on the date of Listing (i.e. 5 August 2016) and immediately after the full exchange of the First Exchangeable Bond (or as they may direct) in proportion (as near as possible without involving fractions so that no fraction of a share shall be allotted and issued) to their then existing respective shareholdings in our Company and so that our 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 such capitalisation;

(iv) a general unconditional mandate was given to our Directors to exercise all powers of our Company to allot, issue and deal with (including the power to make an offer or agreement, or grant securities which would or might acquire Shares to be allotted and issued), 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 cash dividend in accordance with the Articles, or upon the exercise of any options which may be granted under the Share Option Schemes or under the Placing or the Capitalisation Issue or upon the exercise of the Offer Size Adjustment Option, Shares with an aggregate number not exceeding the sum of (aa) 20% of the aggregate number of the Shares in issue immediately following completion of the Capitalisation Issue and the Placing but excluding any Shares which may be allotted and issued under the Offer Size Adjustment Option or pursuant to the exercise of the options granted or to be granted under the Share Option Schemes, and (bb) the aggregate number of the Shares which may be purchased by our Company pursuant to the authority granted to our 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 or any applicable law to be held, or the passing of an ordinary resolution by Shareholders in general meeting revoking or varying the authority given to our Directors, whichever occurs first;

(v) a general unconditional mandate was given to our Directors to exercise all powers of our Company to repurchase on the Stock Exchange 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 for this purpose such number of Shares as will represent up to 10% of the number of the Shares of our Company in issue immediately following completion of the Capitalisation Issue and the Placing but excluding any Shares which may be issued under the Offer Size Adjustment Option or pursuant to the exercise of the options granted or to be granted under the Share Option Schemes, 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 or any applicable law to be held, or the passing of an ordinary resolution by Shareholders in general meeting revoking or varying the authority given to our Directors, whichever occurs first; and

(vi) the general unconditional mandate mentioned in sub-paragraph (iv) above was extended by the addition to the aggregate number of the Shares which may be allotted or agreed to be allotted by our Directors pursuant to such general mandate of an amount representing the aggregate number of the Shares repurchased by our Company pursuant to the mandate to repurchase Shares referred to in sub-paragraph (v) above, provided that such extended amount shall not exceed 10% of the number of the Shares in issue immediately following completion of the Capitalisation Issue and the Placing but excluding any Shares which may be allotted and issued under the Offer Size Adjustment Option or pursuant to the exercise of the options granted or to be granted under the Share Option Schemes.

5. Reorganisation

Our Group underwent the Reorganisation in preparation for the Listing. Please refer to the section headed "History, development and Reorganisation" in this prospectus for further details.

6. Repurchase by our Company of its own securities

This section includes information required by the Stock Exchange to be included in this prospectus concerning the repurchase by our Company of its own securities.

(a) Provisions of the GEM Listing Rules

The GEM Listing Rules permit companies with a primary listing on the Stock Exchange to purchase their shares on the Stock Exchange subject to certain restrictions.

(i) Shareholders' approval

The GEM Listing Rules provide that all proposed repurchases of shares (which must be fully paid 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 of our Shareholders, either by way of general mandate or by specific approval of a particular transaction.

Note: Pursuant to the written resolutions of our Shareholders passed on 14 July 2016, the Repurchase Mandate was given to our Directors to exercise all powers of our Company to repurchase on the Stock Exchange, or any other stock exchange on which the Shares may be listed and recognised by the SFC and the Stock Exchange for this purpose, Shares representing up to 10% of the total number of the Shares in issue immediately following completion of the Capitalisation Issue and the Placing but excluding any Shares which may be allotted and issued under the Offer Size Adjustment Option or pursuant to the exercise of the options granted or to be granted under the Share Option Schemes, and the Repurchase Mandate shall remain in effect 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 or any applicable law to be held, or the passing of an ordinary resolution by Shareholders in general meeting revoking or varying the authority given to our Directors, whichever occurs first.

(ii) Source of funds

Repurchases must be funded out of funds legally available for the purpose in accordance with the Articles and the Companies Law. A listed company may not repurchase its own shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange.

Any repurchases by us may be made out of profits, share premium or out of the proceeds of a fresh issue of Shares made for the purpose of the repurchase or, subject to the Companies Law, out of capital and, in the case of any premium payable on the repurchase, out of profits of our Company or out of our Company's share premium account before or at the time the Shares are repurchased or, subject to the Companies Law, out of capital.

(iii) Connected parties

The GEM Listing Rules prohibit our Company from knowingly repurchasing the Shares on the Stock Exchange from a "core connected person", which includes a Director, chief executive or substantial Shareholder of our Company or any of the subsidiaries or a close associate of any of them and a core connected person shall not knowingly sell Shares to our Company.

(b) Reasons for repurchases

Our Directors believe that it is in the best interests of our Company and our Shareholders for our Directors to have a general authority from our Shareholders to enable our Company to repurchase Shares in the market. Such repurchases may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of our Company's net asset value per Share and/or earnings per Share and will only be made when our Directors believe that such repurchases will benefit our Company and our Shareholders.

(c) Funding of repurchase

In repurchasing Shares, our Company may only apply funds legally available for such purpose in accordance with the Articles, the GEM Listing Rules and the applicable laws of the Cayman Islands.

It is presently proposed that any repurchase of Shares will be made out of the capital paid up on the repurchased Shares or out of the funds of our Company otherwise available for dividend or distribution or out of the proceeds of a fresh issue of Shares made for the purpose. Any premium payable on a repurchase over the par value of the Shares to be repurchased must be provided for out of funds of our Company otherwise available for dividend or distribution or out of our Company's share premium account.

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 Company, our Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of our Group as compared to 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 or the gearing levels of our Group which in the opinion of our Directors are from time to time appropriate for our Group.

(d) Share capital

Exercise in full of the Repurchase Mandate, on the basis of 800,000,000 Shares in issue immediately after the listing of the Shares (without taking into account the Shares which may be allotted and issued pursuant to the exercise of the Offer Size Adjustment Option and the options granted or to be granted under the Share Option Schemes), could accordingly result in up to 80,000,000 Shares being repurchased by our Company during the period until:

(i) the conclusion of the next annual general meeting of our Company;

(ii) the expiration of the period within which the next annual general meeting of our Company is required by any applicable law or the Articles to be held; or

(iii) the date on which the Repurchase Mandate is revoked or varied by an ordinary resolution of the Shareholders in general meeting, whichever occurs first.

(e) General

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates, has any present intention if the Repurchase Mandate is exercised to sell any Shares to our Company or our subsidiaries.

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 and the applicable laws of the Cayman Islands.

If as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase of our Shareholders' interest, could obtain or consolidate control of our Company and may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code as a result of any such increase. Save as disclosed above, our Directors are not aware of any consequence that would arise under the Takeovers Code as a result of a repurchase pursuant to the Repurchase Mandate.

Our Directors will not exercise the Repurchase Mandate if the repurchase would result in the number of Shares which are in the hands of the public falling below 25% of the total number of Shares in issue (or such other percentage as may be prescribed as the minimum public shareholding under the GEM Listing Rules).

No core connected person of our Company has notified our Group that he/she/it has a present intention to sell Shares to our Company, or has undertaken not to do so, if the Repurchase Mandate is exercised.

