

SUMMARY

This summary aims to give you an overview of the information contained in this prospectus. As this is a summary, it does not contain all the information that may be important to you, and is qualified in its entirety by, and should be read in conjunction with, the full text of this prospectus. You should read this prospectus in its entirety before you decide to invest in the Offer Shares.

There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in “Risk Factors”. You should read that section carefully before you decide to invest in the Offer Shares. Various expressions used in this section are defined in “Definitions” and “Glossary”.

OVERVIEW

We are a food and beverage and entertainment group based in Hong Kong that owns and operates two night entertainment clubs, namely Volar and Fly; and three restaurants focusing on Japanese-style curry dishes under our proprietary “Tiger” brand. According to the F&S Report, we were one of the leading market players in the clubbing market in Hong Kong in terms of revenue for the year ended 31 May 2016 with a market share of approximately 10.6% and Volar is internationally recognised. In May 2016, Volar was awarded “Asia’s Best Club” by the Asian Club and Bar Association. In December 2016, Volar and Fly were awarded “Quality Bar Label Award” by the Hong Kong Bar & Club Association.

We position our two clubs strategically to cover different segments of the night entertainment club market. Volar targets customers with strong spending power and aims to provide a premium clubbing experience, while Fly aims to appeal to the younger white collar professionals and university students and graduates and provide a high-end clubbing experience.^(Note) Volar is situated in Lan Kwai Fong, a night entertainment district in Hong Kong. Fly is also located in Central. In July 2013, we acquired Group Best (HK) (the operating company of Volar) from a company that Mr. Kester Ng and his associates had an effective ownership of 16.73%. In November 2015, we acquired 55.5% and an aggregate of 44.5% interests of Grand Diamond (the operating company of Fly) from (i) a company that Mr. Kester Ng’s associate had an effective ownership of 12.26%; and (ii) certain Independent Third Parties, respectively.

Our three “Tiger” branded restaurants are aimed at mass market customers. Tiger Curry and Tiger Curry & Cafe are casual dining restaurants while our Tiger Curry Jr. is a quick service restaurant. We seek to distinguish ourselves from other local casual dining and quick service restaurant concepts by creating food menus centred on Japanese-style curry dishes yet at the same time also offer a variety of other Japanese dishes with broad appeal. All of our restaurants are strategically located in prime areas.

The table below sets forth a breakdown of our revenue by principal business activity for the periods.

	Year ended 31 May				Four months ended 30 September			
	2015		2016		2015		2016	
	Revenue	% of total revenue	Revenue	% of total revenue	Revenue	% of total revenue	Revenue	% of total revenue
	(HK\$'000)	(%)	(HK\$'000)	(%)	(HK\$'000)	(%)	(HK\$'000)	(%)
Clubbing operations	62,082	92.1	72,851	82.0	18,707	79.5	24,240	79.2
Restaurant operations	5,305	7.9	16,019	18.0	4,812	20.5	6,373	20.8
Total	67,387	100.0	88,870	100.0	23,519	100.0	30,613	100.0

Note: Customer base is determined by the estimated average spending of a customer. Premium refers to an estimated average spending of a customer of around HK\$500 and high-end refers to an estimated average spending of a customer of around HK\$300.

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The table below sets forth a breakdown of our revenue by outlet for the periods indicated.

	Year ended 31 May				Four months ended 30 September			
	2015		2016		2015		2016	
	Revenue (HK\$'000)	% of total revenue (%)	Revenue (HK\$'000)	% of total revenue (%)	Revenue (HK\$'000) (Unaudited)	% of total revenue (%)	Revenue (HK\$'000)	% of total revenue (%)
Volar ^(Note)	62,082	92.1	62,748	70.6	18,707	79.5	19,726	64.4
Fly	—	—	10,103	11.4	—	—	4,514	14.8
Tiger Curry	5,208	7.8	6,044	6.8	2,294	9.8	1,960	6.4
Tiger Curry Jr.	97	0.1	4,982	5.6	1,548	6.6	2,003	6.5
Tiger Curry & Cafe	—	—	4,993	5.6	970	4.1	2,410	7.9
Total	67,387	100.0	88,870	100.0	23,519	100.0	30,613	100.0

Note: For the two years ended 31 May 2016 and the four months ended 30 September 2016, the profit before income tax expense of Volar amounted to approximately HK\$9.6 million, HK\$10.2 million and HK\$1.7 million, representing approximately 111.7%, 97.7% and 97.7% of the profit before income tax expense of our Group (after excluding the non-recurring Listing expenses of approximately HK\$8.2 million incurred during the four months ended 30 September 2016), respectively. The profit contribution from Volar to our Group exceed 100% for the year ended 31 May 2015 as we incurred lost mainly in our restaurant operations during the year.

The table below sets forth a breakdown of our revenue generated from our clubbing operations by service for the periods indicated.

