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 your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

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

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MS CONCEPT LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8447)

CONTINUING CONNECTED TRANSACTION IN RESPECT OF THE 2019 MASTER SUPPLY AGREEMENT AND NOTICE OF EXTRAORDINARY GENERAL MEETING

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders

富強金融資本
FORTUNE FINANCIAL CAPITAL

Capitalised terms used in the lower portion of this cover page and the inside cover page of this circular shall have the same respective meanings as those defined in the section headed ''DEFINITIONS'' of this circular.

A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on page 14 of this circular. A letter of advice from Fortune Financial to the Independent Board Committee and the Independent Shareholders is set out on pages 15 to 24 of this circular.

A notice convening the EGM to be held at Meeting Room 1–3, Level 4, Cyberport 1, 100 Cyberport Road, Hong Kong on Monday, 23 December 2019 at 11:00 a.m. is set out on pages EGM-1 to EGM-2 of this circular.

A form of proxy for use in connection with the EGM is enclosed with this circular. Such form of proxy is also published on the respective websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.mrsteak.com.hk). If you are not able or do not intend to attend the EGM in person and wish to exercise your right as a Shareholder, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return the completed form of proxy to the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event, not later than 48 hours before the time appointed for holding the EGM or its adjournment (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or its adjournment if you so wish. If you attend and vote at the EGM, the instrument appointing your proxy will be deemed to have been revoked.

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

5 December 2019

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

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

CONTENTS

Page

DEFINITIONS 1

LETTER FROM THE BOARD 5

LETTER FROM THE INDEPENDENT BOARD COMMITTEE 14

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER 15

APPENDIX — GENERAL INFORMATION 25

NOTICE OF EGM EGM-1

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

"2018 Master Supply Agreement"	the master supply agreement dated 23 March 2018 entered into between MS Restaurant and Elite in relation to the supply of chilled and frozen meat and seafood and other food supplies by Elite to the Group
"2019 Master Supply Agreement"	the master supply agreement dated 8 November 2019 entered into between MS Restaurant and Elite in relation to the supply of chilled and frozen meat and seafood and other food supplies by Elite to the Group, details as set out in the section headed "2019 Master Supply Agreement" in this circular
"Announcement"	the announcement of the Company dated 8 November 2019 relating to the 2019 Master Supply Agreement
"Articles"	the articles of association of the Company
"associates"	has the meaning ascribed to it under the GEM Listing Rules
"Board"	the Board of Directors of the Company
"BVI"	the British Virgin Islands
"Company"	MS Concept Limited, a company incorporated in the Cayman Islands, whose issued Shares are listed on GEM of the Stock Exchange
"Concert Party Deed"	a concert party deed entered into by Mr. Kwong, Ms. Ingrid Ip, Ms. Kwong, Mr. Joseph Kwong and Ms. Melanie Kwong on 23 November 2017, details of which are set out in the section headed "History, Development and Reorganisation — Parties acting in concert" of the Prospectus
"connected person(s)"	has the meaning ascribed to it under the GEM Listing Rules
"Controlling Shareholder(s)"	has the meaning ascribed to it under the GEM Listing Rules and unless the context requires otherwise, refers to Mr. John Kwong, Ms. Ingrid Ip, Ms. Kwong, Mr. Joseph Kwong, Ms. Melanie Kwong and Future More
"Director(s)"	director(s) of the Company

"EGM"	an extraordinary general meeting of the Company to be convened and held to approve, among others, the 2019 Master Supply Agreement, and proposed annual caps and the transactions to be contemplated thereunder
"Elite"	Elite Fresh Food Company Limited, a company incorporated in Hong Kong on 16 October 1984 with limited liability and owned as to 50%, 25% and 25% by Ms. Ingrid Ip, Mr. Joseph Kwong and Ms. Melanie Kwong, respectively
"Future More"	Future More Company Limited, a company incorporated with limited liability in the BVI on 7 November 2017 and owned as to 14%, 18%, 18%, 25% and 25% by Mr. John Kwong, Ms. Ingrid Ip, Ms. Kwong, Mr. Joseph Kwong and Ms. Melanie Kwong and being a Controlling Shareholder
"GEM"	GEM of the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM, as amended, modified, and supplemented from time to time
"Group", "we", "us", "our"	the Company and its subsidiaries
"Hong Kong" or "HKSAR"	the Hong Kong Special Administrative Region of the People's Republic of China
"Independent Board Committee"	an independent board committee, comprising all of the independent non-executive Directors, namely Mr. Lai Ming Fai Desmond, Dr. Cheng Lee Lung and Mr. Kwok Yiu Chung, formed to advise the Independent Shareholders in respect of, amongst others, the 2019 Master Supply Agreement and the proposed annual caps
"Independent Financial Adviser" or "Fortune Financial"	Fortune Financial Capital Limited, a corporation licensed to carry out type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of, amongst others, the 2019 Master Supply Agreement and the proposed annual caps
"Independent Shareholders"	shareholders of the Company other than Future More and its associates