B. FURTHER INFORMATION ABOUT THE BUSINESS OF OUR GROUP

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 sale and purchase agreement in respect of the holding company of each of the restaurants managed by Dining Concepts dated 18 November 2014 and entered into among Total Commitment, Ideal Winner, Minrish, Indo Gold and Mr. Uttamchandani (collectively the "**Vendors**") and our Company (the "**Purchaser**"), pursuant to which (i) the Vendors transferred the issued shares of Bombay Dreams (HK), Excel Team Trading, Global Profit, Wide Scope, Lettuce Entertain, Profit Best, Multi Million, Stanley Oriental, BLT Burger, BLT Restaurants, Excel Team, Full Merit and Smart Joy to our Company, in consideration of which our Company allotted and issued 50,100 Shares to Total Commitment, 15,900 Shares to Ideal Winner, 8,500 Shares to Minrish, 18,700 Shares to Indo Gold and 6,700 Shares to Mr. Uttamchandani; (ii) the Vendors transferred the issued shares of Max Prospect, Most Glory, Wealthy Trade, BBQ Restaurants, California Vintage, Fame Top, Heaven, Nice Empire, Pine Best and Wealthy Home (collectively the "**Target Companies**") to our Company, in consideration of HK$1.00 paid by our Company for each of the Target Companies to the Vendors; and (iii) Total Commitment transferred 10,000 shares of Dining Concepts to our Company, in consideration of HK$1.00 paid by our Company to Total Commitment;

(b) the instrument of transfer and bought and sold notes both dated 18 November 2014 and entered into between our Company and Total Commitment, pursuant to which Total Commitment acquired one share of Dining Concepts (International) from our Company for a consideration of US$1.00;

(c) the First Pre-IPO Investment Agreement dated 25 November 2014 and entered into among Prometheus Capital, Total Commitment, Ideal Winner, Minrish, Indo Gold, Mr. Uttamchandani, Dining Concepts (International) and our Company, in respect of the issue of the First Exchangeable Bond in an aggregate principal amount of US$4,000,000, as varied and supplemented by three side letter agreements dated 4 December 2014, 14 January 2015 and 11 May 2016, respectively, principal terms of which are described in the section headed "History, development and Reorganisation — Pre-IPO Investments — First Pre-IPO Investment — Principal terms of the First Pre-IPO Investment" in this prospectus;

(d) the side letter agreement (the "**First Side Letter Agreement**") dated 4 December 2014 and entered into among Dining Concepts (International), Prometheus Capital, Total Commitment, Ideal Winner, Minrish, Indo Gold, Mr. Uttamchandani and our Company for the purposes of varying and supplementing the terms of the First Pre-IPO Investment Agreement;

(e) the second side letter agreement (the "**Second Side Letter Agreement**") dated 14 January 2015 and entered into among Dining Concepts (International), Prometheus Capital, Total Commitment, Ideal Winner, Minrish, Indo Gold, Mr. Uttamchandani and our Company for the purposes of varying and supplementing the terms of the First Pre-IPO Investment Agreement;

(f) the third side letter agreement dated 11 May 2016 and entered into among Dining Concepts (International), Prometheus Capital, Total Commitment, Ideal Winner, Minrish, Indo Gold, Mr. Uttamchandani and our Company for the purposes of varying and supplementing the terms of the First Pre-IPO Investment Agreement;

(g) the Deed of Waiver dated 31 March 2015 and entered into between Dining Concepts (International) and our Company, pursuant to which Dining Concepts (International) irrevocably and unconditionally waived its rights against our Company in respect of a shareholder loan in the aggregate sum of US$4,000,000;

(h) the Deed of Novation dated 31 March 2015 and entered into among Mr. Sekhri, our Company, Prometheus Capital, Dining Concepts (International), Total Commitment, Ideal Winner, Minrish, Indo Gold and Mr. Uttamchandani, pursuant to which our Company, with the consent of Prometheus Capital, Dining Concepts (International), Total Commitment, Ideal Winner, Minrish, Indo Gold and Mr. Uttamchandani, assigned and novated to Mr. Sekhri, and Mr. Sekhri irrevocably assumed and undertook to perform, all the rights and obligations of our Company under each of the First Pre-IPO Investment Agreement, the First Side Letter Agreement and the Second Side Letter Agreement;

(i) the Deed of Indemnity dated 19 July 2016 and entered into by our Controlling Shareholders with and in favour of our Company (for itself and as trustee for our subsidiaries), in respect of certain indemnities given by our Controlling Shareholders in favour of our Company, particulars of which are set out in the section headed "Other information — Estate duty, tax and other indemnity" in Appendix IV to this prospectus;

(j) the Deed of Non-competition dated 19 July 2016 and entered into by our Controlling Shareholders with and in favour of our Company (for itself and as trustee for our subsidiaries), in respect of certain non-competition undertakings given by our Controlling Shareholders in favour of our Company, particulars of which are set out in the section headed "Relationship with our Controlling Shareholders — Non-competition undertaking by Controlling Shareholders" in this prospectus; and

(k) the Underwriting Agreement.

2. Intellectual property rights of our Group

(a) Trademarks

(i) As at the Latest Practicable Date, our Group had registered the following trademarks which, in opinion of our Directors, are material to our business:

Trademark	Registered owner	Class	Place of registration	Trade mark number	Effective period
	Dining Concepts	43	Hong Kong	300557208	29 December 2005 – 28 December 2025
craftsteak Open Fire cooking / craftsteak Open Fire cooking	Dining Concepts	43	Hong Kong	300557226	29 December 2005 – 28 December 2025
OLIVE / OLIVE	Dining Concepts	43	Hong Kong	300557235	29 December 2005 – 28 December 2025
A SOHO SPICE / B SOHO SPICE	Dining Concepts	43	Hong Kong	300557244	29 December 2005 – 28 December 2025
TacoLoco / TacoLoco	Dining Concepts	43	Hong Kong	300557253	29 December 2005 – 28 December 2025

Trademark	Registered owner	Class	Place of registration	Trade mark number	Effective period
NAHM	Dining Concepts	43	Hong Kong	300687826	26 July 2006 – 25 July 2026
PREGO	Dining Concepts	43	Hong Kong	300745001	23 October 2006 – 22 October 2016
A. ITALIAN BISTECCA STEAK HOUSE PREGO B. ITALIAN BISTECCA STEAK HOUSE PREGO	Dining Concepts	43	Hong Kong	301436616	24 September 2009 – 23 September 2019
MAMA San	Dining Concepts	43	Hong Kong	302946583	1 April 2014 – 31 March 2024
A. Dining Concepts B. Dining Concepts	Dining Concepts	35	Hong Kong	303193498	7 November 2014 – 6 November 2024
BRAZA BRAZA	Dining Concepts	43	Hong Kong	303291967	3 February 2015 – 2 February 2025
A. MANZO ITALIAN STEAK HOUSE B. MANZO ITALIAN STEAK HOUSE	Dining Concepts	43	Hong Kong	303335724	18 March 2015 – 17 March 2025
A. BRU B. BRU	Dining Concepts	43	Hong Kong	303527857	7 September 2015 – 6 September 2025

Trademark	Registered owner	Class	Place of registration	Trade mark number	Effective period
(A) TANGO argentinian steak house (B) TANGO argentinian steak house	Dining Concepts	43	Hong Kong	303355696	27 March 2015 – 26 March 2025
(A) BOUCHON BISTRO FRANÇAIS (B) BOUCHON BISTRO FRANÇAIS	Dining Concepts	43	Hong Kong	303355885	27 March 2015 – 26 March 2025
ALTO BAR & GRILL	Dining Concepts	43	Hong Kong	303620439	7 December 2015 – 6 December 2025

(ii) As at the Latest Practicable Date, our Group had applied for the registration of the following trademarks which, in opinion of our Directors, are material to our business:

Trademark	Applicant	Class	Place of application	Application number	Application date
(a) OPHELIA (b) Ophelia	Dining Concepts	43	Hong Kong	303705714	8 March 2016

(b) Domain names

As at the Latest Practicable Date, our Group had registered the following domain names which, in opinion of our Directors, are material to our business:

Domain name	Registered owner	Date of registration	Expiry date
www.diningconcepts.com	Dining Concepts	23 June 1998	22 June 2018
www.diningconcepts.com.hk	Dining Concepts	16 September 2002	5 October 2017

C. FURTHER INFORMATION ABOUT DIRECTORS, CHIEF EXECUTIVE AND SUBSTANTIAL SHAREHOLDERS

1. Interests and short positions of our Directors and chief executive of our Company in our Shares, underlying Shares and debentures of our Company and its associated corporations following the Placing

Immediately following completion of the Capitalisation Issue and the Placing (taking into account the sale of the Sale Shares by the Selling Shareholder and without taking into account the Shares to be allotted and issued upon the exercise of the Offer Size Adjustment Option or any options granted or to be granted under the Share Option Schemes), the interests or short positions of our Directors or chief executive of our Company in our Shares, underlying Shares or debentures of our Company or any of 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 any interests and short positions which they are 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 as referred to thereof, or will be required, pursuant to Model Code for Securities Transactions by Directors of Listed Issuers contained in the GEM Listing Rules, to be notified to our Company and the Stock Exchange will be as follows:

Long position in Shares

Name	Capacity / Nature of interest	Number of Shares	Approximate shareholding percentage in our Company (%)
Mr. Sekhri *(1)*	Interest in controlled corporation	260,598,000 Shares	32.57
Mr. Uttamchandani *(2)*	Beneficial owner	34,782,000 Shares	4.35
Ms. Dayaram *(3)*	Interest in controlled corporation	82,542,000 Shares	10.32

Notes:

1. These Shares are held by Dining Concepts (International), a company wholly owned by Total Commitment which is in turn wholly owned by Mr. Sekhri. By virtue of the SFO, Mr. Sekhri is deemed to be interested in the Shares held by Dining Concepts (International). Mr. Sekhri is also a director of Total Commitment and Dining Concepts (International).

