
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in TASTY CONCEPTS HOLDING LIMITED (the “Company”), you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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TASTY CONCEPTS HOLDING LIMITED

賞之味控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8096)

MAJOR TRANSACTION IN RELATION TO THE TENANCY AGREEMENT AND NOTICE OF EXTRAORDINARY GENERAL MEETING

A notice convening the extraordinary general meeting (the “Extraordinary General Meeting”) of Tasty Concepts Holding Limited to be held at Portion 2, 12/F., The Center, 99 Queen’s Road Central, Central, Hong Kong on Friday, 16 December 2022 at 3:00 p.m. is set out on pages 32 to 34 of this circular. A form of proxy for use at the Extraordinary General Meeting is also enclosed. Such form of proxy is also published on the websites of Stock Exchange (www.hkexnews.hk) and the Company (www.butaoramen.com). Whether or not you are able to attend the Extraordinary General Meeting, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company’s branch share registrar in Hong Kong, Boardroom Share Registrars (HK) Limited, at 2103B, 21st Floor, 148 Electric Road, North Point, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the Extraordinary General Meeting or the adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the Extraordinary General Meeting or any adjournment thereof (as the case may be) if they so wish.

This circular will remain on the “Latest Listed Company Information” page of the Stock Exchange’s website at www.hkexnews.hk for at least seven days from its date of publication and on the Company’s website at www.butaoramen.com.

In compliance with the Hong Kong Government’s directive on social distancing, personal and environmental hygiene, and the guidelines issued by the Centre for Health Protection of the Department of Health on the prevention of COVID-19, the Company will implement the following precautionary measures at the Extraordinary General Meeting including, without limitation:

- compulsory body temperature screening;
- wearing of surgical face masks;
- no distribution of corporate gift or refreshment;
- mandatory health declaration – anyone subject to the Hong Kong Government’s prescribed quarantine or who has travelled overseas within 14 days immediately before the date of the Extraordinary General Meeting will be denied entry into the Extraordinary General Meeting venue; and
- appropriate seating arrangement in line with the guidance from the Hong Kong Government will be made.

The Company strongly advises Shareholders to appoint the chairman of the Extraordinary General Meeting as their proxy to vote on the relevant resolution(s) as an alternative to attending the Extraordinary General Meeting in person. Shareholders are advised to read page (ii) of this circular for further details and monitor the development of COVID-19. Subject to the development of COVID-19, the Company may implement further changes and precautionary measures and may issue further announcement on such measures as appropriate.

28 November 2022

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE

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.

PRECAUTIONARY MEASURES FOR THE EXTRAORDINARY GENERAL MEETING

In compliance with the Hong Kong Government's directive on social distancing, personal and environmental hygiene, and the guidelines issued by the Centre for Health Protection of the Department of Health ("CHP") on the prevention of COVID-19, the Company will implement precautionary measures at the Extraordinary General Meeting in the interests of the health and safety of our shareholders, investors, directors, staff and other participants of the Extraordinary General Meeting (the "Stakeholders") which include without limitation:

- (1) Every attendee **will be required to wear a surgical face mask** throughout the Extraordinary General Meeting and inside the Extraordinary General Meeting venue. Attendees are advised to maintain appropriate social distance with each other at all times when attending the Extraordinary General Meeting.
- (2) There will be **compulsory body temperature screening** for all persons before entering the Extraordinary General Meeting venue. Any person with a body temperature of 37.3 degrees Celsius or above or any person which exhibits any flu-like symptoms may be denied entry into the Extraordinary General Meeting venue or be required to promptly leave the Extraordinary General Meeting venue.
- (3) **No refreshment will be served, and there will be no corporate gift.**
- (4) Attendees may be asked (i) if he/she has travelled outside of Hong Kong within 14 days immediately before the Extraordinary General Meeting; AND (ii) if he/she is subject to any Hong Kong Government prescribed quarantine requirement. Any person who responds positively to any of these questions will be denied entry into the Extraordinary General Meeting venue.
- (5) Anyone attending the Extraordinary General Meeting is reminded to observe good personal hygiene at all times.
- (6) Appropriate seating arrangement at the Extraordinary General Meeting venue in line with the guidance from the Hong Kong Government will be made.
- (7) **In light of the continuing risks posed by the COVID-19 pandemic, and in the interests of protecting the Stakeholders, the Company is supportive of the precautionary measures being adopted and reminds Shareholders that physical attendance in the Extraordinary General Meeting is not necessary for the purpose of exercising voting rights. The Company strongly advises Shareholders to appoint the chairman of the Extraordinary General Meeting as their proxy to vote on the relevant resolution(s) as an alternative to attending the Extraordinary General Meeting in person.**
- (8) Any other additional precautionary measures in accordance with the prevailing requirements or guidelines of the Hong Kong Government and/or regulatory authorities, or as considered appropriate in light of the development of the COVID-19 pandemic.

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DEFINITIONS

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

“Announcements”	the announcement of the Company dated 23 August 2022 and the supplemental announcement date 22 September 2022 in relation to the Tenancy Agreement
“associates”	has the meaning ascribed to it under the GEM Listing Rules
“Extraordinary General Meeting” or “EGM”	the Extraordinary General Meeting of the Company to be convened and held at Portion 2, 12/F., The Center, 99 Queen’s Road Central, Central, Hong Kong, on Friday, 16 December 2022 at 3:00 p.m. for the purpose of considering and, if thought fit, approving the resolutions proposed in the Notice of Extraordinary General Meeting
“Board”	the board of Directors (including independent non-executive Directors)
“Business Day”	a day (other than a Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“close associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Company”	Tasty Concepts Holding Limited (賞之味控股有限公司), a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on GEM of the Stock Exchange (stock code: 8096)
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“Fortune City”	Fortune City Limited, a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of the Company
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM as amended by the Stock Exchange from time to time

DEFINITIONS

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS”	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
“Landlord”	Link Properties Limited, a company incorporated in the Cayman Islands with limited liability, an indirect wholly-owned subsidiary of Link Real Estate Investment Trust, a collective investment scheme authorised under section 104 of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), whose units of which are listed on the Main Board of the Stock Exchange (stock code: 823)
“Latest Practicable Date”	24 November 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Notice of Extraordinary General Meeting”	the notice dated 28 November 2022 for convening the Extraordinary General Meeting and included herein
“Premises”	Shop Nos. R137, R138 and R139 on the Ground Floor (also known as Level 1), Tip Sum House (Block 4), Butterfly Estate, No.1 Wu Chui Road, Tuen Mun, New Territories, Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), as amended and supplemented from time to time

DEFINITIONS

“Share(s)”	share(s) of nominal value of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreement”	the tenancy agreement dated 22 July 2022 entered into between the Landlord and Fortune City in relation to the Premises
“%”	per cent.