	Year ended 31 May				Four months ended 30 September			
	2015		2016		2015		2016	
	Revenue (HK\$'000)	% of revenue from clubbing operations (%)	Revenue (HK\$'000)	% of revenue from clubbing operations (%)	Revenue (HK\$'000) (Unaudited)	% of revenue from clubbing operations (%)	Revenue (HK\$'000)	% of revenue from clubbing operations (%)
Gross sales of beverage	65,341	105.2	78,188	107.3	20,645	110.3	26,031	107.4
Less: sales discount	(9,654)	(15.5)	(11,568)	(15.9)	(3,389)	(18.1)	(4,382)	(18.1)
Net sales of beverage ^(Note)	55,687	89.7	66,620	91.4	17,256	92.2	21,649	89.3
Entrance fee income	4,503	7.3	3,220	4.4	649	3.5	1,124	4.6
Sponsorship income	896	1.4	1,652	2.3	502	2.7	1,069	4.4
Others	996	1.6	1,359	1.9	300	1.6	398	1.7
Total	62,082	100.0	72,851	100.0	18,707	100.0	24,240	100.0

Note: According to the Hong Kong Accounting Standard (“HKAS”) 18 – Revenue, the amount of revenue is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts and volume rebates allowed by the entity. Therefore, sales of beverage of our Group were accounted for net of sales discounts.

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GENERAL INFORMATION AND OPERATING DATA OF OUR OUTLETS

The table below sets forth a summary of our clubs and restaurants.

Name of outlet	Address as shown in the liquor licence/ general restaurant licence/food factory licence	Month/Year of our operation of business/ commencement of business	Approximate gross floor area (sq. ft.)	Maximum capacity ⁽¹⁾ (seats)	Aggregate rental cost during the Track Record Period	Operating profit ⁽²⁾				Key licences								
						Years ended 31 May		Four months ended 30 September		General restaurant licence		Light refreshment restaurant licence		Liquor licence		Water pollution control licence		
						2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
				(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	Licence number	Validity period	Licence number	Validity period	Licence number	Validity period	Licence number	Validity period	
Volar	Basement, 38-44 D'Aguiar Street, Central, Hong Kong	July 2013	5,563	293	33,853	50,468	50,818	15,259	16,353	N/A	N/A	3118800027	3 June 2016 to 2 June 2017	5213004410	23 July 2016 to 22 April 2017 ⁽⁷⁾	WT00023701-	1 March 2016 to 31 March 2021	
Fly	G/F, 24-30 Ice House Street, Central, Hong Kong	November 2015	2,147	200	2,600	—	8,221	—	3,652	N/A	N/A	31188002759	3 February 2017 to 2 February 2018	5218803201	11 February 2017 to 10 February 2019	WT00024519-	18 May 2016 to 31 May 2021	
Tiger Curry	G/F, 14 Pennington Street, Causeway Bay, Hong Kong	14 April 2014	595	26	3,415	3,580	4,396	1,611	1,413	2212810408	17 November 2016 to 16 November 2017	N/A	N/A	5212826334	1 April 2016 to 31 March 2017 ⁽⁸⁾	WT00021013-	19 March 2015 to 31 March 2020	
Tiger Curry Jr.	Counter B, Shop B110, Basement 1, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong ⁽⁵⁾	20 May 2015	324	N/A ⁽⁴⁾	1,976 ⁽⁶⁾	39	3,581	1,100	1,443	N/A ⁽⁴⁾	N/A	N/A ⁽⁴⁾	N/A	N/A ⁽⁴⁾	N/A	N/A ⁽⁴⁾	N/A	N/A
Tiger Curry & Cafe	Shop 2602, Level 2, Gateway Arcade, Harbour City, Kowloon	30 July 2015	758	28	2,246 ⁽⁹⁾	—	3,682	644	1,841	2261812916	19 January 2017 to 18 January 2018	N/A	N/A	5261828727	18 August 2016 to 17 August 2017	WT00024024-	7 April 2016 to 30 April 2021	

Notes:

