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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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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 and the accompanying form of proxy 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 THE NEW LICENCE AND LEASE OF THE PREMISES  
IN RESPECT OF THE NEW BUFFET BUSINESS**

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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 12 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 Agreements has 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 Agreements and this circular is for information only.

This circular will remain on the “Latest Listed Company Information” page of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) for at least 7 days from the date of publication and on the website of the Company ([www.mrstreak.com.hk](http://www.mrstreak.com.hk)).

12 January 2024

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## CHARACTERISTICS OF GEM

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**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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## CONTENTS

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	<i>Page</i>
<b>DEFINITIONS</b> .....	1
<b>LETTER FROM THE BOARD</b> .....	5
<b>APPENDIX I – FINANCIAL INFORMATION OF THE GROUP</b> .....	13
<b>APPENDIX II – GENERAL INFORMATION</b> .....	15

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## DEFINITIONS

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

“2022 Master Supply Agreement”	the master supply agreement dated 21 December 2022 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 “2022 Master Supply Agreement” in a circular dated 3 February 2023
“Agreements”	collectively, the Licence Agreement and the Lease Agreement
“Announcement”	the announcement of the Company dated 5 December 2023 in relating to the new licence and lease of the Premises
“Articles”	the articles and 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. John 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. John 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, 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

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## DEFINITIONS

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“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. John 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”	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 Standard(s) 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 person(s) of the Company and is/are third party(ies) independent of the Company and its connected person(s) in accordance with the GEM Listing Rules
“INED(s)”	Independent Non-executive Director(s) of the Company
“Latest Practicable Date”	5 January 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Lease”	the lease of the Premises for the operation of the New Buffet Restaurant pursuant to the Agreements
“Lease Agreement”	the Lease Agreement signed by Meric Hotel Buffet and returned to Royal Park Hotel on 5 December 2023 in respect of the lease of the Premises
“Licence Agreement”	the Licence Agreement signed by Meric Hotel Buffet and returned to Royal Park Hotel on 5 December 2023 in respect of the new licence to occupy and use the Premises

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## DEFINITIONS

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“Meric Hotel Buffet”	Meric Hotel Buffet Limited, a company incorporated in Hong Kong with limited liability and being a wholly-owned subsidiary of the Company
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Companies
“Mr. John Kwong”	Mr. Kwong Tai Wah, being the chairman of the Board, the chief executive officer of the Company, 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
“Mr. Joseph Kwong”	Mr. Kwong Tai Wing Joseph, being one of the Controlling Shareholders, the brother of Mr. John Kwong and Ms. Melanie Kwong, the uncle of Ms. Kwong, and the brother-in-law of Ms. Ingrid Ip
“Mr. Kwok”	Mr. Kwok Yiu Chung, being one of the INEDs and members of the audit committee of the Company
“Ms. Ingrid Ip”	Ms. Ip Yin King Ingrid, being one of the Controlling Shareholders, the spouse of Mr. John 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. John 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. John 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 Buffet Restaurant”	the buffet restaurant to be operated by the Group on the Premises
“Premises”	Shop No. 301, Level 3 of Royal Park Hotel, 8 Pak Hok Ting Street, Shatin, Hong Kong
“Prospectus”	the prospectus dated 29 March 2018 for the listing of the issued Shares of the Company on GEM

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## DEFINITIONS

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“Royal Park Hotel”	Royal Park Hotel Management Limited, a company incorporated in Hong Kong with limited liability and is an associated company of SHKP
“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 the 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\$” or “cents”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“%”	percent

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## LETTER FROM THE BOARD

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### 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 1409-10, 14/F.

Hong Kong Plaza

186-191 Connaught Road West

Hong Kong

12 January 2024

*To the Shareholders*

Dear Sir or Madam,

### MAJOR TRANSACTION IN RELATION TO THE NEW LICENCE AND LEASE OF THE PREMISES IN RESPECT OF THE NEW BUFFET BUSINESS

Reference is made to the Announcement in respect of the new licence and lease of the Premises in respect of the new buffet business.

Meric Hotel Buffet (a wholly-owned subsidiary of the Company) as licensee and tenant, has signed and returned the Agreements to Royal Park Hotel (an Independent Third Party) as the licensor and landlord on 5 December 2023 for (i) the new licence for Meric Hotel Buffet to occupy and use the Premises from 8 December 2023 to 6 March 2024 (both days inclusive); and (ii) the new lease of the Premises in respect of the new buffet business for a term of four years and nine months commencing from 7 March 2024 to 7 December 2028 (both days inclusive).