LETTER FROM THE BOARD



TASTY CONCEPTS HOLDING LIMITED

賞之味控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8096)

Executive Directors:

Mr. Tang Chun Ho Chandler

(Chairman & Chief Executive Officer)

Ms. Sung Kwan Wun

Registered Office:

Windward 3, Regatta Office Park

PO Box 1350

Grand Cayman KY1-1108

Cayman Islands

Independent Non-executive Directors:

Mr. Ho Lai Chuen

Mr. Lee Koon Tak

Ms. So Siu Ying

Principal Place of Business in Hong Kong:

6/F, Goldsland Building

22-26 Minden Avenue, Tsim Sha Tsui

Kowloon, Hong Kong

To the Shareholders

Dear Sir/Madam,

MAJOR TRANSACTION IN RELATION TO THE TENANCY AGREEMENT AND NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the Announcements in relation to the Tenancy Agreement.

The purpose of this circular is to provide the Shareholders with information in respect of Tenancy Agreement and resolution(s) to be proposed at the Extraordinary General Meeting to be held on Friday, 16 December 2022 at Portion 2, 12/F., The Center, 99 Queen's Road Central, Central, Hong Kong.

THE TENANCY AGREEMENT

The Board announces that on 22 July 2022, Fortune City entered into the Tenancy Agreement with the Landlord, pursuant to which Fortune City agreed to rent and the Landlord agreed to lease the Premises for a term of six years commencing from 16 August 2022 and ending on 15 August 2028 (both dates inclusive).

LETTER FROM THE BOARD

Details of the principal terms of the Tenancy Agreement are set out below:

- Date : 22 July 2022
- Parties : (1) Fortune City, as the tenant; and
(2) The Landlord, as the landlord
- Premises : Shop Nos. R137, R138 and R139 on the Ground Floor (also known as Level 1), Tip Sum House (Block 4), Butterfly Estate, No.1 Wu Chui Road, Tuen Mun, New Territories, Hong Kong
- Total gross floor area : Approximately 166 square metres
- Term : Six years commencing from 16 August 2022 and ending on 15 August 2028 (both dates inclusive)
- Rent payable : The total base rent payable under the Tenancy Agreement is approximately HK\$7,776,000, which is subject to additional turnover rent being an amount representing the amount by which 10% of the amount or consideration derived or attributable from all trades and business carried on in or from the Premises exceeding the base rent per calendar month (exclusive of government rates, service charge and other outgoings).

The monthly base rent is as follows:

- (a) From 16 August 2022 to 15 August 2023:
HK\$90,000 per month
- (b) From 16 August 2023 to 15 August 2024:
HK\$100,000 per month
- (c) From 16 August 2024 to 15 August 2025:
HK\$110,000 per month
- (d) From 16 August 2025 to 15 August 2028:
HK\$121,000 per month

LETTER FROM THE BOARD

The rent payable under the Tenancy Agreement was determined after arm's length negotiations between the parties, after taking into consideration the prevailing market rental values for comparable premises in the vicinity of the Premises.

Payment terms	:	The monthly base rent shall be payable monthly in advance on the first day of each calendar month (without any deduction, counterclaim or set-off). The turnover rent (if payable pursuant to the terms and conditions of the Tenancy Agreement) shall be payable monthly in arrears.
Rent free period	:	60 days from the commencement of the term
Deposit	:	HK\$402,375, being equivalent to three months' base rent and service charge
Permitted use	:	Operating of a Japanese style cuisine restaurant and operating of a Sichuan cuisine restaurant

THE RIGHT-OF-USE ASSET

Pursuant to HKFRS 16, as a result of the entering into of the Tenancy Agreement, the Premises leased under the Tenancy Agreement will be recognised by the Group as right-of-use asset for an amount of approximately HK\$6.6 million and a corresponding lease liability for an amount of approximately HK\$6.6 million, which is calculated with reference to the present value of the aggregate lease payments to be made under the Tenancy Agreement as discounted using an incremental borrowing rate of 6.17%. The incremental borrowing rate is determined with reference to the valuation performed by an independent valuer using the Build-up Model. The following information has been taken into account in order to calculate the incremental borrowing rate: (i) the risk-free rate with reference to the yields of Hong Kong Monetary Authority exchange fund bills and notes and government bonds fixings; (ii) the credit rating of the tenant; (iii) a credit spread with reference to the option-adjusted spreads of corporate bonds with similar credit rating and in similar sector; (iv) country risk; and (v) a liquidity risk.

Risk-free rate	2.64%
Credit spread	1.77%
Country risk	0.71%
Liquidity risk	<u>1.05%</u>
Incremental Borrowing Rate	<u><u>6.17%</u></u>

LETTER FROM THE BOARD

The Group's determination of right-of-use asset is calculated pursuant to HKFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration and as a lessee, right-of-use asset and corresponding lease liability shall be recognised at the lease commencement date.

The consolidated total assets of the Group would increase by approximately HK\$6.6 million upon the commencement of the lease under the Tenancy Agreement, and a corresponding amount of lease liabilities of HK\$6.6 million would be recognised at the same time. There would be no change in net assets on the consolidation statement of financial position of the Group immediately after the entering into the Tenancy Agreement.

The entering into of the Tenancy Agreement as a tenant will require the Group to recognise the right-of-use asset in the consolidated financial statements of the Company with a cost of approximately HK\$6.6 million at initial recognition, which comprises of:

- (a) the amount of the initial measurement of the lease liability;
- (b) any lease payments made at or before the commencement date, less any lease incentives received;
- (c) any initial direct costs incurred by the Group; and
- (d) an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

REASONS FOR AND BENEFITS OF ENTERING INTO THE TENANCY AGREEMENT

The principal activities of the Group are operating ramen restaurants in Hong Kong. The Group intended to carry on the business of a Japanese style cuisine restaurant and a Sichuan cuisine restaurant in the Premises, which aligns with the strategy of the Company to set up new outlets to capture the potential business opportunities and local customer traffic.

The Board considers that the transaction contemplated under the Tenancy Agreement is conducted in the ordinary and usual course of business of the Group and on normal commercial terms, and the terms of the Tenancy Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE LANDLORD

The Landlord is a company incorporated in the Cayman Islands with limited liability and an indirect wholly-owned subsidiary of Link Real Estate Investment Trust (stock code: 823). The principal activity of Link Real Estate Investment Trust and its subsidiaries is investing in real estate and may be undertaking property development and related activities in respect of all types of developments.

LETTER FROM THE BOARD

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, the Landlord (including its ultimate beneficial owners) is an Independent Third Party.

EFFECTS OF THE 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 Tenancy Agreement amounted to approximately HK\$6.6 million which is calculated with reference to the present value of the aggregated lease payments to be made under the Tenancy Agreement as discounted using an incremental borrowing rate of 6.17%. The Group will depreciate the right-of-use asset over the estimated useful life of 72 months on a straight line-basis and a monthly depreciation amounting to approximately HK\$92,000 will be charged to the consolidated statement of profit or loss. Lease liability amounting to approximately HK\$6.4 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 Tenancy Agreement.

GEM LISTING RULES IMPLICATIONS

Pursuant to HKFRS 16, the entering into of the Tenancy Agreement by Fortune City as a tenant will require the Group to recognise the right-of-use asset in the consolidated financial statements of the Company with a cost of approximately HK\$6.6 million at initial recognition and a corresponding lease liability of HK\$6.4 million which represents the present value of the future lease payments, and thus the entering into of the Tenancy Agreement and the transaction contemplated thereunder will be regarded as a deemed acquisition of asset by the Group in accordance with the GEM Listing Rules.