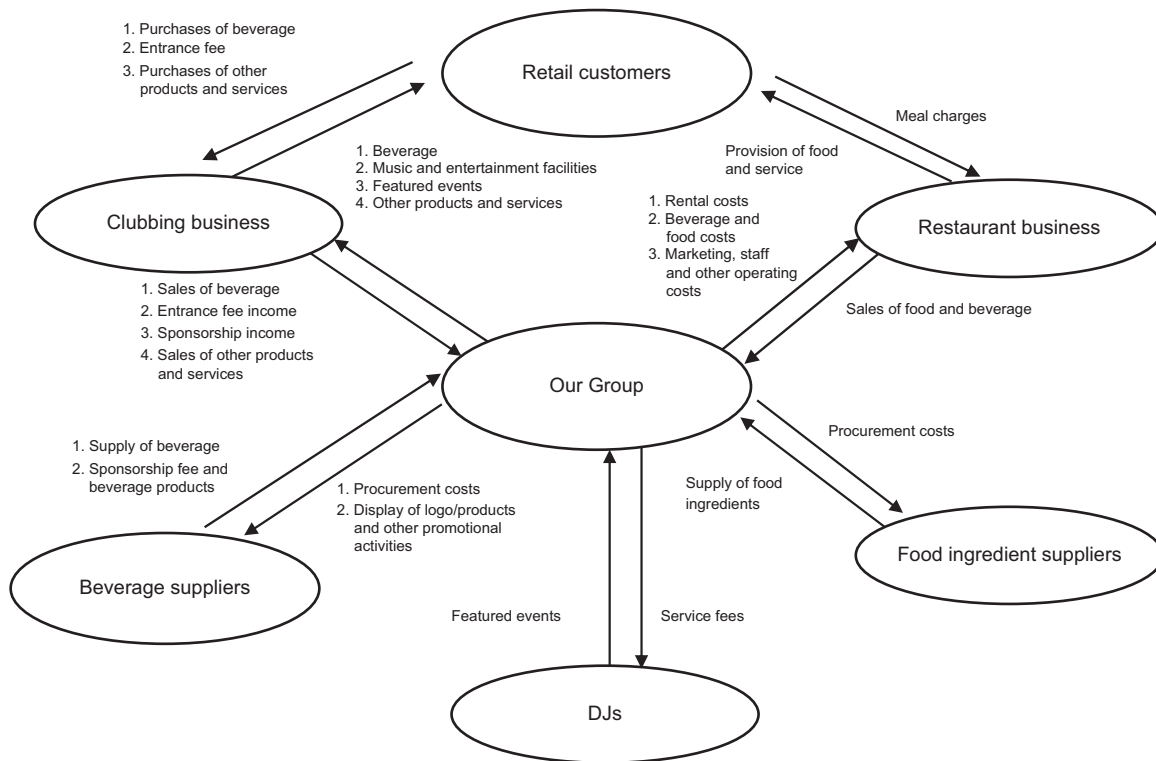
- For our clubs, the maximum capacity refers to the maximum number of people allowed (including staff in each club) by the current liquor licence of each club at any given time.
- Defined as revenue less costs of inventories sold.
- The landlords are connected persons of our Company. For details, see "Connected Transactions — Non-exempt continuing connected transactions — Leasing of properties to our Group".
- Not applicable to Tiger Curry Jr. as the food court where Tiger Curry Jr. is located provides the seats.
- As at the Latest Practicable Date, we licensed the premises on which Tiger Curry Jr. operated, and the licensor was the holder of the relevant food factory licence (valid from 22 April 2016 to 21 April 2017).
- We pay licence fee or sales turnover (whichever is greater) under the current licence agreement with the licensor. For details of the licence agreement, see "Business — Licences and permits".

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7. We submitted an application for renewal of the licence in December 2016. As at the Latest Practicable Date, the liquor licensing board had agreed to issue a renewed licence from 23 April 2017 to 22 January 2018.
8. As at the Latest Practicable Date, we had obtained a renewed licence for the period from 1 April 2017 to 31 March 2019.
9. We pay an aggregate of basic rent and turnover rent under the current tenancy agreement with the landlord. For details of the tenancy agreement, see “Business — Properties”.
10. We may not be able to renew the lease on terms commercially acceptable to us given the continuing rising rents in the past 11 years in respect of the premises where Volar has been operating. The rentals during the period from August 2004 to August 2008 were lower, which we believe were due to the effect of SARS in 2003 which generally caused difficulties for landlords in entering into or renewing leases in the property market in Hong Kong. During the period from August 2008 to August 2011, the rental was significantly higher, with an increase of approximately 326.9%, as the lease agreement was entered into during a period of active economic activities and before the financial crisis in October 2008. During the period from August 2011 to March 2013, the rental remained at a similar level, with an increase of approximately 34.2%, which we believed reflected the picking up of the economy and the then market rate. During the period from April 2013 to March 2016, the rental remained at a similar level, with an increase of approximately 20.4%, which we believed reflected the then market rate. The rental for the period from April 2016 to March 2019 remains unchanged. For the associated risk, see “Risk Factors — Risks relating to our business — We lease or license all the properties on which our outlets operate. Any failure to secure renewal of leases or licences on commercially acceptable terms or at all could adversely affect our growth prospects and business condition. We are also exposed to the commercial real estate rental market, including unpredictable and potentially high rental costs and competition for prime locations.”
11. We have an option to extend one more year subject to the terms agreed by both parties. Based on the existing circumstances as at the Latest Practicable Date, we will exercise the option to renew the current licence upon expiry.

BUSINESS MODEL

The diagram below illustrates our business model.



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OUR COST STRUCTURE

The following table presents the summary of our cost structure for the periods indicated.

	Year ended 31 May				Four months ended 30 September			
	2015		2016		2015		2016	
	Cost	% of total cost	Cost	% of total cost	Cost	% of total cost	Cost	% of total cost
	(HK'000)	(%)	(HK'000)	(%)	(HK'000)	(%)	(HK'000)	(%)
Cost of inventories sold	13,300	22.5	18,172	23.0	4,905	21.6	5,910	15.9
Property rentals and related expenses	16,066	27.1	20,919	26.5	6,274	27.6	7,748	20.9
Advertising and marketing expenses	11,278	19.0	11,709	14.8	3,363	14.8	3,684	9.9
Employee benefits expenses	7,656	12.9	13,068	16.5	3,514	15.4	5,929	16.0
Depreciation	3,472	5.9	4,199	5.3	1,294	5.7	1,436	3.9
Listing expenses	—	—	—	—	—	—	8,191	22.1
Other expenses	7,478	12.6	10,953	13.9	3,389	14.9	4,201	11.3
Total costs	<u>59,250</u>	<u>100.0</u>	<u>79,020</u>	<u>100.0</u>	<u>22,739</u>	<u>100.0</u>	<u>37,099</u>	<u>100.0</u>

For details, see “Financial Information”.