2. Mr. Uttamchandani is also a director of Indo Gold, one of our Controlling Shareholders. Indo Gold is owned as to 25% by Mr. Uttamchandani.

3. These Shares are held by Ideal Winner, a company which is wholly owned by Ms. Dayaram. By virtue of the SFO, Ms. Dayaram is deemed to be interested in the Shares held by Ideal Winner. Ms. Dayaram is also a director of Ideal Winner.

2. Interests and short positions of substantial shareholders in our Shares, underlying Shares and debentures of our Company and its associated corporations

So far as it is known to our Directors and save as disclosed in this prospectus, immediately following completion of the Capitalisation Issue and the Placing (taking into account the selling of the Sale Shares by the Selling Shareholder and without taking into account the Shares to be allotted and issued upon the exercise of the Offer Size Adjustment Option or any options granted or to be granted under the Share Option Schemes), the following persons (not being a Director or chief executive of our Company) will have interests or short positions in our Shares or underlying Shares which would fall to be disclosed to our Company and the Stock Exchange 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 Shares

Name	Capacity / Nature of interest	Number of Shares	Approximate shareholding percentage in our Company (%)
Dining Concepts (International)	Beneficial owner	260,598,000 Shares	32.57
Total Commitment(1)	Interest in controlled corporation	260,598,000 Shares	32.57
Minrish	Beneficial owner	44,124,000 Shares	5.52
Mr. Mirpuri(2),(3)	Interest in controlled corporation and interest of spouse	44,124,000 Shares	5.52
Mrs. Mirpuri(2),(3)	Interest in controlled corporation and interest of spouse	44,124,000 Shares	5.52
Ideal Winner	Beneficial owner	82,542,000 Shares	10.32
Indo Gold	Beneficial owner	97,074,000 Shares	12.13
Prometheus Capital(4)	Beneficial owner	80,880,000 Shares	10.11
Mr. Wang Sicong	Interest in a controlled corporation	80,880,000 Shares	10.11

Notes:

1. *These Shares are held by Dining Concepts (International), a company which is wholly owned by Total Commitment. By virtue of the SFO, Total Commitment is deemed to be interested in the Shares held by Dining Concepts (International).*

2. *These Shares are held by Minrish, a company which is owned as to 50% by Mr. Mirpuri and 50% by Mrs. Mirpuri. By virtue of the SFO, Mr. Mirpuri and Mrs. Mirpuri are deemed to be interested in the Shares held by Minrish.*

3. *Mr. Mirpuri is the spouse of Mrs. Mirpuri. Under the SFO, Mr. Mirpuri is deemed to be interested in all the Shares in which Mrs. Mirpuri is interested. Mrs. Mirpuri is the spouse of Mr. Mirpuri. Under the SFO, Mrs. Mirpuri is deemed to be interested in all the Shares in which Mr. Mirpuri is interested.*

4. *Prometheus Capital is wholly owned by Mr. Wang Sicong. By virtue of the SFO, Mr. Wang Sicong is deemed to be interested in the Shares held by Prometheus Capital.*

3. Particulars of service agreements

(a) Executive Directors

Each of our executive Directors has entered into a service agreement with our Company pursuant to which he has agreed to act as an executive Director for a fixed term of three years with effect from the Listing Date, which may be terminated by not less than three months' notice in writing served by either party on the other.

(b) Non-executive Directors and independent non-executive Directors

Each of our non-executive Directors has been appointed for a fixed term of three years commencing from the Listing Date and is entitled to an annual director's fee of HK$120,000. Each of our independent non-executive Directors has been appointed for a fixed term of three years commencing from the Listing Date and is entitled to an annual director's fee of HK$120,000. Save for the directors' fees, none of our non-executive Directors nor independent non-executive Directors is expected to receive any other emolument for holding his or her office as a non-executive Director or an independent non-executive Director.

Save as disclosed above, none of our Directors has or is proposed to have a service agreement with our Company or any of our subsidiaries (other than the contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

4. Directors' emoluments

(a) For the three years ended 31 March 2016, the aggregate emoluments paid and benefits in kind granted by our Group to our Directors were approximately HK$1.6 million, HK$2.5 million and HK$2.6 million, respectively.

(b) None of our Directors or any past directors of any member of our Group has been paid any sum of money for each of the three years ended 31 March 2016 (1) as an inducement to join or upon joining our Company or (2) for loss of office as a director of any member of our Group or of any other office in connection with the management of the affairs of any member of our Group.

(c) There has been no arrangement under which a Director has waived or agreed to waive any emoluments for each of the three years ended 31 March 2016.

(d) Under the arrangements currently proposed, conditional upon the Listing, the basic annual remuneration (excluding payment pursuant to any discretionary benefits or bonus or other fringe benefits) payable by our Group to each of our Directors will be as follows:

Executive Directors	HK$
Mr. Sekhri	3,000,000[Note]
Mr. Sandip Gupta	1,920,000
Non-executive Directors	HK$
Mr. Uttamchandani	120,000
Ms. Dayaram	120,000
Independent non-executive Directors	HK$
Mr. Chan Ming Sun Jonathan	120,000
Mr. Zen Chung Hei, Hayley	120,000
Mr. Amit Agarwal	120,000

Note: In addition to the above basic annual remuneration, Mr. Sekhri shall be entitled to a one-off bonus of HK$6,000,000 upon Listing pursuant to the terms and conditions of his service agreement entered into with our Company dated 14 July 2016.

(e) Each of our executive Directors and non-executive Directors is entitled to reimbursement of all necessary and reasonable out-of-pocket expenses properly incurred in relation to all business and affairs carried out by our Group from time to time or in discharge of his or her duties to our Group under the service agreement.

5. Fees or commission received

Save as disclosed in the section headed "Underwriting — Underwriting arrangements and expenses — Commission and expenses" in this prospectus, none of our Directors or the experts named in the paragraph headed "Qualifications of experts" in this appendix had received any agency fee or commissions from our Group within the two years immediately preceding the date of this prospectus.

6. Related party transactions

Details of the related party transactions are set out under Note 30 to the Accountants' Report set out in Appendix I to this prospectus.

7. Disclaimers

Save as disclosed in this prospectus:

(a) taking no account of any Shares which may be taken up or acquired under the Placing or upon the exercise of the Offer Size Adjustment Option or any options granted or to be granted under the Share Option Schemes, our Directors are not aware of any person (not being a Director or chief executive of our Company) who will, immediately following the completion of the Capitalisation Issue and the Placing, have an interest or short position in our Shares and 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 is, either 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;

(b) none of our Directors has any interest or short position in any of our Shares, underlying Shares or debentures of our Company or any associated corporation 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 which any of them is 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 thereof or which will be required to be notified to our Company and the Stock Exchange pursuant to Model Code for Securities Transactions by Directors of Listed Issuers contained in the GEM Listing Rules, in each case once our Shares are listed;

(c) none of our Directors or the experts named in paragraph headed "Qualifications of experts" in this appendix has been directly or indirectly interested 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 our Company or any of our subsidiaries, or are proposed to be acquired or disposed of by or leased to our Company or any other member of our Group nor will any Director apply for the Placing Shares either in his own name or in the name of a nominee;

(d) none of our Directors or the experts named in the paragraph headed "Qualifications 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;

(e) none of the experts named in paragraph headed "Qualifications of experts" in this appendix has any shareholding in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group; and

(f) so far 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 interest in the five largest customers or the five largest suppliers of our Group.

D. SHARE OPTION SCHEMES

1. Pre-IPO Share Option Scheme

(a) Summary of terms of the Pre-IPO Share Option Scheme

The purpose of the Pre-IPO Share Option Scheme is to enable our Company to grant options to the participants as incentive or rewards for their contributions to our Group.