Based on the review of the Board, as one or more than one of the applicable percentage ratios in respect of the transaction contemplated under the Tenancy Agreement is above 25% but all of them are less than 100%, the entering into of the Tenancy Agreement constitutes a major transaction of the Company under Chapter 19 of the GEM Listing Rules and was therefore subject to the notification and announcement, circular and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

To the best of the knowledge of the Directors, no Shareholder has a material interest in the Tenancy Agreement and the transaction contemplated thereunder, and no Shareholder would be required to abstain from voting at a general meeting of the Company for approving the same.

LETTER FROM THE BOARD

BREACH OF THE GEM LISTING RULES

Reference is made to the announcements. The Group did not announce the details of the Tenancy Agreement and the transaction contemplated thereunder as a major transaction in a timely manner and obtained Shareholders approval in advance as required by Rule 19.34 and 19.40 of the GEM Listing Rules (the “**Non-Compliance Incident**”). The Non-Compliance Incident was a single incident due to

- (i) the inadvertent oversight of certain management and staff of the Group, whom based on prior experience of negotiation and conclusion of tenancy agreements entered into by the Group for a lease term of normally two to four years, mistakenly believed that the Tenancy Agreement with a longer lease term of six years would only constitute a discloseable transaction of the Company and was not subject to Shareholders’ approval; and
- (ii) the miscommunication between the chief executive officer of the Company and administrative officer as to the effective date of the Tenancy Agreement.

Upon the review by the Board, the Board is of the view that the Non-Compliance Incident was primarily due to the failure of certain management and staff to give sufficient consideration to the effect of rights-of-use assets to be recognised under a tenancy agreement with longer than average lease term. The Board has reminded all management and staff that each and every transaction not entered into in the ordinary course of business of the Group including but not limited to any tenancy agreements should be reviewed and considered on a case-by-case basis in ensuring conformity with the GEM Listing Rules.

The Board has further reminded the senior management and staff of the Group that, even for discloseable transactions, such transactions are still subject to the reporting and announcement requirements of the GEM Listing Rules. The senior management and staff must obtain an unequivocal understanding of the key terms of the agreements to be entered into by the Group in the future to ensure timely dissemination of information to the Shareholders.

To ensure the Company’s compliance with the GEM Listing Rules in the future, the Company will take the following remedial measures:

- (i) the Company will enhance the training provided to the Directors and the senior management to reinforce their understanding of and to emphasize the importance of compliance with the GEM Listing Rules. The Company will engage its internal control consultant to provide eight hours training to the Directors and the senior management of the Group on Chapters 17, 19 and 20 of the GEM Listing Rules;

LETTER FROM THE BOARD

- (ii) the Company will strengthen the implementation of its internal control system on transactions including but not limited to strengthening the coordination and reporting arrangements for notifiable transactions among the various departments of the Company. Before entering into each agreement, the chief executive officer together with a dedicated staff member will review the relevant agreement to ensure compliance with the GEM Listing Rules. A register of material contracts with contract sums over HK\$1 million (the amount is subject to annual review by the audit committee of the Board) will be maintained by the Group's operations team and subject to review by the finance department on a monthly basis;
- (iii) the Company will maintain closer cooperation with its professional advisers in relation to regulatory compliance; and
- (iv) in the event that the Company will conduct similar transactions, it will seek advice from its external legal advisers on whether this will trigger any disclosure or compliance requirements under the GEM Listing Rules. If necessary, the Company will consult the Stock Exchange about the proper treatment of the proposed transaction.

EXTRAORDINARY GENERAL MEETING AND PROXY ARRANGEMENT

The Notice of Extraordinary General Meeting is set out on pages 32 to 34 of this circular.

Pursuant to Rule 17.47(4) of the GEM Listing Rules and the Articles of Association, any vote of Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The resolutions to be proposed at the Extraordinary General Meeting do not relate purely to a procedural or administrative matter. Accordingly, all resolutions set out in the Notice of Extraordinary General Meeting will be put to vote by way of poll at the Extraordinary General Meeting. An announcement on the results of the vote by poll will be made by the Company after the Extraordinary General Meeting in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules.

A form of proxy for the Extraordinary General Meeting is enclosed with this circular which is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.butaoramen.com). Whether or not you are able to attend the Extraordinary General Meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office, Boardroom Share Registrars (HK) Limited, at 2103B, 21st Floor, 148 Electric Road, North Point, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the Extraordinary General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the Extraordinary General Meeting or any adjournment thereof (as the case may be) if they so wish.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the entering into of the Tenancy Agreement is fair and reasonable and in the best interest of the Company and Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors) recommend the Shareholders to vote in favour of the resolutions to be proposed at the Extraordinary General Meeting and as set out in the Notice of Extraordinary General Meeting.

GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular. The English text of this circular shall prevail over the Chinese text.

By order of the Board
Tasty Concepts Holding Limited
Tang Chun Ho Chandler
Chairman and Executive Director

Hong Kong, 28 November 2022

1. CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP

The audited consolidated financial statements of the Group for the last three financial years are disclosed in the following documents which have been published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.butaoaramen.com:

- (a) the audited consolidated financial statements of the Group for the year ended 31 March 2022 are set out in pages 54 to 113 of the 2022 annual report of the Company which was published on 30 June 2022; <https://www1.hkexnews.hk/listedco/listconews/gem/2022/0630/2022063001203.pdf>
- (b) the audited consolidated financial statements of the Group for the year ended 31 March 2021 are set out in pages 51 to 107 of the 2021 annual report of the Company which was published on 30 June 2021; and <https://www1.hkexnews.hk/listedco/listconews/gem/2021/0630/2021063000814.pdf>
- (c) the audited consolidated financial statements of the Group for the year ended 31 March 2020 are set out in pages 44 to 103 of the 2020 annual report of the Company which was published on 30 June 2020. <https://www1.hkexnews.hk/listedco/listconews/gem/2020/0630/2020063000687.pdf>

2. STATEMENT OF INDEBTEDNESS

At the close of business on 30 September 2022, being the latest practicable date for this statement of indebtedness prior to the printing of this circular, the indebtedness of the Group are as follows:

Bank borrowing

As at 30 September 2022, the Group had borrowing from a bank with an aggregate carrying outstanding amount of approximately HK\$587,000, which is unsecured and guaranteed by the Company and certain subsidiaries of the Group. As at 30 September 2022, the bank borrowing of the Group carried variable interest rate at HK\$ Best Lending Rate minus 0.5% per annum and contained a repayable on demand clause.

Details of the bank borrowing are as follows:

	As at 30 September 2022
	<i>HK\$'000</i>
Unsecured and guaranteed bank borrowing	<u>587</u>

The carrying amounts are repayable based on scheduled repayment dates set out in the loan agreement and contained a repayable on demand clause:

Within one year	<u>587</u>
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Lease liabilities

The Group measures the lease liabilities at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rates estimated for each subsidiary with lease liabilities recognised under HKFRS 16. As at 30 September 2022, the Group had outstanding lease liabilities (including both current and non-current portions) of approximately HK\$14,906,000.