OUR KEY OFFERINGS

Clubbing operations

Below are key offerings for our clubbing operations:

- **Music and other entertainment facilities:** We play a wide range of music in our clubs on regular operating days. Volar has two dance floors, two DJ booths, one LED screen, a cloakroom and a lighting system which we can preprogramme to enable bands of coloured LED lights to crisscross around the club. Fly has a dance floor, a DJ booth and a LED screen;
- **Featured events:** For the two years ended 31 May 2016 and the four months ended 30 September 2016, we hosted 62, 70 and 17 featured events, respectively. Featured events included night entertainment events (i) headlined by an internationally renowned guest DJ; or (ii) based on festive and holiday themes such as Christmas, New Year’s Eve and Valentine’s Day. We believe that our featured events enhance the high-end image of our clubs, increase customer traffic and increase our overall revenue;
- **Beverage products:** We offer a variety of beverage products in our clubs. Our customers tend to order high priced alcoholic beverages such as Champagne, spirits and cocktails and liqueurs as opposed to wine, beer and soft drinks; and
- **Prepaid beverage packages:** We offer prepaid beverage package to our customers with a membership card which entitles them to discounts and other benefits and privileges.

For details, see “Business — Our clubs — Our key offerings”.

Restaurant operations

Below are menu offerings for our restaurant operations:

- **Tiger Curry:** the menu is themed around our popular Japanese curry sauce. We currently offer around 18 curry dishes on our menu. We also offer a wide variety of snacks and appetisers, including grilled sausages and Japanese-style dumplings;

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- *Tiger Curry Jr.*: the menu offers our popular curry dishes at more affordable prices which cater to the needs of working customers seeking for quality food; and
- *Tiger Curry & Cafe*: the restaurant provides an all-day dining menu and more non-curry Japanese-style dishes.

SUPPLIERS AND CUSTOMERS

For the two years ended 31 May 2016 and the four months ended 30 September 2016, we purchased from 56, 83 and 71 beverage and food ingredient suppliers, respectively. We also engaged external licensing consultant, cleaning and pest control company, security company, ticketing agent and public relations agencies. Purchases from our five largest suppliers for the two years ended 31 May 2016 and the four months ended 30 September 2016 were approximately HK\$10.7 million, HK\$12.4 million and HK\$4.3 million, respectively, representing approximately 82.7%, 70.2% and 67.7% of our total purchases, respectively. Purchases from our largest supplier for the two years ended 31 May 2016 and the four months ended 30 September 2016 were approximately HK\$8.4 million, HK\$9.4 million and HK\$3.3 million, respectively, representing approximately 65.0%, 53.4% and 51.5% of our total purchases, respectively. For details, see “Business — Suppliers”. We generate sponsorship income mainly from beverage suppliers. For the two years ended 31 May 2016 and the four months ended 30 September 2016, our sponsorship income represented approximately 1.3%, 1.9% and 3.5% of our total revenue, respectively.

During the Track Record Period, our largest supplier was Moët Hennessy Diageo Hong Kong Limited (“MHD”). According to the F&S Report, the top two best-selling Champagne brands in Hong Kong were Moët & Chandon and Veuve Clicquot which accounted for a total of 48.2% of the entire Champagne market in Hong Kong in 2015. MHD distributes premium brands such as Moët & Chandon and Veuve Clicquot in Hong Kong as the sole distributor and has exclusive right over such Champagne brands. We source Moët & Chandon and Veuve Clicquot from MHD.

Given that we are free to purchase beverage products and other Champagne brands from other suppliers and distributors and MHD is generally the supplier of the majority of market players, according to the F&S Report, our Directors are of the view that our reliance on MHD would not impact our suitability for the Listing. See “Business — Suppliers — Relationship with MHD”.

Due to the nature of our business, our customers are mainly retail customers from the general public and we did not rely on any single customer during the Track Record Period.

INDUSTRY AND MARKET

There were a total of 47 clubs in Hong Kong in 2015, with 21 located in Central, according to the F&S Report. The market size of the clubbing market in terms of total revenue in Hong Kong increased steadily with a moderate growth from 2010 to 2015 at a CAGR of 3.1%. Although a high percentage of the clubs are geographically concentrated in Central, the clubbing market in Hong Kong is fragmented with a number of smaller clubs present. Primarily, the premium clubs are located in prime districts in Hong Kong such as Lan Kwai Fong in Central. The market is now well-established and the players in the market are eager to sustain their market share and to eliminate weaker and poor performing players.