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

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## LETTER FROM THE BOARD

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### THE LICENCE AGREEMENT

The terms of the Licence Agreement are as follows:

- Parties** : (1) Royal Park Hotel, an Independent Third Party, as the licensor;  
and  
(2) Meric Hotel Buffet, a wholly-owned subsidiary of the Company,  
as the licensee
- Premises** : Shop No. 301, Level 3 of Royal Park Hotel, 8 Pak Hok Ting Street,  
Shatin, Hong Kong
- Term** : 8 December 2023 to 6 March 2024 (both days inclusive)
- Licence fee** : Basic licence fee of HK\$100 per month subject to an additional turnover  
licence fee representing the amount by which 6% of the monthly gross  
sales turnover exceeds the basic monthly licence fee of each calendar  
month in accordance with the Licence Agreement, which will be  
satisfied by internal resources of the Group.

Since the Group would have to renovate the Premises before operation of the new buffet restaurant, the Licence Agreement was entered into by the parties with a nominal sum of basic licence fee of HK\$100 per month for the purpose of providing the Group with a 90-day period for the renovation of Premises, and in the case where the new buffet restaurant managed to commence business in the Premises within the 90-day period, an additional turnover licence fee will be payable under the Licence Agreement.

The licence fee is determined after arm's length negotiations between Royal Park Hotel and Meric Hotel Buffet after taking into consideration the prevailing market license fees and licence terms of comparable premises in the vicinity of the Premises.

- Payment terms** : The basic monthly licence fee shall be payable in advance on the first day of each calendar month; whereas, the additional turnover licence fee shall be payable in arrears no later than the 14th day of the following month.

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## LETTER FROM THE BOARD

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The basic monthly licence fee payable on the first day of each calendar month are fair and reasonable since the Company occupied the premises to carry on the business since the first day of every month in which a liability is already created. Furthermore, based on the experience of the Group's management, basic monthly licence fee payable in advance is a common practice in property rental market in Hong Kong. As such, the Directors considered that the payment terms are on normal commercial terms, fair and reasonable and in the interest of the Company and the Shareholders as a whole.

### THE LEASE AGREEMENT

As disclosed in the Announcement, the terms of the Lease Agreement are as follows:

- Parties** : (1) Royal Park Hotel, an Independent Third Party, as the landlord;  
and  
(2) Meric Hotel Buffet, a wholly-owned subsidiary of the Company, as tenant
- Premises** : Shop No. 301, Level 3 of Royal Park Hotel, 8 Pak Hok Ting Street, Shatin, Hong Kong
- Term** : 7 March 2024 to 7 December 2028 (both days inclusive)
- Total consideration payable** : The total consideration payable under the Lease Agreement is approximately HK\$42.5 million (inclusive of 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 Lease Agreement, which will be satisfied by internal resources of the Group.

The rent is determined after arm's length negotiations between Royal Park Hotel and Meric Hotel Buffet after taking into consideration the prevailing market price of comparable premises in the vicinity of the Premises.

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## LETTER FROM THE BOARD

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**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 no later than the 14th day of the following month.

The basic monthly rent payable on the first day of each calendar month are fair and reasonable since the Company occupied the premises to carry on the business since the first day of every month in which a liability is already created. Furthermore, based on the experience of the Group's management, basic monthly rent payable in advance is a common practice in property rental market in Hong Kong. As such, the Directors considered that the payment terms are on normal commercial terms, fair and reasonable and in the interest of the Company and the Shareholders as a whole.

**Extended area** : The tenant shall enter into a separate licence agreement as the licensee with the landlord as licensor to exclusively use the extended area located outside the Premises at the licence fee of HK\$100 during the term of the Lease.

### **DETERMINATION OF PRICING FOR LICENCE FEE AND RENT**

The licence fee and rent are determined after arm's length negotiations between Royal Park Hotel and Meric Hotel Buffet after taking into consideration the prevailing market prices and terms of comparable premises in the vicinity of the Premises.

