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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in MS Concept Limited, you should at once hand this circular to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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MS CONCEPT LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8447)

MAJOR TRANSACTION IN RELATION TO RENEWAL OF LEASE AGREEMENT FOR AN EXISTING PREMISES

All capitalised terms used in this circular have the meaning set out in the section headed “Definitions” of this circular. A letter from the Board is set out on pages 5 to 11 of this circular.

Pursuant to Rule 19.44 of the GEM Listing Rules, in lieu of a resolution to be passed at a general meeting of the Company, written Shareholder’s approval for the New Tenancy Agreement had been obtained from Future More, a Controlling Shareholder holding 75% of the total number of the issued Shares as at the Latest Practicable Date. No general meeting will be convened for approving the New Tenancy Agreement and this circular is for information only.

This circular will remain on the “Latest Listed Company Information” page of the GEM website (www.hkgem.com) for at least 7 days from the date of publication and on the website of the Company (www.mrsteak.com.hk).

8 September 2020

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized 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.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“2019 Master Supply Agreement”	the master supply agreement dated 8 November 2019 entered into between MS Restaurant and Elite in relation to the supply of chilled and frozen meat and seafood and other food supplies by Elite to the Group, details as set out in the section headed “2019 Master Supply Agreement” in a circular dated 5 December 2019
“Announcement”	the announcement of the Company dated 18 August 2020 in relation to the New Tenancy Agreement
“Articles”	the articles of association of the Company
“associates”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the Board of Directors of the Company
“BVI”	the British Virgin Islands
“Company”	MS Concept Limited, a company incorporated in the Cayman Islands, whose issued Shares are listed on GEM of the Stock Exchange
“Concert Party Deed”	a concert party deed entered into by Mr. Kwong, Ms. Ingrid Ip, Ms. Kwong, Mr. Joseph Kwong and Ms. Melanie Kwong on 23 November 2017, details of which are set out in the section headed “History, Development and Reorganisation — Parties acting in concert” of the Prospectus
“Controlling Shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules and unless the context requires otherwise, refers to Mr. Kwong, Ms. Ingrid Ip, Ms. Kwong, Mr. Joseph Kwong, Ms. Melanie Kwong and Future More
“Director(s)”	director(s) of the Company
“Elite”	Elite Fresh Food Company Limited (鮮運食品有限公司), a company incorporated in Hong Kong on 16 October 1984 with limited liability and owned as to 50%, 25% and 25% by Ms. Ingrid Ip, Mr. Joseph Kwong and Ms. Melanie Kwong, respectively

DEFINITIONS

“Future More”	Future More Company Limited, a company incorporated with limited liability in the BVI on 7 November 2017 and owned as to 14%, 18%, 18%, 25% and 25% by Mr. Kwong, Ms. Ingrid Ip, Ms. Kwong, Mr. Joseph Kwong and Ms. Melanie Kwong and being a Controlling Shareholder
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM, as amended, modified, and supplemented from time to time
“Group”	the Company and its subsidiaries
“HKFRS(s)”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is/are not connected persons of the Company and is/are third party(ies) independent of the Company and its connected persons in accordance with the GEM Listing Rules
“INED(s)”	independent non-executive Director(s) of the Company
“Latest Practicable Date”	3 September 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing”	the listing of the issued Shares of the Company on GEM on 16 April 2018
“Lord Master”	Lord Master Limited (爵士有限公司), a company incorporated in Hong Kong with limited liability on 6 December 2002 and a wholly-owned subsidiary of the Company
“Lord Restaurant”	Lord Restaurant Limited, a company incorporated in Hong Kong with limited liability on 26 March 2020 and a wholly-owned subsidiary of the Company
“MCGL”	Market Century Global Limited, a company which was incorporated in the BVI with limited liability on 28 February 2014