As at 31 December 2015, there were approximately 5,500 and 4,000 casual dining and quick service restaurants in Hong Kong, according to the F&S Report. Casual dining restaurants recorded a higher growth in terms of revenue from 2010 to 2015 at a CAGR of 4.9% and quick service restaurants had also maintained the growing trend during 2010 to 2015. According to the F&S Report, the restaurant market in Hong Kong is highly fragmented with a large number of operators. Majority of restaurants are set up by individual operators while some catering groups are operating chains and different brands of restaurants, especially in quick service and casual dining sectors.

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COMPETITIVE STRENGTHS

We believe that the following competitive strengths of us have contributed to our success: (i) leading position with strong brand recognition; (ii) well-designed clubs and restaurants in prime locations with diverse offerings; (iii) established relationships with our major suppliers; and (iv) experienced management team with industry knowledge.

BUSINESS STRATEGIES

We intend to pursue the following key business strategies: (i) continue to expand and diversify our outlet network by establishing sports-themed bars and expanding our restaurant network under our “Tiger” brand; and (ii) upgrade our club facilities.

RISK FACTORS

There are certain risks involved in our operations and in connection with the Share Offer, many of which are beyond our control. These risks can be broadly categorised into: (i) risks relating to our business; (ii) risks relating to our industry; (iii) risks relating to the Share Offer; and (iv) risks relating to the statements made in this prospectus and from other sources. These risk factors are further described in “Risk Factors”. Set forth below are some of the major risks that could materially and adversely affect us:

- We experienced net current liabilities during the Track Record Period.
- If our expansion plan proves to be unsuccessful, or if we fail to obtain sufficient funding for our expansion plans, our business and growth prospects may be adversely affected.
- We derive a substantial portion of our revenue from Volar. Any significant operational or other difficulties in the business at or from Volar may reduce, disrupt or halt our operation and business at the premises.
- Tiger Curry Jr., Tiger Curry & Cafe and Fly have a short operating history in our Group and our multi-brand strategy may not be successful.
- We lease or license all the properties on which our outlets operate. Any failure to secure renewal of leases or licences on commercially acceptable terms or at all could adversely affect our growth prospects and business condition. We are also exposed to the commercial real estate rental market, including unpredictable and potentially high rental costs and competition for prime locations.
- Our current outlet locations may become unattractive, and attractive new locations may not be available for a commercially reasonable price, if at all.
- The availability and price fluctuations of beverage and food ingredients could adversely affect our margins, business and results of operations.
- Our purchases from our largest supplier accounted for a majority of our total purchases throughout the Track Record Period. If our arrangements with our largest supplier is terminated, interrupted, or adversely modified, our business, financial condition and results of operations could be adversely affected.

SHAREHOLDERS' INFORMATION

Immediately following the completion of the Capitalisation Issue and the Share Offer and taking no account of any Shares which may be allotted and issued pursuant to the exercise of options which may be granted under the Share Option Scheme, our Company will be owned as to approximately 46.44% by Aplus, which is

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wholly owned by Mr. Kester Ng. As Aplus and Mr. Kester Ng are directly or indirectly entitled to exercise or control the exercise of 30% or more of the voting power at general meetings of our Company immediately following the Listing, each of Aplus and Mr. Kester Ng will be regarded as our Controlling Shareholder under the GEM Listing Rules. For details, see “Relationship with Controlling Shareholders”.

On 22 July 2016, our Pre-IPO Investors, Perfect King and Jubilee Success subscribed for 250 Shares (representing 2.5% of the enlarged issued share capital of our Company, taking into account the 600 new Shares allotted and issued by our Company to Jubilee Success) and 600 Shares (representing 6.0% of the enlarged issued share capital of our Company, taking into account the 250 new Shares allotted and issued by our Company to Perfect King), respectively, at the subscription price of HK\$1.5 million and HK\$3.6 million, respectively. Immediately following the completion of the Capitalisation Issue and the Share Offer and taking no account of any Shares which may be allotted and issued pursuant to the exercise of options which may be granted under the Share Option Scheme, our Company will be owned as to approximately 1.88% and 4.5% by Perfect King and Jubilee Success, respectively. The total proceeds from the Pre-IPO Investments were HK\$5,100,000 which were partially utilised for the payment of three months’ deposit for a standalone restaurant in Tsing Yi and general working capital. The remaining portion will be utilised for setting up a food court restaurant in Mong Kok, which is expected to commence operation in the first half of 2017. For details, see “History, Reorganisation and Corporate Structure — Pre-IPO Investments”.

REMUNERATION POLICY

For the two years ended 31 May 2016 and the four months ended 30 September 2016, the aggregate amount of remuneration paid or payable by our Group to our Directors was approximately HK\$240,000, HK\$240,000 and HK\$199,000, respectively. It is estimated that, under the arrangements currently in force, the aggregate remuneration (excluding any discretionary bonus) payable by our Group to our Directors for the year ending 31 May 2017 will be approximately HK\$0.9 million. For details of our remuneration policy, see “Directors and Senior Management — Remuneration policy”.

MAJOR ACQUISITION DURING THE TRACK RECORD PERIOD

We acquired Grand Diamond, the operating company of Fly, in November 2015. For details, see “History, Reorganisation and Corporate Structure — Corporate development — Our corporate history — Grand Diamond”.