The principal terms of the Pre-IPO Share Option Scheme, approved by the written resolutions passed by our Shareholders on 14 July 2016, are substantially the same as the terms of the Post-IPO Share Option Scheme except that:

(i) options to be granted thereunder shall vest in the relevant option holder in tranches in the following manner:

Name of grantee	Total number of Shares subject to the options	Number of Shares subject to the options which may be exercisable on or after: Upon the Listing Date	1st anniversary of the Listing Date
1. Mr. Cheng Yuk Kin	6,250,000	6,250,000	—
2. Ivory Capital	18,750,000	8,750,000	10,000,000
3. Mr. Sandip Gupta	8,000,000	4,000,000	4,000,000
4. Mr. Kamal Sachar	6,000,000	2,000,000	4,000,000
5. Ms. Ana Maria Lopez Donoso	6,000,000	2,000,000	4,000,000
6. Mr. Lau Yik Cheung	6,000,000	2,000,000	4,000,000
Total:	**51,000,000**	**25,000,000**	**26,000,000**

(ii) the total number of Shares subject to the options to be granted under the Pre-IPO Share Option Scheme is 51,000,000 Shares, representing approximately 6.38% of the issued share capital of our Company as at the Listing Date (without taking into account the Shares to be allotted and issued upon the exercise of the Offer Size Adjustment Option or options to be granted under the Post-IPO Share Option Scheme), and approximately 5.99% of the enlarged issued share capital of our Company as at the Listing Date assuming full exercise of all the options to be granted under the Pre-IPO Share Option Scheme (without taking into account the Shares to be allotted and issued upon the exercise of the Offer Size Adjustment Option or options to be granted under the Post-IPO Share Option Scheme);

(iii) save for the options to be granted as set out in paragraph (i) above, no further options will be offered or granted under the Pre-IPO Share Option Scheme, as the right to do so will end upon Listing;

(iv) the Pre-IPO Share Option Scheme contains no provisions relating to (a) the granting of options to connected persons; (b) the refreshment of the 10% limit or the seeking of separate approval for granting options beyond the 10% limit as anticipated in the note to Rule 23.03(3) of the GEM Listing Rules; and (c) the restrictions on the number of Shares issued or to be issued pursuant to the exercise of any options granted in any 12-month period to any eligible participant of the Pre-IPO Share Option Scheme not exceeding 1% of the Shares in issue as anticipated in the note to Rule 23.03(4) of the GEM Listing Rules;

(v) no option shall be exercised if, as a result of such exercise, our Company will not be able to comply with the public float requirements of the GEM Listing Rules; and

(vi) there is no prohibition on granting of options after inside information has come to our Company's knowledge.

Application has been made to the Stock Exchange for the approval of the listing of, and permission to deal in, the 51,000,000 Shares to be allotted and issued pursuant to the exercise of the options to be granted under the Pre-IPO Share Option Scheme.

(b) Outstanding options to be granted

Options to subscribe for an aggregate of 51,000,000 Shares, representing approximately 6.38% of the issued share capital of our Company as at the Listing Date (without taking into account the Shares to be allotted and issued upon the exercise of the Offer Size Adjustment Option or options to be granted under the Post-IPO Share Option Scheme), and approximately 5.99% of the enlarged total issued share capital of our Company as at the Listing Date assuming full exercise of all the options to be granted under the Pre-IPO Share Option Scheme (without taking into account the Shares to be allotted and issued upon the exercise of the Offer Size Adjustment Option or options to be granted under the Post-IPO Share Option Scheme) at an exercise price of HK$0.45, representing 10.0% discount to HK$0.50, being the mid-point of the indicative Placing Price range, will be conditionally granted to six participants by our Company prior to the Listing Date, each at a consideration of HK$1.00 under the Pre-IPO Share Option Scheme. All the options under the Pre-IPO Share Option Scheme will be granted prior to the Listing Date and no further options will be granted under the Pre-IPO Share Option Scheme prior to the Listing Date or thereafter.

Particulars of the options to be granted under the Pre-IPO Share Option Scheme are as follows:

Name of grantee[(1)]	Address	Position	Number of Shares subject to the options	Approximate percentage of issued share capital of our Company after completion of the Capitalisation Issue and the Placing and assuming full exercise of all the options to be granted under the Pre-IPO Share Option Scheme[(2)]
1. Mr. Cheng Yuk Kin	2-1809 12 Hung Lok Road Hung Hom Hong Kong	Director of Ivory Capital	6,250,000	0.74%
2. Ivory Capital	Unit 504, 5/F, Chinachem Tower, 34-37 Connaught Road Central, Hong Kong	Financial adviser	18,750,000	2.21%
3. Mr. Sandip Gupta	Flat B, 13/F Willow Mansion Taikoo Shing Shau Kei Wan Hong Kong	Executive Director	8,000,000	0.94%
4. Mr. Kamal Sachar	Flat D, 49/F Tower 15 Caribbean Coast Tung Chung Hong Kong	Director of finance	6,000,000	0.71%
5. Ms. Ana Maria Lopez Donoso	Room 3, 15/F Harbour View Garden 1 Sands Street Kennedy Town Hong Kong	Director of design	6,000,000	0.71%
6. Mr. Lau Yik Cheung	Room 09, 18/F Hin Kwai House Hin Keng Estate Shatin, Hong Kong	Corporate services manager	6,000,000	0.71%

Notes:

1. *Each grantee, upon accepting the options to be granted under the Pre-IPO Share Option Scheme, is deemed to have undertaken to our Company that he/she/it will comply with all applicable laws, legislation and regulations (including all applicable exchange control, fiscal and other laws to which he/she/it is subject) in connection with the acceptance of the grant of his/her/its options, the holding and exercise of his/her/its options in accordance with the rules of the Pre-IPO Share Option Scheme, the allotment and issue of Shares to him/her/it upon exercise of his/her/its options and the holding of such Shares.*

2. These percentages are calculated on the basis of 851,000,000 Shares in issue immediately following completion of the Capitalisation Issue and the Placing and assuming full exercise of all the options to be granted under the Pre-IPO Share Option Scheme (assuming the Offer Size Adjustment Option is not exercised and without taking into account the Shares to be allotted and issued upon exercise of options to be granted under the Post-IPO Share Option Scheme).

Out of all the options to be granted under the Pre-IPO Share Option Scheme, options representing 26,000,000 Shares will be granted to the senior management and other employees of our Group and options representing 25,000,000 Shares will be granted to the director of Ivory Capital and Ivory Capital, being a financial adviser of our Group.

Assuming that all of the outstanding options to be granted under the Pre-IPO Share Option Scheme were exercised in full on the Listing Date, the shareholding interest of the public would be changed from 25% to approximately 29.5% of the total issued share capital of our Company immediately after completion of the Placing.

The exercise price for the options set out in the table above is HK$0.45, representing 10.0% discount to HK$0.50, being the mid-point of the indicative Placing Price range. The number of options to be granted to each grantee under the Pre-IPO Share Option Scheme was determined by the Board based upon a number of factors including experience, the length of service and performance of the grantee, the contribution to our Group, the requirement that the Shares be listed on a recognised stock exchange before the options could be exercised and an estimate of the likely period before which any such listing would occur.

The total number of Shares subject to the options to be granted under the Pre-IPO Share Option Scheme is 51,000,000, representing approximately 6.38% of the issued share capital of our Company as at the Listing Date (without taking into account the Shares to be allotted and issued upon the exercise of the Offer Size Adjustment Option or options granted or to be granted under the Share Option Schemes). If all options are fully exercised (without taking into account the Shares to be allotted and issued upon the exercise of the Offer Size Adjustment Option or options to be granted under the Post-IPO Share Option Scheme), this would have a dilutive effect of approximately 5.99% on the shareholdings of our Shareholders and earnings per Share. The grant of the options under the Pre-IPO Share Option Scheme is an equity-settled transaction and the fair value of the options to be granted under the Pre-IPO Share Option Scheme will be recognised as expenses in our consolidated statement of comprehensive income over the vesting periods by reference to the fair value at the date on which such options are granted. Accordingly, our financial performance for the year ending 31 March 2017 and 31 March 2018 over the vesting periods up to one year upon listing of such options will be affected by the grant of the options under the Pre-IPO Share Option Scheme. The fair value of the options to be granted under the Pre-IPO Share Option Scheme as at the Latest Practicable Date is estimated by Asset Appraisal Limited, an independent valuer, for illustration purposes only, to be approximately HK$9.3 million (assuming a Placing Price of HK$0.50 per Placing Share, being the mid-point of the indicative Placing Price range). No further options will be granted under the Pre-IPO Share Option Scheme after the Listing Date.