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“Meric Investment”	Meric Investment Limited (明力投資有限公司), a limited liability company incorporated in Hong Kong on 29 March 2000 and a wholly-owned subsidiary of the Company
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Companies
“Mr. Joseph Kwong”	Mr. Kwong Tai Wing Joseph, being one of the Controlling Shareholders, the brother of Mr. Kwong and Ms. Melanie Kwong, the uncle of Ms. Kwong, and the brother-in-law of Ms. Ingrid Ip
“Mr. Kwong”	Mr. Kwong Tai Wah, being the chairman of the Board, chief executive officer, one of the executive Directors, one of the Controlling Shareholders, the spouse of Ms. Ingrid Ip, the father of Ms. Kwong, and the brother of Mr. Joseph Kwong and Ms. Melanie Kwong
“Ms. Ingrid Ip”	Ms. Ip Yin King Ingrid, being one of the Controlling Shareholders, the spouse of Mr. Kwong, the mother of Ms. Kwong, and the sister-in-law of Mr. Joseph Kwong and Ms. Melanie Kwong
“Ms. Kwong”	Ms. Kwong Man Yui, being the vice-chairlady of the Board, one of the executive Directors, one of the Controlling Shareholders, the daughter of Mr. Kwong and Ms. Ingrid Ip, and the niece of Mr. Joseph Kwong and Ms. Melanie Kwong
“Ms. Melanie Kwong”	Ms. Kwong Ching Yee Melanie, being one of the Controlling Shareholders, the sister of Mr. Kwong and Mr. Joseph Kwong, the aunt of Ms. Kwong, and the sister-in-law of Ms. Ingrid Ip
“MS Restaurant”	MS Restaurant Group Limited, a company incorporated with limited liability in the BVI on 7 November 2017 and directly wholly-owned by the Company and being the intermediate holding company of the Group
“New Tenancy Agreement”	the new tenancy agreement dated 18 June 2020 (but signed and returned by MCGL in late July 2020) and entered into between Lord Restaurant and MCGL for the renewal of the lease agreement in respect of the Premises
“Premises”	the whole of 6th floor of the World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong

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“Prospectus”	the prospectus dated 29 March 2018 for the listing of the issued Shares of the Company on GEM
“Restaurant”	the restaurant operated by the Group at the Premises under the brand “Mr. Steak — Buffet à la minute”
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) with a nominal value of HK\$0.01 each in the share capital of our Company
“Shareholder(s)”	holder(s) of the Share(s)
“SHKP”	Sun Hung Kai Properties Limited, a company incorporated in Hong Kong with limited liability and is listed on the Main Board of the Stock Exchange (stock code: 16)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

LETTER FROM THE BOARD

MS CONCEPT LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8447)

Executive Directors:

Mr. Kwong Tai Wah

(Chairman and Chief Executive Officer)

Ms. Kwong Man Yui *(Vice Chairlady)*

Mr. Lam On Fai

Registered Office:

Cricket Square, Hutchins Drive

P.O. Box 2681

Grand Cayman, KY1-1111

Cayman Islands

Independent non-executive Directors:

Mr. Lai Ming Fai Desmond

Dr. Cheng Lee Lung

Mr. Kwok Yiu Chung

Head Office and Principal Place of

Business in Hong Kong:

Room 2313, 23/F

Hong Kong Plaza

186–191 Connaught Road West

Hong Kong

8 September 2020

To the Shareholders

Dear Sir or Madam,

**MAJOR TRANSACTION
IN RELATION TO RENEWAL OF LEASE AGREEMENT
FOR AN EXISTING PREMISES**

Reference is made to the Announcement in relation to the New Tenancy Agreement.

The purpose of this circular is to provide you, among other things, further information in relation to the New Tenancy Agreement.

NEW TENANCY AGREEMENT

The Group has renewed the lease agreement of the Premises and the New Tenancy Agreement dated 18 June 2020 (but signed and returned by MCGL in late July 2020) was entered into between Lord Restaurant (a wholly-owned subsidiary of the Company) as tenant, and MCGL (an Independent Third Party) as landlord, for renewal of the lease agreement in respect of the Premises for a term of three years commencing from 1 December 2020 to 30 November 2023 (both days inclusive).