MAJOR NON-COMPLIANCES

During the Track Record Period and up to the Latest Practicable Date, we had the following major non-compliance incidents: (i) operation of Tiger Curry without obtaining the full general restaurant licence for a specific period when the provisional restaurant licence had expired; (ii) failure to obtain the water pollution control licences for our clubbing and restaurant operations for a specific period; (iii) failure to file Form IR56E for our employees in time; and (iv) contravention of a condition of the liquor licence of Volar. For details of our non-compliances, see “Business — Litigation and compliance”.

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KEY FINANCIAL INFORMATION AND OPERATIONAL DATA

The following is a summary of our consolidated results for the periods indicated, which has been extracted from the Accountant's Report.

Key income statement information

	Year ended 31 May		Four months ended 30 September	
	2015	2016	2015	2016
	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>	<i>(HK\$'000)</i> <i>(Unaudited)</i>	<i>(HK\$'000)</i>
Revenue	67,387	88,870	23,519	30,613
Profit/(loss) before income tax expense	8,569	10,407	924	(6,414)
Profit/(loss) and total comprehensive income/(expense) for the year/period	7,099	8,384	631	(6,775)

Our total revenue increased by approximately 31.9% from approximately HK\$67.4 million for the year ended 31 May 2015 to approximately HK\$88.9 million for the year ended 31 May 2016. Such increase was mainly due to (i) the revenue contributed by Fly, which came under our operation through acquisition in November 2015, of approximately HK\$10.1 million; (ii) the increase in revenue from restaurant operations of approximately HK\$10.7 million due to the commencement of operation of Tiger Curry Jr. and Tiger Curry & Cafe in May 2015 and July 2015, respectively; and (iii) the revenue growth from Tiger Curry by approximately HK\$0.8 million for the year ended 31 May 2016 as compared to the year ended 31 May 2015.

Our total revenue increased by approximately 30.2% from approximately HK\$23.5 million for the four months ended 30 September 2015 to approximately HK\$30.6 million for the four months ended 30 September 2016. Such increase was mainly due to (i) the revenue contributed by Fly of approximately HK\$4.5 million; and (ii) the increase in revenue from restaurant operations of approximately HK\$1.6 million mainly as a result of our full-period operation of Tiger Curry & Cafe which commenced business on 30 July 2015.

The profit and total comprehensive income for the year increased by approximately HK\$1.3 million, or 18.1%, from approximately HK\$7.1 million for the year ended 31 May 2015 to approximately HK\$8.4 million for the year ended 31 May 2016. Such increase was mainly due to the increase in revenue mitigated by the rising operating expenses as a result of the operations of Fly, Tiger Curry Jr. and Tiger Curry & Cafe during the year ended 31 May 2016. The profit and total comprehensive income for the year decreased from approximately HK\$0.6 million for the four months ended 30 September 2015 to loss for the period of approximately HK\$6.8 million for the four months ended 30 September 2016. Excluding the non-recurring Listing expenses of approximately HK\$8.2 million, the profit and total comprehensive income would increase by approximately HK\$0.8 million to approximately HK\$1.4 million for the four months ended 30 September 2016.

Key balance sheet information

	As at 31 May		As at 30 September
	2015	2016	2016
	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>
Non-current assets	12,611	19,003	19,103
Current assets	17,403	20,677	16,002
Current liabilities	(25,793)	(25,519)	(22,030)
Net current liabilities	(8,390)	(4,842)	(6,028)
Total equity	3,590	11,974	10,924

Our net current liabilities position decreased by approximately HK\$3.6 million from approximately HK\$8.4 million as at 31 May 2015 to approximately HK\$4.8 million as at 31 May 2016. Such decrease was

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mainly due to an increase in cash and cash equivalents of approximately HK\$14.6 million as a result of the profit generated from our operating activities and the settlements from our related companies of approximately HK\$8.8 million during the year ended 31 May 2016.

Our net current liabilities position increased by approximately HK\$1.2 million from approximately HK\$4.8 million as at 31 May 2016 to approximately HK\$6.0 million as at 30 September 2016. Such increase was mainly due to (i) a decrease in the cash and cash equivalents of approximately HK\$8.2 million mainly as a result of the payment of non-recurring Listing expenses; and (ii) an increase in trade and other payables of approximately HK\$1.3 million resulting from accruals for Listing expenses. For further details regarding our net current liabilities position, see “Financial Information — Net current liabilities”.

Selected cash flow items

	Year ended 31 May		Four months ended 30 September	
	2015 (HK\$'000)	2016 (HK\$'000)	2015 (HK\$'000) <i>(Unaudited)</i>	2016 (HK\$'000)
Operating cash flows before movements in working capital	12,041	14,481	2,218	(4,978)
Net movement in working capital	(970)	717	(271)	(2,623)
Net cash generated from/(used in) operating activities	11,137	15,198	1,947	(7,601)
Net cash (used in)/generated from investing activities	(8,299)	1,938	(4,350)	(517)
Net cash (used in)/generated from financing activities	(1,629)	(2,558)	2,020	(99)
Net increase/(decrease) in cash and cash equivalents	1,209	14,578	(383)	(8,217)

We recorded net cash inflow from operating activities and net increase in cash and cash equivalents for the two years ended 31 May 2016. For the four months ended 30 September 2016, we recorded net cash outflow from operation activities and net decrease in cash and cash equivalents, primarily due to (i) the prepayment of Listing expenses; (ii) the prepayment of operating expenses for Fly; (iii) the sponsorship fee and incentive receivables from beverage suppliers; and (iv) the deposit paid for a new standalone restaurant to be opened in Tsing Yi.