Mortgages, charges and pledges

As at 30 September 2022, save as motor vehicles of the Group with carrying amounts of approximately HK\$1,081,000 were acquired under lease arrangements and of which the rights to the leased assets are reverted to the lessors in the event of default of the lease liabilities of the Group, the Group did not have any mortgages, charges and pledges over the Group's assets. As at 30 September 2022, the outstanding lease liabilities in regard to the leased motor vehicles amounted to approximately HK\$1,512,000, which is included in the amount as disclosed above under the section "Statement of indebtedness – Lease Liabilities".

Contingent liabilities

As at 30 September 2022, the Group was served a number of litigations and claims. These claims and litigations are arisen from arrears rent and related expenses of the Group and has been recognised in the other payables and accruals and provisions. The management of the Company obtained legal advice, and considered no additional interest, surcharge and penalty required apart from the amounts stated in the other payables and accruals and provisions. As at 30 September 2022, the related amounts included in other payables and accruals and provisions are HK\$1,867,000 and HK\$104,000 respectively.

On 30 October 2020 and 5 January 2021, Fu Tong Investment Company Limited and its agent, Sun Hung Kai Real Estate Agency Limited (“**SHK**”), claimed against Right Direction International Limited (“**Right Direction**”), a wholly-owned subsidiary of the Company, for unpaid rent and related expenses of HK\$1,351,000 and HK\$2,241,000, respectively. By a judgment dated 16 March 2021, the Court ordered that Right Direction to pay the amount as stated in the claims on 30 October 2020 and 5 January 2021. On 20 December 2021, SHK revised the claim to HK\$1,908,000 together with daily interest until repayment. The Group had obtained legal advice and recorded sufficient provision on those claimed amount.

The management and the legal advisors of the Company are taking collective efforts to resolve these cases. The Board is of the opinion that the potential claim would not have material impact on the Group’s business operation and financial position.

Disclaimer

Saved as disclosed and apart from intra-group liabilities and normal trade and other payables, as at 30 September 2022, the Group did not have any loan capital issued and outstanding or agreed to be issued, term loans, bank overdrafts, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages and charges, hire purchase commitments or guarantee outstanding.

3. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the financial resources of the Group and considering the effect of the Tenancy Agreement, the working capital available to the Group is sufficient for the Group’s requirements for at least 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 2022, being the date to which the latest published audited financial statements of the Company were made up.

5. FINANCIAL AND BUSINESS PROSPECT OF THE GROUP

The Group is principally engaged in operating restaurant chain, mainly selling Japanese ramen in Hong Kong under the brand “豚王”. It is the Group’s objective to provide premium quality “Hakata-Style” Japanese ramen and unforgettable excellent service to the customers. The Group always strives for every possible opportunity to enhance the operation efficiency and profitability of its business.

The revenue of the Group decreased by approximately 19.3% from approximately HK\$51.9 million for year ended 31 March 2021 to approximately HK\$41.9 million for the year ended 31 March 2022. Revenue generated from operating restaurants by the Group in both Hong Kong and the PRC decreased during the year ended 31 March 2022 because of the closure of restaurants due to the expiration of tenancy agreements in relation to the properties occupied for business during the year ended 31 March 2022. Moreover, all the restaurants located in the PRC were switched from self-operated to franchise arrangement by only receiving royalty and consultancy services income. Furthermore, the 5th wave of local COVID-19 pandemic in Hong Kong during the fourth quarter of the financial year 2022 also led to a significant decline in customers visited due to the restricted operating hours enforced by the Hong Kong Government among restaurants, forming rigorous challenges to the catering industry.

The Group recorded a loss of approximately HK\$15.8 million for the year ended 31 March 2022 (2021: approximately HK\$13.4 million). The increase in loss was primarily due to (i) the decrease in government grants received under the “Anti-epidemic Fund” and “Employment Support Scheme”; (ii) the decrease in customers visited during the fourth quarter in the financial year 2022 due to the 5th wave of local COVID-19 epidemic; (iii) closure of profitable restaurants in Hong Kong; and (iv) the decrease in rental concessions received from landlords.

With the enhanced awareness of hygiene and effective preventive measures taken by the public, the 5th wave local COVID-19 pandemic in Hong Kong seems alleviated and under control since May 2022. However, as advised by experts, the risk of explosive community outbreak is still considered at high level, and it is difficult to predict the timeframe for next massive community outbreak, difficulties and challenges for catering industry are still foreseeable ahead.

However, since early 2022, various countries and cities have loosened the inbound travelling restriction measures and the requirement of the quarantine duration have been or tended to be shortened. This can reveal that people around the world have been gradually adapting to the new normal triggered by the COVID-19, and hopefully the global travelling as well as the economic will rebound after a lengthy recession.

The management will keep on monitoring the market development and to react in a timely basis. Meanwhile, we will be endeavoring to enhance the quality of the food and providing excellent services to our customers. As the Group understands that throughout the good times or bad times, quality of food and service matter to our customers.

The Group will also proactively seek potential business opportunities or cooperation with different potential parties to broaden the sources of income and bringing better return on investment for the shareholders.

The following is the valuation report prepared for the purpose of incorporation in this document received from LCH (Asia-Pacific) Surveyors Limited, an independent property valuer, in connection with its valuation as at 22 July 2022 of the designated property interests of the Tasty Concepts Holdings Limited.



*The readers are reminded that the report which follows has been prepared in accordance with the reporting guidelines set by the latest edition of HKIS Valuation Standards (the “**HKIS Standards**”) published by the Hong Kong Institute of Surveyors (the “**HKIS**”). The HKIS Standards entitles the valuer to make assumptions which may on further investigation, for instance by the readers’ legal representative, prove to be inaccurate. Any exception is clearly stated below. Headings are inserted for convenient reference only and have no effect in limiting or extending the language of the paragraphs to which they refer. Translations of terms in English or in Chinese are for readers’ identification purpose only and have no legal status or implication on the report. Piecemeal reference to this report is considered to be inappropriate and no responsibility is assumed from our part for such piecemeal reference. It is emphasised that the findings or conclusion of value presented below are based on the documents and facts known to us at the Latest Practicable Date of this document. If additional documents and facts are made available, we reserve the right to amend this report and its conclusion.*

17th Floor
Champion Building
287-291 Des Vouex Road Central
Hong Kong

28 November 2022

The Board of Directors
Fortune City Limited
6th Floor, Goldsland Building
22-26 Minden Avenue,
Tsim Sha Tsui,
Kowloon,
Hong Kong

Dear Sirs,

In accordance with the instruction given by the present management of Tasty Concepts Holding Limited (hereinafter referred to as the “**Instructing Party**”) to us to conduct an agreed-upon procedures rental valuation of a *real property* (same as the word *property* in this report) in

which Tasty Concepts Holding Limited (hereinafter referred to as the “**Company**”) and its subsidiaries, including Fortune City Limited, (collectively, together with the Company hereinafter referred to as the “**Group**”) have interests in Hong Kong, we confirmed that we have followed the agreed upon procedures to inspect the property, make relevant enquiries and investigation as we consider necessary to support our working, and to perform independent valuation of rental value of the property as at 22 July 2022 (hereinafter referred to as the “**Valuation Date**”) for the Instructing Party’s internal management reference purpose. We understand that this report will be included in the Company’s circular i.e. this document for its shareholders’ reference.