LETTER FROM THE BOARD

The terms of the New Tenancy Agreement are as follows:

- Date : 18 June 2020
- Parties : (1) Market Century Global Limited, an Independent Third Party, as landlord; and
(2) Lord Restaurant Limited, a wholly-owned subsidiary of the Company, as tenant
- Premises : The whole of 6th floor of the World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong
- Term : 1 December 2020 to 30 November 2023 (both days inclusive)
- Total consideration payable : The total consideration payable under the New Tenancy Agreement is approximately HK\$28.0 million (inclusive of promotion levy, air-conditioning and management charges) subject to additional turnover rent representing the amount by which 12% of the monthly gross sales turnover exceeds the monthly basic rent of each calendar month in accordance with the New Tenancy Agreement, which will be satisfied by internal resources of the Group.
- The rent is determined after arm's length negotiations between MCGL and Lord Restaurant after taking into consideration the prevailing market price of comparable premises in the vicinity of the Premises.
- Rent free period : No rent free period is granted.
- Payable term : The monthly basic rent shall be payable in advance on the first day of each calendar month. The turnover rent shall be payable in arrears but no later than the 15th day of the following month. Both the basic rent and turnover rent shall be payable on a monthly basis and subject to final review and adjustment at the end of each calendar year.

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Deposits : A sum equivalent to three months' basic rental, air-conditioning and management charges shall be payable by the tenant to the landlord. The deposit will be refunded to the tenant by the landlord without interest within 30 days after the expiration of the New Tenancy Agreement and the delivery of vacant possession to the landlord and after the settlement of the last outstanding claim by the landlord against the tenant in respect of any arrears of rent and all other charges payable by the tenant and any breach, non-observance or non-performance of any of the agreements, stipulations terms and conditions contained in the New Tenancy Agreement and on the part of the tenant to be observed and performed, whichever shall be the later.

THE RIGHT-OF-USE ASSET

The lease agreement dated 26 July 2018 of the Premises expired on 30 April 2020. Currently, the Group operates the Restaurant under a licence agreement entered into between Lord Restaurant and MCGL for the period from 1 May 2020 to 30 November 2020 (both days inclusive) where a variable turnover rent of 12% of the monthly gross sales turnover is charged. This turnover rent can only be reliably estimated according to the turnover earned under the operation of the Restaurant and constitutes variable lease payments which were not included in the measurement of the lease liability at initial recognition. Therefore, no right-of-use asset is recognised and the turnover rent will be charged to the profit or loss of the Group in accordance with HKFRS 16 *Leases*.

The value of the right-of-use asset recognised by the Group under the New Tenancy Agreement amounted to approximately HK\$19.4 million, which is calculated with reference to the present value of the aggregated lease payments to be made under the New Tenancy Agreement, in accordance with HKFRS 16 *Leases*.

Since the turnover rent under the New Tenancy Agreement can only be reliably estimated according to the revenue generated from the operation of the Restaurant, such amount constitutes variable lease payments and were not included in the measurement of the lease liability at initial recognition but will be charged to the profit or loss of the Group in accordance with HKFRS 16 *Leases*.

REASON FOR AND THE BENEFITS OF ENTERING THE NEW TENANCY AGREEMENT

The Group is principally engaged in the provision of catering services in Hong Kong. The Group leased the Premises under the lease agreement dated 26 July 2018 for the operation of its Restaurant under the brand “Mr. Steak — Buffet à la minute”, which expired on 30 April 2020. Currently, the Group operates the Restaurant under a licence agreement entered into between Lord Restaurant and MCGL for the period from 1 May 2020 to 30 November 2020 (both days inclusive) before the effective date of the New Tenancy Agreement. In evaluating the renewal of the lease agreement, the Directors consider that the Restaurant has been operated in the Premises for approximately six years and the monthly rental per square feet of

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gross floor area of the Premises is fair and reasonable, taking into account that the monthly rental is comparable to the monthly rental in the lease agreement which was entered into by the Group in July 2018. The Company has also assessed the rental value of comparable premises located at four floors of the same building where the Premises is situated with reference to the available market rateable value and noted that the market yearly rental for the whole floor ranged from approximately HK\$6.5 million to HK\$7.0 million, representing an average monthly rental from approximately HK\$542,000 to HK\$583,000. Since the monthly rental of the New Tenancy Agreement, excluding promotion levy, air-conditioning and management charges, falls within the market prices of HK\$542,000 to HK\$583,000, the Directors are of the view that the rental of the Premises is comparable to the comparable premises. Moreover, the Directors consider that the location of the shopping mall where the Premises located is popular and easily accessible by various means of transport. Hence, the entering of the New Tenancy Agreement will enable the Group to continue its operation of the Restaurant at the Premises and secure a stable cashflow to the Group and is in the interest of the Shareholders.