2. Post-IPO Share Option Scheme

(a) Definitions

For the purpose of this section, the following expressions have the meanings set out below unless the context requires otherwise:

"Adoption Date"	14 July 2016, the date on which the Post-IPO Share Option Scheme is conditionally adopted by all Shareholders by way of written resolution
"Board"	the board of Directors or a duly authorised committee of the board of Directors
"Grantee"	any Participant who accepts an Offer in accordance with the terms of the Post-IPO Share Option Scheme
"Group"	our Company and any entity in which our Company, directly or indirectly, holds any equity interest
"Offer"	an offer of the grant of Options made in accordance with the terms of the Post-IPO Share Option Scheme
"Offer Date"	the date of Offer
"Option(s)"	option(s) to subscribe for Shares granted and accepted pursuant to the Post-IPO Share Option Scheme
"Option Period"	the period for the exercise of an Option to be notified by the Board to the Grantee, but in any event shall not exceed ten years from the Offer Date
"Participant"	any person who satisfies the eligibility requirements set out in paragraph (b)(2) below
"Subscription Price"	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option

(b) Summary of terms of the Post-IPO Share Option Scheme

The following is a summary of the principal terms of the Post-IPO Share Option Scheme conditionally adopted by a resolution in writing passed by all Shareholders on 14 July 2016:

(1) Purpose of the Post-IPO Share Option Scheme

The purpose of the Post-IPO Share Option Scheme is to attract and retain the best available personnel of our Group, to provide additional incentive to employees (full-time and part-time), directors, consultants, advisors, distributors, contractors, suppliers, agents, customers, business partners or service providers of our Group and to promote the success of the business of our Group. The Post-IPO Share Option Scheme will give the Participants an opportunity to have a personal stake in our Company and will help to motivate the Participants in optimising their performance and efficiency and attract and retain the Participants whose contributions are important to the long-term growth and profitability of our Group.

(2) *Who may join*

The Board may, at its absolute discretion and on such terms as it may think fit, grant any employee (full-time or part-time), director, consultant or advisor of our Group, or any substantial shareholder of our Company, or any distributor, contractor, supplier, agent, customer, business partner or service provider of our Company, Options to subscribe at a price calculated in accordance with paragraph (3) below for such number of Shares as it may determine in accordance with the terms of the Post-IPO Share Option Scheme.

The basis of eligibility of any participant to the grant of any Option shall be determined by the Board (or as the case may be, our independent non-executive Directors) from time to time on the basis of his contribution or potential contribution to the development and growth of our Group.

(3) *Price of Shares and grant of Options and consideration for the Options*

(i) The Subscription Price shall be determined solely by the Board and notified to a Participant and shall be at least the higher of: (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Offer Date, which must be a Business Day; (b) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the Offer Date; and (c) the nominal value of a Share on the Offer Date.

(ii) A nominal consideration of HK$1.00 is payable on acceptance of the grant of Options.

(4) *Maximum number of Shares*

(i) The aggregate number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Post-IPO Share Option Scheme and any other share option schemes of our Company must not exceed 30% of the Shares in issue from time to time. No options may be granted under the Post-IPO Share Option Scheme or any other share option schemes of our Company if this will result in the limit being exceeded. Therefore, it is expected that our Company may grant options in respect of up to 80,000,000 Shares (or such numbers of Shares as shall result from a sub-division or a consolidation of such 80,000,000 Shares from time to time) to the participants under the Post-IPO Share Option Scheme.

(ii) Subject to sub-paragraphs (iii) and (iv) below, the maximum number of Shares issuable upon exercise of all options to be granted under the Post-IPO Share Option Scheme and any other share option schemes of our Company as from the Adoption Date (excluding, for this purpose, Shares issuable upon exercise of options which have been granted but which have lapsed in accordance with the Post-IPO Share Option Scheme or any other share option schemes of our Company) must not in aggregate exceed 10% of all the Shares in issue upon the Listing Date (assuming the Offer Size Adjustment Option is not exercised at all).

(iii) The 10% limit as mentioned under above sub-paragraph (ii) may be refreshed at any time by approval of our Shareholders in general meeting provided that the total number of Shares which may be issued upon exercise of all options to be granted under the Post-IPO Share Option Scheme and any other share option schemes of our Company must not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit. Options previously granted under the Post-IPO Share Option Scheme and any other share option schemes of our Company (including those outstanding, cancelled or lapsed in accordance with the terms of the Post-IPO Share Option Scheme and other share option schemes of our Company) will not be counted for the purpose of calculating the limit as "refreshed". A circular must be sent to our Shareholders containing the information as required under the GEM Listing Rules in this regard.

(iv) Subject to the above sub-paragraph (i), our Company may seek separate approval from our Shareholders in general meeting for granting Options beyond the 10% limit under sub-paragraphs (ii) and (iii) provided the Options in excess of the limit are granted only to Participants specifically identified by our Company before such approval is sought. In such event, our Company must send a circular to our Shareholders containing a generic description of the specified persons who may be granted such Options, the number and terms of such Options to be granted and the purpose of granting such Options to the specified persons with an explanation of how the terms of the Options will serve the purpose and all other information required under the GEM Listing Rules.

(5) Maximum entitlement of each Participant

The total number of Shares issued and to be issued upon exercise of the options granted to each Participant (including both exercised and outstanding Options) under the Post-IPO Share Option Scheme or any other share option schemes of our Company in any 12-month period up to date of grant must not exceed 1% of the Shares in issue. Any further grant which would result in the Shares issued and to be issued upon exercise of all Options granted and to be granted to such Participant (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 must be separately approved by our Shareholders in general meeting with such Participant and his close associates (or his associates if the Participant is a connected person) abstaining from voting, and the number and terms (including the Subscription Price) of Options to be granted to such Participant must be fixed before the Shareholders' approval. In such event, our Company must send a circular to the Shareholders containing the identity of the Participant, the number and terms of Options to be granted (and Options previously granted to such person) and all other information required under the GEM Listing Rules.

(6) Grant of Options to connected persons

(i) Any grant of an Option to a Director, chief executive or substantial shareholder of our Company (or any of their respective associates) must be approved by our independent non-executive Directors (excluding any independent non-executive Director who or whose associate is the proposed grantee of the Option).

(ii) Where any grant of Options to a substantial shareholder or an independent non-executive Director (or any of their respective associates) would result in the total number of Shares issued and to be issued upon exercise of all options already granted and to be granted to such person under the Post-IPO Share Option Scheme and any other share option schemes of our Company (including options exercised, cancelled and outstanding) in any 12-month period up to and including the date of grant:

(a) representing in aggregate over 0.1% of the Shares in issue; and

(b) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK$5 million,

such further grant of Options must be approved by our Shareholders in general meeting of our Company, with voting to be taken by way of poll. Our Company must send a circular to our Shareholders containing all information as required under the GEM Listing Rules in this regard. The proposed grantees, their respective associates and all core connected persons of our Company must abstain from voting at such general meeting (except where any proposed grantee, associate of a proposed grantee or connected person may vote against the proposed grant provided his intention to do so has been stated in the circular). Any change in the terms of an Option granted to a substantial shareholder of our Company or an independent non-executive Director or any of their respective associates must be approved by our Shareholders in the aforesaid manner.

(7) Restriction on the timing of grant of Options

An offer for the grant of Options may not be made after inside information has come to our Company's knowledge until such inside information has been announced pursuant to the requirements of the GEM Listing Rules.

(8) Timing of exercise of Option

An Option may be exercised in accordance with the terms of the Post-IPO Share Option Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.

(9) Administration of exercise of Option

(i) An Option may be exercised in whole or in part in the manner by the Grantee giving notice in writing to our Company in such form as the Board may from time to time determine stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the aggregate Subscription Price of the Shares in respect of which the notice is given together with the reasonable administration fee specified by our Company from time to time. Within 28 days after receipt of the notice and the remittance, our Company shall allot and issue the relevant Shares, credited as fully paid, and a share certificate for the relevant Shares so allotted to the Grantee.

(ii) A Grantee shall ensure that any exercise of his Option under paragraph (9) is valid and complies with all laws, legislations and regulations to which he is subject. Our Directors may, as a condition precedent to allotting Shares upon an exercise of an Option, require the relevant Grantee to produce such evidence as they may reasonably require for such purpose.

(10) Rights are personal to Grantee

An Option shall be personal to the Grantee. Except for the transmission of an Option on the death of a Grantee to his/her legal personal representative(s), the Option shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose or create any interest in favour of any third party over or in relation to any Option (where the Grantee is a company, any change of its major shareholder or any substantial change in its management will be deemed to be a sale or transfer of interest as aforesaid, if so determined by our Directors at their sole discretion). Any breach of the foregoing by a Grantee shall entitle our Company to cancel, revoke or terminate any Option granted to such Grantee to the extent not already exercised.