We understand that the use of our work product (regardless of form of presentation) will form part of the Instructing Party’s due diligence but we have not been engaged to make specific sales or purchase recommendations, or to give opinion for any financing arrangement. We further understand that the use of our work product will not supplant other due diligence which the Instructing Party should conduct in reaching its business decision regarding the property valued. Our work is designed solely to provide information that will give the Instructing Party a reference in its due diligence process, and our work should not be the only factor to be referenced by the Instructing Party. Our findings and conclusion of value of the property are documented in this valuation report and submitted to the Instructing Party at today’s date.

BASIS OF VALUE AND ASSUMPTIONS

The rental value of the property is our opinion of its Market Rent as at the Valuation Date for the Instructing Party’s internal management reference purpose. The HKIS defines the term “Market Rent” as:

“the estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm’s-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently, and without compulsion”

Our rental valuation has adopted the following assumptions:

- (i.) the property is available to let with vacant possession by a willing lessor to a willing lessee by one agreement without a premium being paid by either party;
- (ii.) no rent free period is taken into account for the incoming lessee to make the property fit for occupation;
- (iii.) no work or improvement has been carried out in the property by the previous lessee which has diminished or increased the market rent of the property otherwise than in pursuance of an obligation to the lessor;
- (iv.) no subletting is allowed; and

(v.) the market rent is exclusive of management fees, government rent and rates (if any).

And that we have disregarded:

(i.) any effect on rent rendered by the occupation of the previous lessees;

(ii.) redevelopment value or merge value of the property; and

(iii.) any goodwill attached to the property by the previous lessee's business.

APPROACH TO VALUE

We have adopted the Market Approach to estimate the monthly market rent of the property. This approach estimates the market rent of the property by comparing recent lettings, listings or offerings of similar property interests located in the surrounding area made available to us in the public domains.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property valued nor any expenses or taxation which may be incurred in effecting a letting. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions, and outgoings of an onerous nature which could affect its rental.

MATTERS THAT MIGHT AFFECT THE VALUE REPORTED

For the sake of valuation, we have adopted the area as appeared in the copy of the document as provided or obtained from the relevant authorities or from public domains, and no further verification work has been conducted. Should it be established subsequently that the adopted areas were not the latest approved, we reserve the right to revise our report and the valuation accordingly.

Unless otherwise stated, our valuation of the property has been made on the assumption that the lessor lets the property on the open market in its existing state without the benefit of a deferred terms contract, leaseback, joint venture, management agreement or any other similar arrangement which would serve to affect the market rent of the property.

Unless otherwise stated, as at the Latest Practicable Date, we are unable to identify any adverse news against the property which may affect the reported findings or value in our work product. Thus, we are not in the position to report and comment on its impact (if any) to the property. However, should it be established subsequently that such news did exist at the Valuation Date, we reserve the right to adjust the findings or value reported herein.

ESTABLISHMENT OF TITLES

Our agreed procedures to value, as agreed with the Instructing Party, did not require us to conduct legal due diligence on the legality and formality on the way that the legally interested parties obtained the property from the relevant authorities. We agreed with the Instructing Party that this should be the responsibility of the legal adviser to the Instructing Party. Thus, no responsibility or liability is assumed from our part to the origin and continuity of the titles to the property.

We have caused searches to be made at the Land Registry of Hong Kong regarding the property. We are not legal professionals and are not qualified to ascertain the titles and to report any encumbrances that may be registered against the property. All documents and leases have been used as reference only. No responsibility or liability is assumed.

INSPECTIONS AND INVESTIGATIONS OF THE PROPERTY

The inspection had been conducted by Sr Junior Ho and Graduate Surveyor Ms. Leona Chen on 18 August 2022. We have inspected the exterior, and where possible, in respect of which we have been provided with such information as we have requested for the purpose of our valuation. We have not inspected those parts of the property which were covered, unexposed or inaccessible and such parts have been assumed to be in reasonable condition. We have only relied on the documents provided by the Instructing Party in respect of which we have been provided with such information as we have requested for the purpose of our valuation. We cannot express an opinion about or advise upon the condition of uninspected parts and the attached property particulars should not be taken as making any implied representation or statement about such parts. No building survey, structural survey, investigation or examination has been made. We are not able to report that the property is free from rot, infestation or any other structural defects. No tests were carried out to the services (if any) and we are unable to identify those services either covered, unexposed or inaccessible.

Our valuation has been made on the assumption that no unauthorised alteration, extension or addition has been made in the property, and that the use of this report should not be used as the building survey of the property. If the Instructing Party or any party interested in the property wants to satisfy themselves for the condition of the property, they should obtain a surveyor's detailed inspection and report at their own.

We have not carried out on-site measurements to verify the correctness of the floor area of the property, but have assumed that the floor area and dimensions shown on the documents and official floor plan handed to us are correct. All dimensions, measurements and areas are approximations.

Our engagement and the agreed procedures to value the property did not include an independent land survey to verify the legal boundaries of the property. We need to state that we are not in the land survey profession, therefore, we are not in the position to verify or ascertain the correctness of the legal boundaries of the property that appeared on the documents handed to us. No responsibility from our part is assumed. The Instructing Party or interested party in the property should conduct their own legal boundaries due diligence work.

We have not arranged for any investigation to be carried out to determine whether or not any deleterious or hazardous materials have been used in the construction of the property, or have since been incorporated into the property, and we are therefore unable to report that the property is free from risk in this respect. For the purpose of this valuation, we have assumed that such investigation would not disclose the presence of any such materials to any significant extent.

We are not aware of the content of any environmental audit or other environmental investigation or soil survey which may have been carried out on the property and which may draw attention to any contamination or the possibility of any such contamination. In undertaking our work, we have assumed that no contaminative or potentially contaminative uses have ever been carried out in the property. We have not carried out any investigation into past or present uses, either of the property or of any neighbouring land, to establish whether there is any contamination or potential for contamination to the property from these uses or sites, and have therefore assumed that none exists. However, should it be established subsequently that contamination, seepage or pollution exists at the property or on any neighbouring land, or that the premises has been or is being put to a contaminative use, this might reduce the value now reported.

SOURCES OF INFORMATION AND ITS VERIFICATION

In the course of our works, we have provided with copies of the documents regarding the property, and these copies have been referenced without further verifying with the relevant bodies and/or authorities. Our procedures to value did not require us to conduct any searches or inspect the original documents to verify ownership or to verify any amendment which may not appear on the copies handed to us. We need to state that we are not legal professional, therefore, we are not in the position to advise and comment on the legality and effectiveness of the documents provided by the Instructing Party or the appointed personnel of the Company.