The Directors, including the INEDs, considered that the transaction contemplated under the New Tenancy Agreement was entered into in the ordinary and usual course of business of the Group, and the New Tenancy Agreement was entered into on normal commercial terms after arm's length negotiations between the parties, and the terms of the transaction contemplated under the New Tenancy Agreement were fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE PARTIES

Information of the Group

The Company is an investment holding company and the Group is principally engaged in the provision of catering services in Hong Kong.

Information of Lord Restaurant

Lord Restaurant is a company incorporated in Hong Kong with limited liability on 26 March 2020 and is a wholly-owned subsidiary of the Company. Lord Restaurant is principally engaged in the business of providing catering services in Hong Kong.

Information of MCGL

MCGL is a company incorporated in the BVI with limited liability on 28 February 2014. To the best knowledge, information and belief of the Directors, the principal activities of MCGL include property investment and handling the leasing of the premises of the World Trade Centre in Causeway Bay, Hong Kong.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, and the publicly available information, (i) MCGL is a wholly-owned subsidiary of SHKP, a company incorporated in Hong Kong with limited liability and is listed on the Main Board of the Stock Exchange (stock code: 16); and (ii) each of MCGL, SHKP and the ultimate beneficial owners of MCGL and SHKP are Independent Third Parties.

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Apart from the New Tenancy Agreement, the existing licence agreement and the previous lease agreements in relation to the Premises, the Group had also entered into certain lease agreements with the subsidiaries or associates of SHKP in respect of its restaurants operated in Hong Kong under the brand “Mr. Steak” at Metroplaza, Kwai Fong and East Point City, Hang Hau and the restaurant operated under the brand “Sky Bar” at Yoho Mall, Yuen Long which expired in July 2020. Save and except these lease agreements, the New Tenancy Agreement, the existing licence agreement and the previous lease agreements for the Premises, to the best knowledge, information and belief of the Directors having made all reasonable enquiries, there are no other past or present relationships (whether formal or informal, whether business or otherwise and whether express or implied) amongst MCGL and its ultimate beneficial owners with the Company or its connected persons.

EFFECTS OF THE NEW TENANCY AGREEMENT ON THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND CONSOLIDATION STATEMENT OF FINANCIAL POSITION OF THE GROUP

In accordance with HKFRS 16 *Leases*, the value of the right-of-use asset recognised by the Group under the New Tenancy Agreement amounted to approximately HK\$19.4 million which is calculated with reference to the present value of the aggregated lease payments to be made. The Group will depreciate the right-of-use asset over the estimated useful life of 36 months on a straight line-basis and a monthly depreciation amounting to approximately HK\$0.6 million will be charged to the consolidated statement of profit or loss. Lease liabilities amounting to approximately HK\$19.4 million is recognised by the Group in the consolidated statement of financial position and will decrease upon the settlement of lease payments to the landlord accordingly. There would be no change in net assets on the consolidated statement of financial position of the Group immediately after the entering into the New Tenancy Agreement.

Since the turnover rent can only be reliably estimated according to the revenue earned from the operation of the Restaurant, such amount constitutes variable lease payments and were not included in the measurement of the lease liability at initial recognition but will be charged to the profit or loss of the Group in accordance with HKFRS 16 *Leases*.