"Independent Third Party(ies)"	an individual(s) or a company(ies) who or which, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, is/are independent of and not connected with (within the meaning of the GEM Listing Rules) the Company, its subsidiaries or any of their respective associates
"Latest Practicable Date"	28 November 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
"Lord Master"	Lord Master Limited (爵士有限公司), a limited liability company incorporated in Hong Kong on 6 December 2002 and a wholly-owned subsidiary of the Company
"Meric Investment"	Meric Investment Limited (明力投資有限公司), a limited liability company incorporated in Hong Kong on 29 March 2000 and a wholly-owned subsidiary of the Company
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Companies
"Mr. John Kwong"	Mr. Kwong Tai Wah, being our chairman of the Board, chief executive officer, one of the executive Directors, one of the Controlling Shareholders, the spouse of Ms. Ingrid Ip, the father of Ms. Kwong, and the brother of Mr. Joseph Kwong and Ms. Melanie Kwong
"Mr. Joseph Kwong"	Mr. Kwong Tai Wing Joseph, being one of the Controlling Shareholders, the brother of Mr. John Kwong and Ms. Melanie Kwong, the uncle of Ms. Kwong, and the brother-in-law of Ms. Ingrid Ip
"Ms. Ingrid Ip"	Ms. Ip Yin King Ingrid, being one of the Controlling Shareholders, the spouse of Mr. John Kwong, the mother of Ms. Kwong, and the sister-in-law of Mr. Joseph Kwong and Ms. Melanie Kwong
"Ms. Kwong"	Ms. Kwong Man Yui, being one of the executive Directors, one of the Controlling Shareholders, the daughter of Mr. John Kwong and Ms. Ingrid Ip, and the niece of Mr. Joseph Kwong and Ms. Melanie Kwong
"Ms. Melanie Kwong"	Ms. Kwong Ching Yee Melanie, being one of the Controlling Shareholders, the sister of Mr. John Kwong and Mr. Joseph Kwong, the aunt of Ms. Kwong, and the sister-in-law of Ms. Ingrid Ip

"MS Restaurant"	MS Restaurant Group Limited, a company incorporated with limited liability in the BVI on 7 November 2017 and directly wholly-owned by the Company and being the intermediate holding company of the Group
"Prospectus"	the prospectus dated 29 March 2018 for the listing of the issued Shares of the Company on the GEM of the Stock Exchange
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) with a nominal value of HK$0.01 each in the share capital of the Company
"Shareholders"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"HK$"	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
"%"	percent

MS CONCEPT LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8447)

Executive Directors:
Mr. Kwong Tai Wah
(Chairman and Chief Executive Officer)
Ms. Kwong Man Yui *(Vice Chairlady)*
Mr. Lam On Fai

Independent non-executive Directors:
Mr. Lai Ming Fai Desmond
Dr. Cheng Lee Lung
Mr. Kwok Yiu Chung

Registered Office:
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Head Office and Principal Place of Business in Hong Kong:
Room 2313, 23/F
Hong Kong Plaza
186–191 Connaught Road West
Hong Kong

5 December 2019

To the Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTION IN RESPECT OF THE 2019 MASTER SUPPLY AGREEMENT

Reference is made to the Announcement in respect of the 2019 Master Supply Agreement.