(11) Performance targets

The Board may at its absolute discretion determine and state in the Offer for the grant of Option to a Grantee that a performance target must be achieved before any Option granted under the Post-IPO Share Option Scheme can be exercised.

(12) Rights on death

In the event that the Grantee (being an individual) dies before exercising the Option in full, his legal personal representative(s) may exercise the Option up to the Grantee's entitlement (to the extent which has become exercisable and not already exercised) within the period of 12 months following his death PROVIDED THAT where any of the events set out in paragraphs (15) and (16) occurs prior to his death or within such 12-month period following his death, then his legal personal representative(s) may so exercise the Option within such of the various periods respectively set out in such paragraphs instead of the period referred to in this paragraph (12) and provided further that if within a period of three years prior to the Grantee's death, the Grantee had committed any of the acts as specified in paragraph (23)(iv) below which would have entitled our Company to terminate his employment prior to his death, the Board may at any time forthwith terminate the Option of the Grantee (to the extent not already exercised) by written notice to his legal personal representatives and the Option (to the extent not already exercised) shall lapse on the date of the relevant Board resolution.

(13) Rights on ceasing employment

In the event that the Grantee is an employee of our Group when an Offer is made to him and he subsequently ceases to be an employee of our Group for any reason other than his death or the termination of his employment on one or more of the grounds specified in paragraph (23)(iv) below, the Option (to the extent not already exercised) shall lapse on the expiry of three months after the date of cessation of such employment (which date will be the last actual working day on which the Grantee was physically at work with our Company or the relevant member of our Group whether salary is paid in lieu of notice or not).

(14) Rights on dismissal

In the event that the Grantee is an employee of our Group when an Offer is made to him and he subsequently ceases to be an employee by reason of a termination of his employment on one or more of the grounds specified in paragraph (23)(iv) and the Grantee has exercised the Option in whole or in part pursuant to paragraph (9), but Shares have not been allotted to him, the Grantee shall, unless the Board determines otherwise, be deemed not to have so exercised such Option and our Company shall return to the Grantee the amount of the Subscription Price for the Shares in respect of the purported exercise of such Option.

(15) Rights on winding-up

In the event a general meeting is convened for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up our Company, each Grantee shall be entitled to exercise all or any of his/her 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 in accordance with the terms of the Post-IPO Share Option Scheme, accompanied by a remittance for the full amount of the aggregate Subscription Price of 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 Grantee credited as fully paid.

(16) Rights on a general offer, a compromise or arrangement

In the event of a general or partial offer (whether by way of takeover offer or share repurchase offer or scheme of arrangement or otherwise in like manner) being made to all the Shareholders (or all such holders other than the offeror and/or any persons controlled by the offeror and/or any person acting in association or concert with the offeror) our Company shall use its best endeavours to procure that an appropriate offer is extended to all Grantees (on comparable terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the Options granted to them, as Shareholders). If such offer becoming or being declared unconditional, a Grantee shall, notwithstanding any terms on which his Option was granted, be entitled to exercise the Option in full (to the extent not already exercised) at any time within one month after the date on which the offer becomes or is declared unconditional.

In the event of a compromise or arrangement between our Company and our Shareholders or its creditors being proposed in connection with a scheme for the reconstruction of our Company or its merger or consolidation with any other company or companies pursuant to the Companies Law, our Company shall give notice thereof to all the Grantees on the same day as it gives notice of the meeting to our Shareholders or its creditors to consider such a compromise or arrangement and the Options (to the extent not already exercised) shall become exercisable in whole or in part on such date until the earlier of (i) two months after that date or (ii) at any time not later than two business days prior to the date of the general meeting directed to be convened by the court for the purposes of considering such compromise or arrangement (the “**Suspension Date**”), by giving notice in writing to our Company in accordance with paragraph (9) above, 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 practicable and, in any event, no later than 3:00 p.m. on the business day immediately prior to the date of the proposed general meeting, allot and issue the relevant Shares to the Grantee credited as fully paid. With effect from the Suspension Date, the rights of all Grantees to exercise their respective Options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all Options shall, to the extent that they have not been exercised, lapse and determine. The Board shall endeavour to procure that the Shares issued as a result of the exercise of Options under this paragraph (16) shall for the purposes of such compromise or arrangement form part of the issued share capital of our Company on the effective date thereof and that such Shares shall in all respects be subject to such compromise or arrangement. If for any reason such compromise or arrangement is not approved by the court (whether upon the terms presented to the court or upon any other terms as may be approved by such court), the rights of Grantees to exercise their respective Options shall with effect from the date of the making of the order by the court be restored in full but only up to the extent not already exercised and shall thereupon become exercisable (but subject to the other terms of the Post-IPO Share Option Scheme) as if such compromise or arrangement had not been proposed by our Company and no claim shall lie against our Company or any of our officers for any loss or damage sustained by any Grantee as a result of such proposal.

(17) Adjustment to the Subscription Price

(i) 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, rights issue, open offer, consolidation or subdivision of shares of our Company, such corresponding adjustments (if any) shall be made in:

(a) the number of Shares subject to the Options so far as unexercised; and/or

(b) the Subscription Prices of any unexercised Options,

as the auditors shall certify in writing or the financial adviser shall confirm in writing (as the case may be) to the Board to be in their opinion fair and reasonable and in compliance with the relevant provisions of the GEM Listing Rules (or any guideline or supplementary guidance as may be issued by the Stock Exchange from time to time) (no such certification or confirmation is required in case of adjustment made on a capitalisation issue), provided that the overriding principle is that no adjustments should be made to the advantage of the Grantee or that would increase the intrinsic value of any Option.

For avoidance of doubt, (aa) an issue of any securities of our Company for cash or as consideration in respect of a transaction; and (bb) an issue of any securities of our Company under the authority of a general mandate or specific mandate granted to the Board by our Shareholders, will not be regarded as circumstances requiring adjustment under this paragraph (17)(i).

(ii) Any adjustment under paragraph (17)(i) will be made, to the extent practicable, in accordance with the following:

(a) any such adjustment shall be made on the basis that the proportion of the issued share capital of our Company to which a Grantee is entitled after such adjustment shall remain the same as that to which he was entitled before such adjustment;

(b) no such adjustment shall be made the effect of which would be to enable any Share to be issued at less than its nominal value, or to increase the proportion of the issued share capital of our Company for which any Grantee would have been entitled to subscribe had he exercised all the Options held by him immediately prior to such adjustments;

(c) except where the adjustment is made on a capitalisation issue, any adjustment shall satisfy the requirements of the Note to Rule 23.03 (13) of the GEM Listing Rules and the relevant guidance issued by the Stock Exchange and any future relevant guidance and interpretation of the GEM Listing Rules in this respect by the Stock Exchange; and

(d) the auditors or financial adviser selected by the Board (as appropriate) must confirm to the Board in writing that the adjustment is in their opinion fair and reasonable and in compliance with the relevant provisions of the GEM Listing Rules (or any guideline or supplementary guidance as may be issued by the Stock Exchange from time to time) (no such confirmation is required in case of adjustment made on a capitalisation issue).

(18) Ranking of Shares

The Shares to be allotted and issued upon the exercise of an Option will be subject to all the provisions of the Memorandum and the Articles of Association for the time being in force and will rank pari passu in all respects with the fully paid Shares in issue on the date of allotment and accordingly will entitle the holders to participate in all dividends or other distributions paid or made after the date of allotment 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 on or before the date of allotment, save that the Shares allotted and issued upon the exercise of any Option shall not carry any voting rights until the name of the Grantee has been duly entered on the register of members of our Company as the holder thereof.

(19) Period of the Post-IPO Share Option Scheme

The Post-IPO Share Option Scheme will remain in force for a period of ten years commencing on the Adoption Date.

(20) Restrictions on the time of the Offer

No Offer may be made after inside information has come to our Company's knowledge until such inside information has been announced in accordance with the requirements of the GEM Listing Rules. No Option may be granted during the period commencing one month immediately before the earlier of:

(i) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the GEM Listing Rules) for approving our Company's annual, half-year, quarterly or any other interim period (whether or not required under the GEM Listing Rules) results; and

(ii) the last day on which our Company shall announce 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.