FINANCIAL AND BUSINESS PROSPECT OF THE GROUP

Up to the Latest Practicable Date, the Group operates twelve restaurants serving various cuisines in Hong Kong, including five restaurants serving various western cuisine along with our signature steak under the “Mr. Steak” brand, one buffet restaurant serving international cuisine under the “Mr. Steak — Buffet à la minute” brand, one restaurant under the “Sky Bar” brand offering western cuisine along with signature seafood dishes and a wide selection of wines and cocktails, two western specialty restaurants under the “Bistro Bloom” and “Bistro Bloom/Marbling” brands serving modern and trendy western food along with specialty meat cuts, two Japanese specialty restaurants under the “Hana” brand serving “Nabemono” — Japanese hot pot dishes such as Sukiyaki, Shabu and Seiromushi and one specialty restaurant under the “犇殿” brand serving Taiwan bussian hotpot.

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The Group has been operating its Restaurant under the brand “Mr. Steak — Buffet à la minute” at the Premises for approximately six years. The entering of New Tenancy Agreement will enable the Group to continue its operation of the Restaurant at the Premises and secure a stable cashflow to the Group.

As disclosed in the announcement of the Company dated 23 June 2020 and 31 July 2020 and the circular of the Company dated 24 July 2020, the Group entered into a tenancy agreement in respect of a premises for a new restaurant operating under a new brand offering Taiwanese cuisine and this new restaurant under the “犇殿” brand serving Taiwan bussian hotpot commenced operation on 31 August 2020.

The outbreak of novel coronavirus (COVID-19) pandemic since January 2020 affected the business environment and consumption sentiment in Hong Kong. However, the experienced management team continues to adopt cost saving measures, as well as exploring appropriate opportunities to expand our restaurant business in Hong Kong with a more prudent approach to maximize the return to Shareholders.

LISTING RULES IMPLICATION

Pursuant to HKFRS 16 *Leases*, the Company if entering into lease transaction as lessee will recognise a right-of-use asset in its consolidated financial statements. Such transaction will be regarded as acquisition of capital asset for the purpose of the GEM Listing Rules.

As one or more than one of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the New Tenancy Agreement based on the value of the right-of-use asset recognised by the Group is more than 25% but below 100%, the New Tenancy Agreement constitutes a major transaction of the Company, and is therefore subject to the reporting, announcement and Shareholders’ approval requirements pursuant to Chapter 19 of the GEM Listing Rules.

Under Rule 19.44 of the GEM Listing Rules, Shareholders’ approval for a major transaction may be obtained by way of written Shareholders’ approval in lieu of holding a general meeting if (a) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the transaction; and (b) the written Shareholders’ approval has been obtained from a Shareholder or a closely allied group of Shareholders who together hold more than 50% of the voting rights at that general meeting to approve the transaction.

The Directors confirm that, to the best of their knowledge, information and belief after having made all reasonable enquiries, MCGL is an Independent Third Party and therefore no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the New Tenancy Agreement. Future More, being a Controlling Shareholder, is beneficially interested in 750,000,000 Shares, representing 75% of the total number of issued Shares of the Company as at the Latest Practicable Date, had given written approval to the Company to approve each of the New Tenancy Agreement in lieu of a general meeting pursuant to Rule 19.44 of the GEM Listing Rules. Therefore, no general meeting of

LETTER FROM THE BOARD

the Company for the approval of the New Tenancy Agreement will be held. Future More has also confirmed that neither it nor any of its associates have any material interest in the New Tenancy Agreement.

RECOMMENDATION

The Board (including the INEDs) considers that the entering into of the New Tenancy Agreement, the terms of the New Tenancy Agreement and the transaction contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Although a general meeting will not be convened by the Company to approve the New Tenancy Agreement, if such a general meeting were to be convened by the Company, the Board would recommend the Shareholders to vote in favour of the resolutions to approve the New Tenancy Agreement.

GENERAL

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
For and on behalf of the Board
MS Concept Limited
Kwong Tai Wah
Chairman and Executive Director

1. FINANCIAL SUMMARY OF THE GROUP

The Company is required to set out in this circular the financial information for the last three financial years with respect to the profits and losses, financial record and position, as a comparative table and the latest published audited statement of financial position together with the notes on the annual accounts for the last financial year for the Group.

The audited consolidated financial statements of the Group for the year ended 31 March 2020 are set out in pages 52 to 111 of the annual report 2020 of the Company which was published on 23 June 2020 on the website of the GEM at www.hkgem.hk and the website of the Company at www.mrsteak.com.hk.