We recorded net cash outflows in investing activities for the year ended 31 May 2015 primarily due to (i) purchase of property, plant and equipment which was mainly related to the renovation of Tiger Curry and the opening of Tiger Curry Jr. during the year ended 31 May 2015 and (ii) the increase in advances to related parties. For the year ended 31 May 2016, we recorded net cash inflows from investing activities mainly due to repayment from related companies. For further details regarding the fluctuations in our cash flows, see “Financial Information — Cash flows”.

Key financial ratios

	Year ended 31 May		Four months ended 30 September
	2015 (HK\$'000)	2016 (HK\$'000)	2016 (HK\$'000)
Net profit/(loss) margin before interest and tax (%)	12.7%	11.7%	(21.0)%
Net profit/(loss) margin (%)	10.5%	9.4%	(22.1)%
Return on equity (%)	197.7%	70.0%	N/A
Return on total assets (%)	23.7%	21.1%	N/A
Current ratio	0.7	0.8	0.7
Quick ratio	0.7	0.8	0.7
Gearing ratio (%)	369.7%	77.8%	37.7%

Gearing ratio is calculated based on total debt at the end of the financial year/period divided by total equity attributable to owners of our Company at the end of the financial year/period and multiplied by 100%. Our

SUMMARY

gearing ratio was approximately 369.7%, 77.8% and 37.7% for the two years ended 31 May 2016 and the four months ended 30 September 2016, respectively. Our gearing ratio significantly improved mainly attributable to the repayment to our related parties of approximately HK\$5.2 million and the increase in our equity base as a result of the profit generated from the operation during the four months ended 30 September 2016. For details of fluctuation of key financial ratios, see “Financial Information — Financial ratios”.

Historical accumulated losses

At the beginning of the Track Record Period, we occurred accumulated losses, which was mainly due to (i) the incurrence of pre-opening and salary costs by City Silver, the operating company of Tiger Curry, which contributed only a small portion of revenue to our Group for the year ended 31 May 2014 given that Tiger Curry commenced business on 14 April 2014; and (ii) the incurrence of time for implementation, staff training, and fine tuning of the structure and staff commission during the early launch period of the prepaid beverage package (our then new marketing tool which substantially enhanced our revenue), and pending market assessment and acceptance. We turned from recording loss and negative cash flow from operating activities before working capital changes for the period between 1 August 2013 and 31 May 2014 to recording profit and positive cash flow from operating activities before capital changes for the two years ended 31 May 2016. We acquired Group Best (HK), the operating company of Volar, in July 2013. Although we have started utilising our prepaid beverage package for Volar since then, we had to incur time for implementation and assessment of market acceptance during the early launch period as stated above. For the two years ended 31 May 2016, we recorded an increase in the sales of prepaid beverage package, which we believe was a result of our successful market strategies in promoting the same. For the period from 1 August 2013 to 31 May 2014 and the two years ended 31 May 2016, receipts from sales of prepaid beverage package were approximately HK\$8.5 million, HK\$19.2 million and HK\$21.3 million, respectively and our revenue from the sales of prepaid beverage package was approximately HK\$4.9 million, HK\$18.9 million and HK\$21.5 million, respectively. Our Directors believe that as time went on, our prepaid beverage packages became more popular among our customers. The prepayment utilisation ratio of the prepaid beverage packages (which is calculated by dividing the amount of prepayment utilised and recognised as revenue by the prepayment received for the respective period) increased from approximately 57.8% during the period from 1 August 2013 to 31 May 2014 to approximately 98.5%, 100.9% and 97.6% for the two years ended 31 May 2016 and the four months ended 30 September 2016, respectively. As we record prepaid beverage packages as receipts in advance in the consolidated statements of financial position at the point of receipt and revenue is recognised in the consolidated statements of profit or loss and other comprehensive income based on the effective selling price when relevant beverages are sold to customers from time to time, the higher prepayment utilisation ratio means more net revenue can be recognised for the same year/period.

LISTING EXPENSES

Our Directors are of the view that our financial results for the year ending 31 May 2017 are expected to be adversely affected by, among others, the Listing expenses in relation to the Share Offer, the nature of which is non-recurring. The total Listing fee in relation to the Share Offer, primarily consisting of fees paid or payable to professional parties and underwriting fees and commission, are estimated to be approximately HK\$21.2 million (based on the mid-point of the indicative Offer Price range of HK\$0.30 per Offer Share). Among the estimated total Listing fees, (i) approximately HK\$7.9 million is expected to be accounted for as a deduction from equity upon Listing; and (ii) approximately HK\$13.3 million is expected to be recognised as expenses in our consolidated statements of comprehensive income for the year ending 31 May 2017.