We have relied solely on the information provided by the Instructing Party or the appointed personnel of the Company without further verification and have fully accepted advice given to us on such matters as planning approvals or statutory notices, locations, titles, easements, tenure, site and floor areas and all other relevant matters.

Information furnished by others, upon which all or portions of our work product are based, is believed to be reliable but has not been verified in all cases. Our procedures to value or work do not constitute an audit, review, or compilation of the information provided. Thus, no warranty is made nor liability assumed for the accuracy of any data, advice, opinions, or estimates identified as being furnished by others which have been used in formulating our work product.

Our valuation has been made only based on the advice and information made available to us. While a limited scope of general inquiries have been made to the local property market practitioners, we are not in a position to verify and ascertain the correctness of the advice given by the relevant personnel. No responsibility or liability is assumed.

When we adopted the work products from other professions, external data providers and the Instructing Party or the appointed personnel of the Company in our valuations, the assumptions and caveats that adopted by them in arriving at their figures also applied in our valuation. The procedures we have taken do not provide all the evidence that would be required in an audit and, as we have not performed an audit, accordingly, we do not express an audit opinion.

The scope of our work has been determined by reference to the property list provided by the Instructing Party. The Instructing Party has confirmed to us that the Instructing Party has no property interests other than those specified on the list supplied to us for this valuation.

We are unable to accept any responsibility for the information that has not been supplied to us by the Instructing Party or the appointed personnel of the Company. Also, we have sought and received confirmation from the Instructing Party or the appointed personnel of the Company that no material factors have been omitted from the information supplied. Our analysis and valuation are based upon full disclosure between us and the Instructing Party or the appointed personnel of the Company of material and latent facts that may affect the valuation.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Instructing Party or the appointed personnel of the Company. We consider that we have been provided with sufficient information to reach an informed view, and have had no reason to suspect that any material information has been withheld.

Unless otherwise stated, all monetary amounts are in Hong Kong dollars (“**HK\$**”).

OPINION OF VALUE

Based on the above information and assumptions, we are of the opinion that the Market Rent of the property per calendar month and excluding Government Rent, Rates and Management Fee as at the Valuation Date in its existing state, and assuming free of all encumbrances, was HONG KONG DOLLARS ONE HUNDRED EIGHT THOUSAND AND THREE HUNDRED ONLY (HK\$108,300).

LIMITING CONDITIONS

Our findings or conclusion of rental value of the property in this report is valid only for the stated purpose and only for the Valuation Date, and for the sole use of the Instructing Party. We or our personnel shall not be required to give testimony or attendance in court or to any government agency by reason of this report, and we accept no responsibility whatsoever to any other person.

No responsibility is taken for changes in market conditions and local government policy and no obligation is assumed to revise this report to reflect events or conditions, which occur or make known to us subsequent to the date hereof. Neither the whole nor any part of this report or any reference made hereto may be included in any published documents, circular or statement, or published in any way, without our written approval of the form and context in which it may appear. Nonetheless, we consent to the publication of this report in this document to the Company's shareholders' reference.

Our liability for loss or damage shall be limited to such sum as we ought reasonably to pay having regard to our responsibility for the same on the basis that all other consultants and specialists, where appointed, shall be deemed to have provided to the Instructing Party contractual undertakings in respect of their services and shall be deemed to have paid to the Instructing Party such contribution as may be appropriate having regard to the extent of their responsibility for such loss or damage.

Our liability for any loss or damage arising out of the action or proceedings aforesaid shall, notwithstanding the preceding provisions, in any event be limited to a sum not exceeding the charges paid to us for the portion of services or work products giving rise to liability. In no event shall we be liable for consequential, special, incidental or punitive loss, damage or expense (including without limitation, loss of profits, opportunity cost etc.), even if it has been advised of their possible existence. For the avoidance of doubt our liability shall never exceed the lower of the sum calculated in accordance with the preceding provisions and the sum provided for in this clause.

It is agreed that the Instructing Party and the Company are required to indemnify and hold us and our personnel harmless from any claims, liabilities, costs and expenses (including, without limitation, attorney's fees and the time of our personnel involved) brought against, paid or incurred by us at a time and in any way based on the information made available in connection with our engagement except to the extent that any such losses, expenses, damages or liabilities are ultimately determined to be the result of gross negligence, misconduct, willful default or fraud of our engagement team in conducting its work. This provision shall survive even after the termination of this engagement for any reason.

STATEMENTS

Our report is prepared in line with requirements contained in Chapter 8 of the GEM Listing Rules as well as the reporting guidelines contained in the HKIS Standards. The valuation has been undertaken by valuer (see End Note), acting as external valuer, qualified for the purpose of the valuation.

We retain a copy of this report together with the data provided by the Instructing Party for the purpose of this assignment, and these data and documents will, according to the Laws of Hong Kong, be kept for a period of 6 years from the Latest Practicable Date and to be destroyed thereafter. We considered these records confidential, and we do not permit access to them by anyone, with the exception for law enforcement authorities or court order, without the Instructing Party's authorisation and prior arrangement made with us. Moreover, we will add the Company's information into our client list for our future reference.

The analysis and valuation of the property depend solely on the assumptions made in this report and not all of which can be easily quantified or ascertained exactly. Should some or all of the assumptions prove to be inaccurate at a later date, it will affect the reported findings or conclusion of value significantly.

We hereby certify that the fee for this service is not contingent upon our conclusion of value and we have no interest in the property, the Group or the rental value reported.

Yours faithfully,

For and on behalf of

LCH (Asia-Pacific) Surveyors Limited

J. Junior Ho *RPS(GP)(PD)*

Director

Contributing Valuer:

Ms. Leona Chen *B.A.*

Note: Sr J. Junior Ho is a member of The HKIS and has been conducting valuation of real properties in Hong Kong, Macau, Taiwan, mainland China, Canada, the United Kingdom, France, Singapore, Guyana, Samoa, Argentina and Vietnam since 2010.

PROPERTY PARTICULARS

Property	Description and tenure	Particulars of occupancy
Shop Nos. R137, R138 and R139, Ground Floor (also known as Level 1), Tip Sum House (Block 4) (forming part of Integrated Commercial/Car Park Accommodation), Butterfly Estate, No. 1 Wu Chui Road, Tuen Mun, New Territories Hong Kong	The property comprises a fast food shop premises on the Ground Floor of an 18-storeyed public rental housing block erected over a 1-storeyed podium and entrance of a 3-storeyed retail complex (known as Butterfly Plaza) and indoor wet market (known as Butterfly Market). The building was completed in 1983. As advised, the property has a gross floor area of approximately 166 square meters (1,787 sq. ft).	As inspected and confirmed by the appointed personnel of the Company, as at the Valuation Date, the property is under renovation and is subject to a tenancy agreement for restaurant purpose. (See Note 3 below)

Notes:

1. The registered owner of the property is Link Properties Limited (formerly known as The Link Properties Limited) vide an Assignment dated 21 June 2006 and registered in the Land Registry by Memorial No. 06070800620018 on 8 July 2006.
2. The land of which the property is situated has been issued with a Certified Copy of Waiver Letter from Chief Estate Surveyor of Lands Department to Hong Kong Housing Authority dated 3 December 2004 and registered in the Land Registry by Memorial No. 06022401500019 on 24 February 2006.
3. According to the information available to us, the property is subject to a tenancy agreement entered into between Link Properties Limited as landlord and Fortune City Limited as tenant for a term of six years commencing from 16 August 2022 to 15 August 2028, at a monthly rental (exclusive of government rates, air-conditioning charges and management fees and all other outgoings) comprising of base rent or turnover rent of a sum equivalent to 10.00% of gross receipts, whichever is higher. The base rent per month is agreed at a step-up rent schedule at HK\$90,000.00 in Year 1, HK\$100,000.00 in Year 2, HK\$110,000.00 in Year 3, and HK\$121,000.00 in Year 4 to Year 6. The tenant is entitled to a rent-free period of 60 days from the commencement of the term. The permitted use of the property under the tenancy agreement is restricted to the sole purpose of operating a Japanese style cuisine restaurant and a Sichuan restaurant under the trade name of "Butao Ramen".