The audited consolidated financial statements of the Group for the year ended 31 March 2019 are set out in pages 50 to 107 of the annual report 2019 of the Company which was published on 5 June 2019 on the website of the GEM at www.hkgem.hk and the website of the Company at www.mrsteak.com.hk.

The audited consolidated financial statements of the Group for the year ended 31 March 2018 are set out in pages 47 to 95 of the annual report 2018 of the Company which was published on 28 June 2018 on the website of the GEM at www.hkgem.hk and the website of the Company at www.mrsteak.com.hk.

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 July 2020, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had the following indebtedness:

Bank and other borrowings

As at 31 July 2020, the Group had total bank borrowings of approximately HK\$11.6 million. The bank borrowings are interest-bearing at Hong Kong Dollar Prime Rate over or minus a spread as appropriate.

Pledge deposits

As at 31 July 2020, bank deposits of the Group of approximately HK\$2.0 million were pledged to a bank for general banking facilities granted to the Group.

Contingent liabilities

The Group had no contingent liabilities as at 31 July 2020.

Disclaimers

Save as aforesaid, and apart from intra-group liabilities and normal trade and other payables in the ordinary course of the business, the Group did not have any outstanding debt securities issued and outstanding, and authorised or otherwise created but unissued, term loans, bank overdrafts and loans, other loans or other similar indebtedness, liabilities

under acceptance or acceptance credits, debentures, mortgages, charges, hire purchases commitments, other recognised lease liabilities, guarantees or contingent liabilities, at the close of business on 31 July 2020. The Board has confirmed that, save as disclosed above, there has not been any material change in the indebtedness or contingent liabilities of the Group since 31 July 2020.

3. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the financial resources, including banking facilities and other borrowings available to the Group and its internally generated funds, and considering the effect of the New Tenancy Agreement of the Premises, in absence of unforeseen circumstances, the Group has sufficient working capital for its present requirement for at least the next twelve months from the date of publication of this circular.

4. MATERIAL ADVERSE CHANGES

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 March 2020, being the date to which the latest published audited financial statements of the Company were made up.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material aspects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests and short positions of directors and the chief executives in the Shares, underlying Shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they are taken or deemed to have under such provisions of the SFO) or as recorded in the register of the Company required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Long positions in the Shares and underlying Shares of the Company

Name of Directors	Capacity/Nature of interests	Number of Shares	Percentage of shareholding (note 3)
Mr. Kwong (Notes 1 and 2)	Interest in controlled corporation	750,000,000	75%
Ms. Kwong (Notes 1 and 2)	Interest in controlled corporation	750,000,000	75%

Notes:

- On 23 November 2017, Mr. Kwong, Ms. Ingrid Ip, Ms. Kwong, Mr. Joseph Kwong and Ms. Melanie Kwong entered into the Concert Party Deed to acknowledge and confirm, among other things, that each of them has acted and shall continue to act in concert in respect of each of Meric Investment, Lord Master and the Company. Details of the Concert Party Deed are set out in the section headed “History, Development and Reorganisation — Parties acting in concert” of the Prospectus. As such, pursuant to the parties acting in concert arrangement, each of Mr. Kwong, Ms. Ingrid Ip, Ms. Kwong, Mr. Joseph Kwong and Ms. Melanie Kwong is deemed to be interested in the Shares registered in the name of Future More (i.e. 75% of the issued share capital of the Company) by virtue of the SFO.

2. As at the Latest Practicable Date, Future More held 750,000,000 Shares and Future More was owned as to 14% by Mr. Kwong, 18% by Ms. Ingrid Ip, 18% by Ms. Kwong, 25% by Mr. Joseph Kwong and 25% by Ms. Melanie Kwong respectively. Mr. Kwong is the director of Future More.
3. These percentages are calculated on the basis of 1,000,000,000 Shares in issue as at the Latest Practicable Date.