As the Premises is situated at a hotel located in Shatin, New Territories, the Company has searched for and made enquiries to comparable premises in other hotels located in Shatin, New Territories for determination of the prevailing market price for renting the premises. Upon a series of enquiries, it is hard to identify comparable hotel premises and obtain the market rental information because the buffet restaurants are in general operated and managed by the hotel operators or their associated companies and such premises are generally not opened for leasing to third parties. Nevertheless, the Company has managed to obtain and assessed the asking rent of premises available for dining business located in the immediate vicinity of the shopping arcades where the Premises is situated and also the historical licence fee and rent of the premises in such shopping arcade, so as to make sure that the comparison is exhaustive, adequate, sufficient, fair and representative for determination of pricing.

### **THE RIGHT-OF-USE ASSETS**

The value of the right-of-use assets recognised by the Company under the Agreements amounted to approximately HK\$31.3 million, which is calculated with reference to the present value of the aggregated monthly basic licence fee under the Licence Agreement and the aggregated lease payments to be made under the Lease Agreement in accordance with HKFRS 16 *Leases*.

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## LETTER FROM THE BOARD

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Since the turnover licence fee under the Licence Agreement and the turnover rent under the Lease Agreement can only be reliably estimated according to the gross sales turnover generated from the operation of the New Buffet Restaurant, such amount constitutes variable lease payments and were not included in the measurement of the lease liability at initial recognition under HKFRS 16 *Leases*. Therefore, no right-of-use asset related to the turnover licence fee and the turnover rent is recognised, and the turnover licence fee and the turnover rent 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 LICENCE AND LEASE OF THE PREMISES IN RESPECT OF THE NEW BUFFET BUSINESS**

The Group is principally engaged in the provision of catering services in Hong Kong.

As disclosed in the Prospectus, the Group plans to enhance its market share by opening restaurants in districts that are not on its existing portfolio. After the relief of COVID-19 since 2023, the Group resumed to proactively identify suitable and strategic locations in Hong Kong for the opening of new restaurants to expand its network. The Company has also assessed the licence fee and rental value of premises situated in the immediate vicinity of the shopping arcades located at Shatin, New Territories where the Premises is situated with reference to the available market licence fee and rental value. Since the monthly licence fee and rental of the Agreements fall within the market price and the Premises is handover by the landlord on an “as-is” basis where less capital investments is expected, the Directors are of the view that the licence fee and rent of the Premises are comparable to the comparable premises. After considering the terms of the Agreements, the Board is of the view that the monthly licence fee under the Licence Agreement and the monthly rental per square feet of gross floor area of the Premises under the Lease Agreement are fair and reasonable considering the prevailing market rent, licence terms, lease terms, licence fees and rent of comparable premises in the vicinity of the Premises. Leveraging on the success of the Group’s buffet business under the brand “Mr. Steak - Buffet à la minute”, the Board intends to operate the New Buffet Restaurant at the Premises (i) to secure a new and an additional source of income to the Group to maximize the Shareholders’ return; and (ii) to enable the Group to expand its restaurant operations in Hong Kong.

The Directors, including the independent non-executive Directors, considered that the transactions contemplated under the Agreements was entered into in the ordinary and usual course of business of the Group, and the Agreements were entered into on normal commercial terms after arm’s length negotiations between the parties, and the terms of the transactions contemplated under the Agreements were fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **INFORMATION OF THE PARTIES**

#### **Information on the Group and Meric Hotel Buffet**

The Group is principally engaged in the provision of catering services in Hong Kong.

Meric Hotel Buffet is a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of the Company. Meric Hotel Buffet is principally engaged in the business of providing catering services.

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## LETTER FROM THE BOARD

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### **Information on Royal Park Hotel**

Royal Park Hotel is a company incorporated in Hong Kong with limited liability. To the best knowledge, information and belief of the Directors having made all reasonable enquiries and observations on the publicly available information, (i) Royal Park Hotel is an associated company 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); (ii) Royal Park Hotel is principally engaged in property management; and (iii) each of Royal Park Hotel, SHKP and the ultimate beneficial owners of Royal Park Hotel and SHKP is an Independent Third Party.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, there is, and in the past twelve months, there has been, no material loan arrangement between (a) Royal Park Hotel, any of its directors and legal representatives and/or any ultimate beneficial owner(s) of Royal Park Hotel who can exert influence on the transaction; and (b) the Company, any connected person at the Company's level and/or any connected person at the subsidiary level (to the extent that such subsidiary/subsidiaries is/are involved in the transaction).