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 Company. 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

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and 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 pursuant to Divisions 7 and 8 of Part XV of the SFO (including 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 Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Long positions in ordinary shares of the Company

Name of Director	Capacity/Nature of interest	Number of shares held/interested	Approximate percentage of shareholding
Tang Chun Ho Chandler (Note 1)	Interest in a controlled corporation	3,001,000	5.46

Note 1: Brilliant Trade Enterprises Limited is owned as to 35% by Mr. Tang Chun Ho Chandler, whom by virtue of the SFO is deemed to be interested in 5.46% of the issued share capital of the Company in which Brilliant Trade Enterprises Limited is interested in.

Long position in shares of associated corporation

Name of Director	Name of associated corporation	Capacity/Nature of interest	Number of shares held/interested	Approximate percentage of shareholding
Tang Chun Ho Chandler	Brilliant Trade Enterprises Limited	Beneficial owner	35	35

Save as disclosed above and so far as is known to the Directors, as at the Latest Practicable Date, none of the Directors and the 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 pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and 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 for Securities Transactions by Directors of Listed Issuers set out in 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, 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:

Long positions in ordinary shares of the Company

Name of substantial shareholder	Capacity/Nature of interest	Number of shares held/interested	Approximate percentage of shareholding
Brilliant Trade Enterprises Limited (Note 2)	Beneficial owner	3,001,000	5.46
Mr. Tang Hing Chee (Note 2)	Interest of a controlled corporation	3,001,000	5.46
Ms. Tai Shiu Bun Mariana (Note 3)	Interest of spouse	3,001,000	5.46
Ms. Lee Wai Yu Giselle (Note 4)	Interest of spouse	3,001,000	5.46

Notes:

1. Brilliant Trade Enterprises Limited is owned as to 35% by Mr. Tang Hing Chee, whom by virtue of the SFO is deemed to be interested in 5.46% of the issued share capital of the Company in which Brilliant Trade Enterprises Limited is interested in.
2. Ms. Tai Shiu Bun Mariana is the spouse of Mr. Tang Hing Chee. Accordingly, Ms. Tai Shiu Bun Mariana is deemed, or taken to be, interested in the shares in which Mr. Tang Hing Chee is interested for the purpose of the SFO.
3. Ms. Lee Wai Yu Giselle is the spouse of Mr. Tang Chun Ho Chandler. Accordingly, Ms. Lee Wai Yu Giselle is deemed, or taken to be, interested in the shares in which Mr. Tang Chun Ho Chandler is interested for the purpose of the SFO.

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' AND CONTROLLING SHAREHOLDER'S INTEREST IN COMPETING INTERESTS

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. LITIGATION

As disclosed in the 2022 annual report of the Company, the Group has been served a number of claims as result of arrears rent and related expenses. These claims are legal proceedings and the outcomes might have a significant impact on the continuity of the Group and the Company.

Save as disclosed above, 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 contract with the Company or any other member of the Group which is not determinable within one year without payment of compensation (other than statutory compensation).

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

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to any business of the Group. As at the Latest Practicable Date, none of the Directors 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 2022 (being the date to which the latest published audited consolidated financial statements of the Group were made up).

7. MATERIAL CONTRACTS

The Directors considered that entering into and renewal of leases to rent premises for operation of the Group's restaurants are ordinary course of the business of the Group. There was no material contract (not being contracts entered into in the ordinary course of business of the Group) entered into by any member of the Group within the period from the day two years before the date of this circular and up to the Latest Practicable Date.

8. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinions or advice contained in this Circular:

Name	Qualification
LCH (Asia-Pacific) Surveyors Limited	Independent Property Valuer

The above expert has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its report and/or opinion (as the case may be) and references to its name in the form and context in which it appears.

As at the Latest Practicable Date, the above expert did not have any shareholding, directly or indirectly, in any member of the Group or any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Group.

As at the Latest Practicable Date, the above expert did not have any direct or indirect interest in any assets which had been, since 31 March 2022, the date to which the latest published audited consolidated financial statements of the Group were made up, acquired or disposed of by, or leased to, or are proposed to be acquired or disposed of by, or leased to, any members of the Group.

The property valuation report prepared by LCH (Asia-Pacific) Surveyors Limited is given as of the date of this Circular for incorporation herein.

9. GENERAL

- (a) The company secretary of the Company is Ms. Wong Tsz Yan Pinky, who is a member of the Hong Kong Institute of Certified Public Accountants.
- (b) The compliance officer of the Company is Mr. Tang Chun Ho Chandler, who is also the chief executive officer of the Company and chairman of the Board.
- (c) The registered office of the Company is situated at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands.
- (d) The principal share registrar and transfer office of the Company is Ocorian Trust (Cayman) Limited, Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. The branch share registrar and transfer office of the Company in Hong Kong is Boardroom Share Registrars (HK) Limited 2103B, 21/F 148 Electric Road, North Point, Hong Kong.
- (e) The principal place of business in Hong Kong of the Company is situated at 6/F, Goldsland Building, 22-26 Minden Avenue, Tsim Sha Tsui, Kowloon, Hong Kong.
- (f) The audit committee of the Company was established on 21 February 2019 with written terms of reference in accordance with Rule 5.28 of the GEM Listing Rules and in compliance with paragraphs D.3.1 to D.3.7 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, reappointment and removal of the external auditors, and handling any questions of their resignation or dismissal of that auditor, to review 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 independent non-executive directors, namely Mr. Lee Koon Tak (“**Mr. Lee**”), Mr. Ho Lai Chuen (“**Mr. Ho**”) and Ms. So Siu Ying (“**Ms. So**”). The audit committee is chaired by Mr. Lee.

- (g) Mr. Lee, aged 51, was appointed as an independent non-executive Director of the Company on 21 February 2019.