Long positions in the shares of associated corporation

Name of Directors	Name of associated corporation	Capacity/Nature of interest	Number of shares held	Percentage of shareholding
Mr. Kwong	Future More	Interests held jointly with another person; beneficial owner	14	14%
Ms. Kwong	Future More	Interests held jointly with another person; beneficial owner	18	18%

Save as disclosed above and so far as is known to the Directors, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests or short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or as recorded in the register of the Company required to be kept under Section 352 of the SFO, or which were required pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

(b) Interests and short positions of substantial shareholders and other persons in the shares and underlying shares of the Company

As at the Latest Practicable Date, the following persons/entities (other than the Directors or chief executive of the Company) had or were deemed to have interests or short positions in the shares, the underlying shares and debentures of the Company which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the

register of the Company required to be kept under Section 336 of the SFO, or who were 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 meeting of the Company or any other member of the Group:

Name of substantial shareholders	Capacity/Nature of interests	Number of Shares held	Percentage of shareholding (note 3)
Future More (Notes 1 and 2)	Beneficial owner	750,000,000	75%

Notes:

1. Pursuant to the Concert Party Deed, Mr. Kwong, Ms. Ingrid Ip, Ms. Kwong, Mr. Joseph Kwong and Ms. Melanie Kwong have agreed to acknowledge and confirm, among other things, that each of them has acted and will continue to act in concert in respect of each of Meric Investment, Lord Master and the Company. Details of the Concert Party Deed are set out in the section headed “History, Development and Reorganisation — Parties acting in concert” of the Prospectus. As such, pursuant to the parties acting in concert arrangement, each of Mr. Kwong, Ms. Ingrid Ip, Ms. Kwong, Mr. Joseph Kwong and Ms. Melanie Kwong is deemed to be interested in the Shares registered in the name of Future More (i.e. 75% of the issued share capital of the Company) by virtue of the SFO.
2. As at the Latest Practicable Date, Future More was owned as to 14% by Mr. Kwong, 18% by Ms. Ingrid Ip, 18% by Ms. Kwong, 25% by Mr. Joseph Kwong and 25% by Ms. Melanie Kwong, respectively.
3. This percentage is calculated on the basis of 1,000,000,000 Shares in issue as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, the Directors are not aware of any other persons who had or were deemed to have an interest or a short position in the shares or the underlying shares of the Company which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under Section 336 of the SFO, or who were 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 the Company or any other member of the Group.

3. DIRECTORS' INTEREST IN COMPETING BUSINESS

As at the Latest Practicable Date, none of (i) the Group's compliance adviser, Alliance Capital Partners Limited, neither itself nor each of its directors, employees and close associates (as referred to in Rule 6A.32 of the GEM Listing Rules); and (ii) the Directors, controlling shareholders of the Company and their respective close associates (as defined under the GEM Listing Rules), was interested in any business which competes or is likely to compete either directly or indirectly with the business of the Group (as would be required to be disclosed under the GEM Listing Rules if each of them were a controlling shareholder).

4. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claims of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

5. SERVICE CONTRACTS OF DIRECTORS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group which does not expire or is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

6. DIRECTORS' INTERESTS IN ASSETS AND CONTRACTS OF THE GROUP

As at the Latest Practicable Date, none of the Directors or expert had any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2020, being the date to which the latest published audited consolidated financial statements of the Company were made up.

On 8 November 2019, MS Restaurant entered into the 2019 Master Supply Agreement with Elite for the supply of chilled and frozen meat and seafood and other food ingredients to the Group for a term of three years from 1 April 2020 to 31 March 2023 and details of which are set out in the circular dated 5 December 2019. Under the 2019 Master Supply Agreement, MS Restaurant as purchaser and Elite as supplier whereby the Group will purchase and Elite will supply chilled and frozen meat and seafood and other food ingredients to the Group for the restaurant operations. The proposed annual caps under the 2019 Master Supply Agreement for the three years ending 31 March 2023 are approximately HK\$41.0 million, HK\$49.0 million and HK\$57.0 million, respectively.

Save as disclosed above, no Director was materially interested in any contract or arrangement subsisting at the Latest Practicable Date which was significant in relation to the business of the Group taken as a whole.

7. MATERIAL CONTRACTS

No contracts outside the ordinary course of business carried on by the Group had been entered into by the Group within the two years immediately preceding the date of this circular and up to the Latest Practicable Date which are or may be material.