### **EFFECTS OF THE AGREEMENTS 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 Agreements amounted to approximately HK\$31.3 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 assets over the estimated useful life of 60 months on a straight line-basis and a monthly depreciation amounting to approximately HK\$0.5 million will be charged to the consolidated statement of profit or loss. Lease liabilities amounting to approximately HK\$30.8 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 Agreements.

### **FINANCIAL AND BUSINESS PROSPECT OF THE GROUP**

Up to the Latest Practicable Date, the Group owned and operated eleven restaurants serving various cuisines in Hong Kong, including two restaurants serving various western cuisine along with its 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, one western specialty restaurant under the "Bistro Bloom" brand 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 Seiomushi and four restaurants under the "犇殿" brand serving Taiwanese hotpot.

The entering of the Agreements by the Group will enable the Group to secure a new and an additional source of income to the Group for a period of five years to maximize the Shareholders' return and provide a stable cashflow to the Group.

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## LETTER FROM THE BOARD

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The Premises for the New Buffet Restaurant targets to commence operation in February 2024.

After the relief of COVID-19 since 2023, our experienced management team of the Company will continue to identify suitable location and explore other appropriate opportunities to expand the Group's restaurant business in Hong Kong.

### 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 entering into the Agreements based on the value of the right-of-use assets recognised by the Group is more than 25% but below 100%, the Agreements constitute a major transaction for the Company, and is therefore subject to the notification, announcement, circular 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, each of Royal Park Hotel, SHKP and the ultimate beneficial owners of Royal Park Hotel and SHKP is an Independent Third Party. Accordingly, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Agreements. 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, has given written approval to the Company to approve the Agreements in lieu of a general meeting pursuant to Rule 19.44 of the GEM Listing Rules. Therefore, no general meeting of the Company for the approval of the Agreements will be held. Future More has also confirmed that neither it nor any of its associates has any material interest in the Agreements and the transactions contemplated thereunder.

### RECOMMENDATION

The Board (including the INEDs) considers that the entering into of the Agreements, the terms of the Agreements 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 Agreements, 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 Agreements.

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## LETTER FROM THE BOARD

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### 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 which have been published on websites of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at [www.mrsteak.com.hk](http://www.mrsteak.com.hk).

The audited consolidated financial statements of the Group for the year ended 31 March 2023 are set out in pages 53 to 113 of the annual report 2023 of the Company published on 28 June 2023, which are available on the website of the Stock Exchange at [www.hkexnews.hk/listedco/listconews/gem/2023/0628/2023062800509.pdf](http://www.hkexnews.hk/listedco/listconews/gem/2023/0628/2023062800509.pdf).

The audited consolidated financial statements of the Group for the year ended 31 March 2022 are set out in pages 51 to 113 of the annual report 2022 of the Company published on 29 June 2022, which are available on the website of the Stock Exchange at [www.hkexnews.hk/listedco/listconews/gem/2022/0629/2022062901056.pdf](http://www.hkexnews.hk/listedco/listconews/gem/2022/0629/2022062901056.pdf).

The audited consolidated financial statements of the Group for the year ended 31 March 2021 are set out in pages 52 to 111 of the annual report 2021 of the Company published on 28 June 2021, which are available on the website of the Stock Exchange at [www.hkexnews.hk/listedco/listconews/gem/2021/0628/2021062801551.pdf](http://www.hkexnews.hk/listedco/listconews/gem/2021/0628/2021062801551.pdf).

## **2. STATEMENT OF INDEBTEDNESS**

As at the close of business on 30 November 2023, 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 30 November 2023, the Group had total bank borrowings of approximately HK\$0.5 million. The bank borrowings are interest-bearing at Hong Kong Dollar Prime Rate over or minus a spread as appropriate. The bank borrowings were unsecured and guaranteed by the Company and certain group companies.

### **Pledge deposits**

As at 30 November 2023, bank deposits of the Group of approximately HK\$2.0 million were pledged to a bank for general banking facilities granted to the Group. The pledged deposits were neither secured nor guaranteed.

### **Contingent liabilities**

The Group had no contingent liabilities as at 30 November 2023.

**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 30 November 2023. 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 30 November 2023.

**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 Agreements 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.