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USE OF PROCEEDS AND REASONS FOR LISTING

We estimate that the net proceeds to be received by us from the Share Offer, after deducting the underwriting commission and related expenses payable by our Company in the aggregate amount of approximately HK\$21.2 million, will be approximately HK\$38.8 million (assuming an Offer Price of HK\$0.30 per Offer Share, being the mid-point of the indicative Offer Price range). We intend to apply such net proceeds from the Share Offer as follows:

<u>Use of proceeds</u>	<u>Approximate amount or % of net proceeds</u>
Continue to expand and diversify our outlet network	HK\$23.2 million or 59.8%
Upgrade our club facilities	HK\$14.3 million or 36.8%
Working capital and other general purpose	HK\$1.3 million or 3.4%

The expected timing of the use of proceeds are as follows:

From the Latest Practicable Date to 31 May 2017	• Renovate and refurbish Fly	HK\$4.0 million
For the six months ending 30 November 2017	• Set up a sports-themed bar in Wan Chai, Sheung Wan or Causeway Bay	HK\$8.6 million
	• Set up a standalone restaurant in Tsing Yi	HK\$2.3 million
	• Set up a food court restaurant in Cheung Sha Wan	HK\$0.5 million
For the six months ending 31 May 2018	• Renovate and refurbish Volar	HK\$10.3 million
	• Set up a food court restaurant in Kwun Tong	HK\$0.5 million
For the six months ending 30 November 2018	• Set up a standalone restaurant in Tai Koo Shing	HK\$2.7 million
For the six months ending 31 May 2019	• Set up a sports-themed bar in Wan Chai, Sheung Wan or Causeway Bay	HK\$8.6 million

For details, see “Future Plans and Use of Proceeds”.

Our Directors are of the view that the Listing is beneficial to our future growth and will drive long-term company value for the following reasons: (i) the Listing will facilitate the implementation of our business strategies in the following ways: (a) the net proceeds from the Share Offer will provide us with the necessary financial resources to implement our business strategies as disclosed in “Business — Business strategies”; (b) the Listing will provide additional avenues to raise capital for expansion and other developmental needs; and (c) the listing status will strengthen our market position, enhance our reputation and corporate profile and raise our brand publicity, which we believe would enable us to increase our competitiveness and maintain and expand our customer base; (ii) the Listing will enhance our corporate governance practices including internal control, risk management and audit practices; and (iii) the Listing will improve our ability to recruit, select, motivate and retain key management personnel as well as to expediently and effectually capitalise on any of our business opportunities that may arise.

DIVIDEND

During the Track Record Period and up to the Latest Practicable Date, we did not declare any dividends. Cash dividends on our Shares, if any, will be paid in Hong Kong dollars. Our Board has absolute discretion as to whether to declare any dividend for any year end and if any, the amount of dividend and the means of payment. The amount of any dividends to be declared and paid in the future will depend on, among other things, our dividend policy, results of operations, cash flows and financial conditions, operating and capital requirements and other relevant factors. Currently, we do not have any predetermined dividend distribution ratio. For details, see “Financial Information — Dividend and dividend policy”.

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RECENT DEVELOPMENTS SUBSEQUENT TO THE TRACK RECORD PERIOD

Based on the unaudited financial information of our Group, our revenue for the eight months ended 31 January 2017 was higher than that for the corresponding period in 2016, which was mainly attributable to an increase in revenue from our clubbing operations and restaurant operations as a result of (i) the acquisition of Grand Diamond, the operating company of Fly, in November 2015; and (ii) our full-period operation of Tiger Curry & Cafe which commenced business on 30 July 2015. We recorded a loss before taxation for the eight months ended 31 January 2017, which was mainly due to the expenses incurred for the Listing. Without taking into account of such non-recurring Listing expenses, we would have recorded a profit before taxation for the eight months ended 31 January 2017 at a relatively stable level as compared to that for the corresponding period in 2016.

Prospective investors should note that the financial performance of our Group for the year ending 31 May 2017 is expected to be materially affected by the estimated non-recurring expenses in relation to the Listing and we may even record a loss for the year ending 31 May 2017. Such Listing expenses are a current estimate for reference only and the final amount to be charged to profit and loss account of our Group for the year ending 31 May 2017 and the amount to be deducted from our Group's capital is subject to change.

Save as disclosed above, our Directors confirm that, up to the date of this prospectus, there had been no material adverse change in our financial or trading position or prospects since 30 September 2016, being the date to which our latest audited financial information was prepared, and there had been no event since 30 September 2016 which would materially and adversely affect the information shown in our consolidated financial information included in the Accountant's Report.

OFFER STATISTICS

	Based on a Offer Price of	
	HK\$0.25 per Offer Share	HK\$0.35 per Offer Share
Market capitalisation ^(Note)	HK\$200 million	HK\$280 million
Unaudited pro forma consolidated net tangible assets per Share attributable to owners of our Company ^(Note)	HK\$0.06	HK\$0.08

Note: See "Unaudited Pro Forma Financial Information" in Appendix II to this prospectus for details regarding the assumptions and calculation basis used.