8. GENERAL

- (a) The secretary of the Company is Mr. Poon Tsz Hang, who is a fellow member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants and the Institute of Chartered Accountants in England and Wales respectively.
- (b) The compliance officer of the Company is Ms. Kwong Man Yui, who is the vice chairlady and one of the executive Directors of the Company.
- (c) The registered office of the Company in Cayman Islands is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The head office and the principal place of business of the Company in Hong Kong is at Room 2313, 23/F, Hong Kong Plaza, 186–191 Connaught Road West, Hong Kong.
- (d) The principal share registrar and transfer office of the Company in Cayman Islands is Conyers Trust Company (Cayman) Limited at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The branch share registrar and transfer office of the Company in Hong Kong is Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (e) The audit committee of the Company was established on 16 April 2018 with written terms of reference in accordance with Rule 5.28 of the GEM Listing Rules and in compliance with paragraph C.3 of the Corporate Governance Code as set out in Appendix 15 to the GEM Listing Rules. The primary duties of the audit committee include, among others, to make recommendations to the Board on the appointment, re-appointment and removal of the external auditors, to approve the remuneration and terms of engagement of the external auditors, and handling any questions of their resignation or dismissal, monitor the integrity of the Group's financial statements and the annual, interim and quarterly financial reports, to review the Group's financial and accounting policies and practices and to review the Group's financial controls, and risk management and internal control system. The audit committee currently consists of three INEDs and is chaired by Mr. Lai Ming Fai Desmond (“**Mr. Lai**”), the other members are Dr. Cheng Lee Lung (“**Dr. Cheng**”) and Mr. Kwok Yiu Chung (“**Mr. Kwok**”).

Mr. Lai, aged 47, was appointed as an INED on 23 March 2018. Mr. Lai is currently a partner of WWC Professional Corporation Limited, and was the chief financial officer of Asia Television Digital Media Limited, an over-the-top digital entertainment platform and a wholly-owned subsidiary of Asia Television Holdings Limited which is listed on the Main Board of the Stock Exchange (stock code: 707). Prior to this, Mr. Lai held senior positions at international accounting firms, leading

audit and management consulting practices. Mr. Lai obtained his Bachelor's degree of Commerce in Accounting and Finance from the University of New South Wales in Australia. He is a fellow member of CPA Australia and a member of the Hong Kong Institute of Certified Public Accountants.

Dr. Cheng, aged 67, was appointed as an INED on 23 March 2018. Dr. Cheng holds a number of professional, government advisory and public positions in Hong Kong. Dr. Cheng obtained his Bachelor's degree in Science and Master's degree in Science from Chelsea College (currently known as King's College London), University of London in England in August 1976 and July 1981 respectively. He obtained his Doctor's degree in Information and Communication Engineering from the Tsinghua University in China in July 2004.

Mr. Kwok, aged 57, was appointed as an INED on 23 March 2018. Mr. Kwok is the chief executive officer of CBK Holdings Limited, a company listed on GEM of the Stock Exchange (stock code: 8428). Mr. Kwok has been appointed to various positions of the Hong Kong Federation of Restaurants & Related Trades (香港餐飲聯業協會) (the “**Federation**”) since 2007 and has been a director of the Federation since 2015.

- (f) Should there be any inconsistencies between the English text and the Chinese text of the circular, the English text of this circular shall prevail over the Chinese text.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at Room 2313, 23/F., Hong Kong Plaza, 186–191 Connaught Road West, Hong Kong during normal business hours from 9:30 a.m. to 12:00 p.m. and 2:00 p.m. to 5:30 p.m. on any weekday (except Saturdays and public holidays) for a period of 14 days from the date of this circular:

- (a) the memorandum and articles of association of the Company;
- (b) the annual reports of the Company for the two years ended 31 March 2019 and 2020;
- (c) the circular issued by the Company dated 24 July 2020 of the major transactions of the Company in relation to (i) the renewal of lease agreement and (ii) the entering of a tenancy agreement in respect of a new restaurant; and
- (d) this circular.