## 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 respects 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, or pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, 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 <i>(Note 3)</i>
Mr. John Kwong <i>(Notes 1 and 2)</i>	Interest of controlled corporation; interests held jointly with another person	750,000,000	75%
Ms. Kwong <i>(Notes 1 and 2)</i>	Interest of controlled corporation; interests held jointly with another person	750,000,000	75%
Mr. Kwok	Beneficial owner	1,170,000	0.12%

*Notes:*

1. On 23 November 2017, Mr. John 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 Limited, Lord Master Limited 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. John 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 Shares) by virtue of the SFO. Mr. John Kwong is the Chairman, an executive Director and the chief executive officer and Ms. Kwong is an executive Director.
2. As at the Latest Practicable Date, (i) Future More held 750,000,000 Shares and Future More was owned as to 14% by Mr. John Kwong, 18% by Ms. Ingrid Ip, 18% by Ms. Kwong, 25% by Mr. Joseph Kwong and 25% by Ms. Melanie Kwong respectively; and (ii) Mr. John Kwong was the sole 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*

<b>Name of Directors</b>	<b>Name of associated corporation</b>	<b>Capacity/ Nature of interest</b>	<b>Number of shares held</b>	<b>Percentage of shareholding</b>
Mr. John 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, or pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, 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 and so far is known to the Directors, the following person(s) or entity(ies) (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 Divisions 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:

*Long positions in the Shares and underlying Shares of the Company*

<b>Name of substantial shareholders</b>	<b>Capacity/ Nature of interests</b>	<b>Number of Shares held</b>	<b>Percentage of shareholding (Note 3)</b>
Future More (Notes 1 and 2)	Beneficial owner	750,000,000	75%
Ms. Ingrid Ip	Interest of controlled corporation	750,000,000	75%
Mr. Joseph Kwong	Interest of controlled corporation	750,000,000	75%
Ms. Melanie Kwong	Interest of controlled corporation	750,000,000	75%

*Notes:*

- Pursuant to the Concert Party Deed, Mr. John 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 Limited, Lord Master Limited 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. John 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 Shares) by virtue of the SFO.
- As at the Latest Practicable Date, Future More was owned as to 14% by Mr. John Kwong, 18% by Ms. Ingrid Ip, 18% by Ms. Kwong, 25% by Mr. Joseph Kwong and 25% by Ms. Melanie Kwong, respectively.
- These percentages are 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 Divisions 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 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. 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 2023, being the date to which the latest published audited financial statements of the Company were made up.

### **5. 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.

### **6. 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).

### **7. 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 2023, being the date to which the latest published audited consolidated financial statements of the Company were made up.

On 21 December 2022, MS Restaurant entered into the 2022 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 2023 to 31 March 2026 and details of which are set out in the circular dated 3 February 2023. Under the 2022 Master Supply Agreement, MS Restaurant as the purchaser and Elite as the 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 2022 Master Supply Agreement for the three years ending 31 March 2026 are approximately HK\$44.0 million, HK\$53.0 million and HK\$59.0 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.

## **8. MATERIAL CONTRACTS**

The 2022 Master Supply Agreement and the lease agreements in relation to lease of premises for the restaurants were entered into in the ordinary course of business carried on by the Group.

Saved as disclosed above, 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.

## **9. 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 1409-10, 14/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 17/F., Far East Finance Centre, 16 Harcourt Road, 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 D.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.

Mr. Lai, aged 50, was appointed as an INED on 23 March 2018 and is a member of the remuneration committee of the Company. Mr. Lai was the Chief Financial Officer of Asia Television Digital Media Limited, a wholly-owned subsidiary of Asia Television Holdings Limited, a company listed on Main Board of the Stock Exchange (stock code: 707) and the Chief Operating Officer of a major real estate development of Lai Fung Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1125), under the Lai Sun Group. Prior to the above, Mr. Lai held senior positions at international accounting firms, leading audit and management consulting practices in various business sectors and markets. 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 70, was appointed as an INED on 23 March 2018 and is a member of each of the remuneration committee and the nomination committee of the Company. 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 60, was appointed as an INED on 23 March 2018 and is the chairman of the remuneration committee and a member of the nomination committee of the Company. Mr. Kwok was the chief executive officer of CBK Holdings Limited, a company listed on GEM of the Stock Exchange (stock code: 8428) during October 2016 to November 2020. 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 was a director of the Federation.

- (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.

**10. DOCUMENT ON DISPLAY**

Copies of the following documents will be published on the respective websites of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at [www.mrsteak.com.hk](http://www.mrsteak.com.hk) for a period of 14 days from the date of this circular:

- (a) the Licence Agreement;
- (b) the Lease Agreement; and
- (c) this circular.