(21) Cancellation of Options

Any cancellation of Options granted but not exercised may be effected on such terms as may be agreed with the relevant Grantee, as the Board may in its absolute discretion see fit and in a manner that complies with all applicable legal requirements for such cancellation. Where our Company cancels Options and issues new ones to the same Grantee, the issue of such new Options may only be made under the Post-IPO Share Option Scheme with available unissued Options (excluding the cancelled Options) and in compliance with the terms of the Post-IPO Share Option Scheme, in particular within the limit approved by the Shareholders and, subject to the maximum number of Shares available for subscription stipulated under paragraph (4).

(22) Termination of the Post-IPO Share Option Scheme

Our Company by resolution in general meeting or the Board may at any time terminate the operation of the Post-IPO Share Option Scheme and in such event no further Options will be offered but Options granted prior to such termination shall continue to be valid and exercisable in accordance with the provisions of the Post-IPO Share Option Scheme.

(23) Lapse of Option

An Option shall lapse automatically 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 (12), (13) and (16);

(iii) subject to paragraph (15), the date of the commencement of the winding-up of our Company;

(iv) in the event that the Grantee is an employee of our Group when an Offer is made to him and he subsequently ceases to be an employee of our Group on any one or more of the grounds that he has been guilty of serious misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his or her creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or (if so determined by the Board) on any other ground on which an employer would be entitled to terminate his employment at common law or pursuant to any applicable laws or under the Grantee's service contract with our Group, the date of cessation of his employment with our Group;

(v) the occurrence of any act of bankruptcy, insolvency or entering into of any arrangements or compositions with his creditors generally by the Grantee, or conviction of the Grantee of any criminal offence involving his integrity or honesty;

(vi) the date on which the Board exercises our Company's right to cancel, revoke or terminate the Option on the ground that the Grantee commits a breach of paragraph (10) in respect of that or any other Option; or

(vii) subject to the compromise or arrangement as referred to in paragraph (16) becoming effective, the date on which such compromise or arrangement becomes effective.

(24) Disclosure in annual and interim reports

Our Company will disclose details of the Post-IPO Share Option Scheme in its annual and interim reports including the number of Options, date of grant, Subscription Price, Option Period, vesting periods and (if appropriate) a valuation of Options granted during the financial year/period in the annual/interim reports in accordance with the GEM Listing Rules in force from time to time.

(25) Present status of the Post-IPO Share Option Scheme

(i) Application to Stock Exchange for the grant of Options

As at the date of this prospectus, no Option has been granted or agreed to be granted under the Post-IPO Share Option Scheme. Application has been made to the Stock Exchange for the listing and permission to deal in the Shares which may fall to be issued pursuant to the exercise of the Options which may be granted under the Post-IPO Share Option Scheme.

(ii) Value of Options

Our Directors consider it inappropriate to disclose the value of Options which may be granted under the Post-IPO Share Option Scheme as if they had been granted as at the Latest Practicable Date. Any such valuation will have to be made on the basis of certain option pricing model or other methodology, which depends on various assumptions including, the exercise price, the exercise period, interest rate, expected volatility and other variables. As no Options have been granted, certain variables are not available for calculating the value of Options. Our Directors believe that any calculation of the value of Options as at the Latest Practicable Date based on a number of speculative assumptions would not be meaningful and would be misleading to investors.

(26) Alteration of the Post-IPO Share Option Scheme

(i) The provisions of the Post-IPO Share Option Scheme may be altered in any respect by resolution of the Board except that the provisions of the Post-IPO Share Option Scheme as to:

(a) the definitions of "Grantee", "Option Period" and "Participant";

(b) the provisions of the above paragraphs on any change to the authority of the Board and scheme administrators in relation to the terms of the Post-IPO Share Option Scheme; and

(c) all such other matters set out in Rule 23.03 of the GEM Listing Rules,

shall not be altered to the advantage of the Participants except with the prior approval of the Shareholders 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 affected Grantees as would be required of the Shareholders under the Articles for the time being for a variation of the rights attached to the Shares.

(ii) Any alterations to the terms and conditions of the Post-IPO Share Option Scheme which are of a material nature must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the Post-IPO Share Option Scheme.

(iii) Notwithstanding anything to the contrary contained under paragraph (26)(i) and (26)(ii), the Board may at any time alter or modify the Scheme in any way to the extent necessary to cause the Scheme to comply with any statutory provisions or the regulations of any regulatory or other relevant authority. Any amendment to any terms of the Scheme or the Options granted shall comply with the relevant requirements of Chapter 23 of the GEM Listing Rules.

E. OTHER INFORMATION

1. Estate duty, tax and other indemnity

All of our Controlling Shareholders have entered into the Deed of Indemnity in favour of our Company (for itself and as trustee for each member of our Group) pursuant to which our Controlling Shareholders have covenanted, agreed and undertaken to fully indemnify and keep our Company (for itself and as trustee for each member of our Group) and each other member of our Group fully indemnified at all times from and against any direct or indirect diminution in or depletion in or reduction in the value of the assets, or increase in the liabilities, or loss, modification, cancellation, reduction or deprivation of any relief, of any member of our Group as a direct or indirect result or consequence of or in connection with, in relation to or arising out of any taxation claim relating to:

(i) any duty which is or hereafter becomes payable by any member of our Group under or by virtue of the provision of section 35 and/or section 43 of the Estate Duty Ordinance (Chapter 111 of the Laws of Hong Kong) (the "**Estate Duty Ordinance**") or legislation similar thereto in Hong Kong or any part of the world by reason of the death of any person at any time and by reason of the transfer of property to any member of our Group or any of such assets being deemed for the purpose of the Estate Duty Ordinance or legislation similar thereto in any part of the world to be included in the property passing on his death by reason of that person making or having made a relevant transfer to any member of our Group or to any other person, entity or company on or before the date on which the conditions under the Deed of Indemnity are fulfilled (or where applicable, waived) in accordance with the terms of the Deed of Indemnity (the "**Fulfilment Date**");

(ii) any amount recovered against any member of our Group under the provisions of section 43(7) of the Estate Duty Ordinance or legislation similar thereto in Hong Kong or any part of the world in respect of any duty payable under section 43(1) or 43(6) of the Estate Duty Ordinance or legislation similar thereto in Hong Kong or any part of the world by reason of the death of any person and by reason of the assets of any member of our Group or any of such assets being deemed for the purpose of the Estate Duty Ordinance or legislation similar thereto in Hong Kong or any part of the world to be included in the property passing on his death by reason of that person making or having made a relevant transfer to any member of our Group or to any other person, entity or company on or before the Fulfilment Date;

(iii) any amount of duty which any member of our Group is obliged to pay by virtue of section 43(1)(c) of the Estate Duty Ordinance or legislation similar thereto in Hong Kong or any part of the world in respect of the death of any person in any case where the assets of another company or any of them are deemed for the purpose of the Estate Duty Ordinance or legislation similar thereto in Hong Kong or any part of the world to be included in the property passing on that person's death as a result of that person making or having made a relevant transfer to that other company and by reason of any member of our Group or any other person, entity or company having received any distributed assets of that other company on their distribution within the meaning of the Estate Duty Ordinance or legislation similar thereto in Hong Kong or any part of the world on or before the Fulfilment Date, but only to the extent to which any member of our Group is unable to recover any amount or amounts in respect of that duty from any other person under the provisions of section 43(7)(a) of the Estate Duty Ordinance or legislation similar thereto in Hong Kong or any part of the world;

(iv) any penalty imposed on our Group or any member of our Group under section 42 of the Estate Duty Ordinance by reason of the relevant company defaulting on any obligation to give information to the Commissioner of Inland Revenue under section 42(1) of the Estate Duty Ordinance, provided that such obligation arises on or before the Fulfilment Date;

(v) any taxation falling on any member of our Group in respect of or by reference to any income, profits or gains earned, accrued or received or deemed to have been earned, accrued or received on or before the Fulfilment Date, or any acts, omissions, transactions, matters, things or events entered into or occurring or deemed to enter into or occur on or before such date whether alone or in conjunction with any other events, acts or circumstances wherever, however or whenever occurring and whether or not such taxation is chargeable against or attributable to any other person, firm or company, including any taxation resulting from the receipt by any member of our Group of any amounts paid by our Controlling Shareholders under this Deed; and

(vi) all reasonable costs (including all legal costs), expenses, interests, penalties or other liabilities which any member of our Group may make, suffer or incur in connection with:

(a) the investigation, assessment or contesting of any taxation claim under the Deed of Indemnity;

(b) the settlement of any taxation claim under the Deed of Indemnity;

(c) any legal proceedings in which any member of our Group claims in relation to any taxation claim under or in respect of the Deed of Indemnity and in which judgment, award or decision is given for any member of our Group; or

(d) the enforcement of any such settlement or judgment referred to in (b) and (c) above.