Mr. Lee has over 23 years of experience in accounting and finance. From May 1993 to December 1996, Mr. Lee worked as an accountant at CarnaudMetalbox (Hong Kong) Limited whose principal business was manufacturing of packaging products. From January 1997 to November 1997, Mr. Lee worked as a chief accountant at GEC Alstom Transport Hong Kong Limited, a company principally engaged in offering rolling stock to infrastructure, as well as signaling, maintenance and integrated transport systems. From August 1997 to September 2017, Mr. Lee was appointed by Canon Hongkong Company Limited, which is primarily engaged in offering a comprehensive range of digital imaging products in Hong Kong and Macau, as a vice president where he was responsible for finance and accounting, information technology, supply chain management, legal and compliance and customer delight divisions of the company. Since October 2017, Mr. Lee has been appointed as the Vice President of Canon India Private Limited, which is primarily engaged in offering a comprehensive range of digital imaging products in India, where he is responsible for supervising the finance and taxation, legal and corporate planning divisions at the company.

Mr. Lee obtained a bachelor degree of business administration in applied economics from Hong Kong Baptist College (now known as Hong Kong Baptist University) in December 1992. In November 2012, he obtained a Master of Business Administration (Executive) degree from The Chinese University of Hong Kong. Mr. Lee has been a fellow member of The Association of Chartered Certified Accountants Hong Kong since July 2001 and a member of the Hong Kong Institute of Certified Public Accountants since April 1997.

Mr. Ho, aged 67, was appointed as the independent non-executive Director on 21 February 2019.

Mr. Ho has over 33 years of experience in the production and broadcasting industry. From March 1977 to March 2011, Mr. Ho was employed by Television Broadcasts Limited (“**TVB**”) as a scriptwriter, creative director and was promoted to his last position as controller for non-drama productions at the production division. TVB is a company listed on the Main Board of the Stock Exchange (stock code: 00511), major activities of which include free-to-air television broadcasting, programme production, programme licensing and distribution, digital media business and publications. From April 2011 to March 2015, Mr. Ho was appointed as an executive vice president and general manager, production in the TV and new media business unit of PCCW Media Limited whose principal business is the provision of pay-TV service in Hong Kong. Mr. Ho was a corporate mentor for the Master of Business Administration programme at the Shanghai University, PRC from April 2015 to March 2016. Since October 2015,

Mr. Ho has been serving as the chief executive officer of CL Showbiz Limited, which is primarily engaged in the provision of services including event planning/coordinating stage design and setting, sound and lighting and audio visual production. Since May 2018, Mr. Ho has been engaged as a consultant of Asia Television Digital Media Limited to provide advisory services on its television broadcasting business. Since February 2021, Mr. Ho rejoined TVB as the chief executive officer of The Voice Entertainment Group Limited. Mr. Ho obtained a Master of Business Administration (Executive) degree from City University of Hong Kong in October 2014.

Ms. So, aged 63, was appointed as the independent non-executive Director on 31 August 2022.

Ms. So has over 35 years of experience in catering services and has held management positions in a number of restaurants. She has extensive knowledge in the operation and management of restaurants.

10. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.butamoramen.com for a period of not less than 14 days from the date of this circular (inclusive):

- (a) the Tenancy Agreement;
- (b) the written consent referred to in the paragraph headed "Expert and Consent" in this Appendix; and
- (c) this circular.

NOTICE OF EXTRAORDINARY GENERAL MEETING



TASTY CONCEPTS HOLDING LIMITED 賞之味控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8096)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Extraordinary General Meeting (the “**Meeting**”) of shareholders of Tasty Concepts Holding Limited (the “**Company**”) will be held at Portion 2, 12/F., The Center, 99 Queen’s Road Central, Central, Hong Kong on Friday, 16 December 2022 at 3:00 p.m. for the following purposes:

1. **THAT** the tenancy agreement dated 22 July 2022 entered into between Fortune City Limited and Link Properties Limited, a copy of which has been produced to the EGM marked “A” and signed by the chairman of the EGM for identification purpose, and the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified.

QUESTIONS FROM SHAREHOLDERS

The Board considers that the EGM is an important opportunity for Shareholders to express their views by raising questions and voting. Shareholders’ participation in the EGM are considered to be important. The Board wishes to emphasise that Shareholders can raise questions during the EGM. Shareholders who would like to raise questions in relation to any resolution set out in this notice or the business of the Company at the EGM can submit questions by 3:00 p.m. on Wednesday, 14 December 2022 (being not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof) via email to info@butaoramen.com or via telephone hotline at (852) 3189 1200 providing personal particulars as follows for verification purposes:

- a) Full name;
- b) Registered address;
- c) Number of Shares held;
- d) Hong Kong Identity Card Number or passport number (in case of natural person)/ company registration number (in case of body corporate);

NOTICE OF EXTRAORDINARY GENERAL MEETING

- e) Contact telephone number; and
- f) Email address.

Shareholders can also submit questions during the EGM.

The Board will arrange to answer the questions raised by Shareholders at the EGM and those submitted in advance to the extent possible.

By order of the Board
Tasty Concepts Holding Limited
Tang Chun Ho Chandler
Chairman

Hong Kong, 28 November 2022

Notes:

1. Any member of the Company entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the Meeting. A proxy need not be a member of the Company.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorized on its behalf.
3. Where there are joint registered holders of any shares, any one of such persons may vote at the above meeting (or any adjournment thereof), either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders by present at the above meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
4. In order to be valid, the proxy form, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the Company's branch registrar and transfer office in Hong Kong, Boardroom Share Registrars (HK) Limited, at 2103B, 21st Floor, 148 Electric Road, North Point, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.
5. Delivery of an instrument appointing a proxy shall not preclude a shareholder from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. The transfer books and Register of Members of the Company will be closed from Tuesday, 13 December 2022 to Friday, 16 December 2022, both days inclusive. During such period, no share transfers will be effected. In order to qualify for attending the Meeting, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Boardroom Share Registrars (HK) Limited, at 2103B, 21st Floor, 148 Electric Road, North Point, Hong Kong for registration no later than 4:30 p.m. on Monday, 12 December 2022.

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7. A form of proxy for use by shareholders at the Meeting is enclosed.
8. In view of the ongoing COVID-19 pandemic and recent requirements for prevention and control of its spread, the Company will implement precautionary measures at the Extraordinary General Meeting. Shareholders are advised to read page ii of the circular of the Company dated 28 November 2022 for details of the precautionary measures and monitor the development of COVID-19. Subject to the development of COVID-19, the Company may implement further changes and precautionary measures and may issue further announcement on such measures as appropriate.
9. In light of the continuing risks posed by the COVID-19 pandemic, the Company strongly advises Shareholders to appoint the chairman of the meeting as their proxy to vote on the relevant resolution(s) as an alternative to attending the Extraordinary General Meeting in person.

As at the date of this notice, the Directors of the Company are:

Executive Directors:

Mr. Tang Chun Ho Chandler (*Chairman & Chief Executive Officer*)

Ms. Sung Kwan Wun

Independent Non-executive Directors:

Mr. Ho Lai Chuen

Mr. Lee Koon Tak

Ms. So Siu Ying

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

This notice, 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 Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this notice 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 notice misleading.

This notice will remain on the website of the Stock Exchange at www.hkexnews.hk on the "Latest Listed Company Information" page for at least 7 days from the date of its posting and will be published on the Company's website at www.butaramen.com.