The indemnity given above does not cover any taxation claim to the extent that:

(i) specific provision, reserve or allowance has been made for such taxation or taxation claim in the audited consolidated financial statements of our Company or any member of our Group for the Track Record Period; or

(ii) the taxation arises or is incurred as a result of retrospective change in law or a retrospective increase in tax rates coming into force after the Fulfilment Date; and

(iii) the taxation arises in the ordinary course of business of our Company and/or other member of our Group after 31 March 2016 up to and including the Fulfilment Date.

The indemnity given above shall cover any taxation claim which falls on our Company or any member of our Group if such taxation arises due to some act or omission of, or transaction voluntarily effected by, our Company or any member of our Group (whether alone or in conjunction with some other act, omission or transaction, whenever occurring) not in their ordinary course of business on or before the Fulfilment Date.

Our Controlling Shareholders have further covenanted, agreed and undertaken to fully indemnify and at all times keep our Company and the relevant member of our Group fully indemnified on demand against all penalties, claims, actions, demands, proceedings, litigations (without limitation to any legal costs), judgments, losses, liabilities, damages, costs, administrative or other charges, fees, expenses and fines of whatever nature which may be imposed on or suffered by or incurred by our Company and/or other member of our Group as a result of directly or indirectly or in connection with:

(i) any litigation, arbitrations, claims (including counter-claims), complaints, demands and/or legal proceedings instituted by or against our Company and/or any member of our Group in relation to events occurred on or before the Fulfilment Date; and

(ii) any non-compliance with the applicable laws, rules or regulations by our Company and/or any member of our Group on or before the Fulfilment Date except that provision, reserve or allowance has been made for such liabilities in the audited consolidated financial statements of our Company or any member of our Group for the Track Record Period.

2. Litigation

As at the Latest Practicable Date, save as disclosed in this prospectus, to the best of our Directors' knowledge, there is no current litigation or any pending or threatened litigation or arbitration proceedings against any member of our Group that could have a material adverse effect on our Group's financial condition or results of operation.

3. Sole Sponsor

The Sole Sponsor has, on behalf of our Company, made an application to the Listing Division for the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned herein and any Shares which may be allotted and issued upon the exercise of the Offer Size Adjustment Option and any options granted or to be granted under the Share Option Schemes. All necessary arrangements have been made to enable the securities to be admitted into CCASS.

The Sole Sponsor satisfies the independence criteria applicable to sponsors as set out in Rule 6A.07 of the GEM Listing Rules.

The Sole Sponsor's fees are approximately HK$6.5 million and are payable by our Company.

4. Preliminary expenses

The preliminary expenses of our Company are estimated to be approximately HK$20,000 and are payable by our Company.

5. Promoter

(a) Our Company does not have any promoter for the purposes 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 or given nor are any proposed to be paid, allotted or given to any promoter of our Company in connection with the Placing or the related transactions described in this prospectus.

6. Qualifications of experts

The following are the qualifications of the experts who have given opinion or advice which are contained in this prospectus, and have given and have not withdrawn their written consent to the issue of this prospectus with the inclusion of their letter, report, and/or valuation certificate opinion and/or references to their names (as the case may be), all of which are dated the date of this prospectus, in the form and context in which they respectively appear in this prospectus:

Name	Qualification
Quam Capital Limited	A licensed corporation under the SFO permitted to carry out type 6 (advising on corporate finance) regulated activities
Deloitte Touche Tohmatsu	Certified Public Accountants
Appleby	Legal advisers as to Cayman Islands law
Mr. Lung Chi Tak	Barrister-at-law in Hong Kong
Asset Appraisal Limited	Independent valuer

7. 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 (WUMP) Ordinance so far as applicable.

8. Share Registrars

The 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 Boardroom Share Registrars (HK) Limited. Save where our Directors otherwise agree, all transfers and other documents of title to Shares must be lodged for registration with, and registered by, the Hong Kong Share Registrar and may not be lodged in the Cayman Islands.

9. Taxation of holders of Shares

(a) Hong Kong

Dealings in Shares registered on our Company's Hong Kong register of members will be subject to Hong Kong stamp duty, and the current rate charged on each of the purchaser and seller is 0.1% of the consideration or, if higher, the fair value of the Shares being sold or transferred. Profits from dealings in the Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax.

(b) The Cayman Islands

Under present Companies Law, transfers and other dispositions of Shares are exempt from Cayman Islands stamp duty, as long as our Company does not hold any interest in land in the Cayman Islands.

(c) Consultation with professional advisers

Intending holders of 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 Shares or exercising any rights attaching to them. It is emphasised that none of our Company, our Directors or the other parties involved in the Placing can accept 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 Shares or exercising any rights attaching to them.

10. Miscellaneous

Save as disclosed herein:

(a) 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, agreed to be issued or is proposed to be issued 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 share or loan capital of our Company or any of our subsidiaries;

(iii) no commission has been paid or payable for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any Shares or shares in any of our subsidiaries; and

(iv) no founder, management or deferred shares nor any debentures of our Company or any of our subsidiaries have been issued or agreed to be issued.

(b) no share, warrant 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;

(c) our Group has no outstanding convertible debt securities;

(d) our Directors confirm that, up to the Latest Practicable Date, there had been no material adverse change in the financial or trading position or prospects of our Group since 31 March 2016, being the date on which the latest audited financial information of our Group was reported in the Accountants' Report set out in Appendix I to this prospectus; and

(e) our Directors confirm that 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 24 months immediately preceding the date of this prospectus.

11. Particulars of the Selling Shareholder

The following are the particulars of the Selling Shareholder:

Name	Address	Shareholder	Description	Number of Sale Shares
Dining Concepts (International) Limited	P.O. Box 957 Offshore Incorporations Centre Road Town Tortola British Virgin Islands	100% owned by Total Commitment, which in turn is 100% owned by Mr. Sekhri, our executive Director	A company incorporated in the BVI	59,010,000

12. 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).

13. Financial adviser

We have appointed Ivory Capital as our financial adviser to advise and assist our Company on the structure, timing and strategy of the Pre-IPO Investments. The appointment of Ivory Capital was not made pursuant to the requirements of the GEM Listing Rules, and is separate and distinct from the appointment of the Sole Sponsor (which is required to be made by our Company pursuant to the GEM Listing Rules). The Sole Sponsor is responsible for fulfilling its duties as sponsor to our Company's application to the Stock Exchange for Listing, and the Sole Sponsor has not relied on any of the work performed by Ivory Capital in fulfilling those duties.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to the copy of this prospectus delivered to the Registrar of Companies in Hong Kong for registration were:

(a) the written consents referred to in the section headed "Other information — Qualifications of experts" in Appendix IV to this prospectus;

(b) a copy of each of the material contracts referred to in the section headed "Further information about the business of our Group — Summary of material contracts" in Appendix IV to this prospectus; and

(c) the particulars of the Selling Shareholder.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the offices of Loeb & Loeb LLP of 21st Floor, CCB Tower, 3 Connaught 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 the Articles of Association;

(b) the Accountants' Report from Deloitte Touche Tohmatsu, the text of which is set out in Appendix I to this prospectus;

(c) the report from Deloitte Touche Tohmatsu in respect of the unaudited pro forma financial information, the text of which is set out in Appendix II to this prospectus;

(d) the audited consolidated financial statements of our Group for the financial years ended 31 March 2014, 31 March 2015 and 31 March 2016;

(e) the letter of advice from Appleby, legal advisers to our Company as to Cayman Islands law, summarising the constitution of our Company and certain aspects of the Cayman Islands company law referred to in Appendix III to this prospectus;

(f) the Cayman Islands Companies Law;

(g) the legal opinion issued by Mr. Lung Chi Tak, our Hong Kong Legal Counsel;

(h) the material contracts referred to in the section headed "Further information about the business of our Group — Summary of material contracts" in Appendix IV to this prospectus;

(i) the service agreements with each of our Directors referred to in the section headed "Further information about directors, chief executive and substantial shareholders — Particulars of service agreements" in Appendix IV to this prospectus;

(j) the written consents referred to in the section headed "Other information — Qualifications of experts" in Appendix IV to this prospectus;

(k) the rules of the Pre-IPO Share Option Scheme; and

(l) the rules of the Post-IPO Share Option Scheme.

Dining Concepts

Dining Concepts Holdings Limited