The purpose of this circular is to provide you, among other things, (i) further information in relation to the 2019 Master Supply Agreement; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from Fortune Financial to the Independent Board Committee and the Independent Shareholders in relation to the 2019 Master Supply Agreement; and (iv) notice of the EGM to consider and, if thought fit, to approve the 2019 Master Supply Agreement and its proposed annual caps.

CONTINUING CONNECTED TRANSACTION

Reference is made to the section headed "Connected Transactions — Non-exempt Continuing Connected Transactions" of the Prospectus, in relation to, among other things, the continuing connected transaction under the 2018 Master Supply Agreement.

As the 2018 Master Supply Agreement will expire on 31 March 2020, MS Restaurant had, on 8 November 2019 (after trading hours), entered into the 2019 Master Supply Agreement with Elite for the supply of chilled and frozen meat and seafood and other food ingredients to the Group for a term of three years from 1 April 2020 to 31 March 2023, details of which are set out below:

2019 Master Supply Agreement

As disclosed in the Announcement, the salient terms of the 2019 Master Supply Agreement are as follows:

Date : 8 November 2019

Parties : (i) MS Restaurant (as the purchaser); and

(ii) Elite (as the supplier)

Term : The 2019 Master Supply Agreement will be effective from 1 April 2020 and up to 31 March 2023 (both dates inclusive).

Nature of the transactions : MS Restaurant as purchaser and Elite as supplier agree that the Group will purchase and Elite will supply chilled and frozen meat and seafood and other food ingredients to the Group for its restaurant operations.

Pricing Policy : The purchase price of each and every purchase shall be separately determined on order-by-order basis by both parties according to the following principles:

(i) the purchase price shall be determined after arm's length negotiation between the parties and shall be in accordance with normal commercial terms;

(ii) the purchase price shall not be higher than the prevailing market price; and

(iii) the purchase price shall not be higher than the price offered by independent third parties.

Settlement terms : The parties shall settle the accounts according to the actual verified purchase amount of chilled and frozen meat and seafood and other food ingredients supplied to the Group for its restaurant operations. Elite shall issue invoices to the Group for payment within 60 days of confirmation of verified purchase amount of chilled and frozen meat and seafood and other food ingredients supplied.

HISTORICAL FIGURES

The aggregate amounts of food ingredients purchased by the Group from Elite for the years ended 31 March 2018 and 2019 and the six months ended on 30 September 2019 amounted to approximately HK$39.9 million HK$36.4 million and HK$18.0 million, respectively.

PROPOSED ANNUAL CAPS

For the year ended 31 March				For the six months ended 30 September	For the year ending 31 March			
2018 Historical amount	2018 Existing annual cap	2019 Historical amount	2019 Existing annual cap	2019 Historical amount	2020 Existing annual cap	2021 Proposed annual cap	2022 Proposed annual cap	2023 Proposed annual cap
HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
39,886	40,000	36,390	50,000	17,980	65,000	41,000	49,000	57,000

The Directors estimate that the annual transaction amounts under the 2019 Master Supply Agreement for the three years ending 31 March 2023 will not exceed the annual caps of HK$41,000,000, HK$49,000,000 and HK$57,000,000 respectively.

The annual transaction amounts for the 2019 Master Supply Agreement for the three years ending 31 March 2023 are determined after having considered, among others, (i) the historical transaction amount between the Group and Elite; (ii) the expected demand of the relevant food ingredients by the Group for the three years ending 31 March 2023; (iii) the estimated business growth of the Group during the three years ending 31 March 2023; (iv) the new restaurants to be opened by the Group before 31 March 2023; and (v) an inflation rate of 2.1% that is expected to affect the price of food ingredients.

According to the latest business plan, the Group intends to establish 5 new restaurants with estimated timeframe as follows:

	For the year ending 31 March		
	2021	**2022**	**2023**
Second quarter	—	1	1
Fourth quarter	1	1	1

As disclosed in the Prospectus, the Group expected to establish 2 new restaurants for each of the year ended 31 March 2019 and the year ending 31 March 2020, respectively. Affected by the market sentiment under the trade war between the People's Republic of China and the United States since 2018 and the uncertain economic condition, the Group exercised reasonable due care in selecting strategic locations for the Group's expansion. As a result, the Group established only 1 new restaurant located at Citygate, Tung Chung in August 2019.

The social unrest in Hong Kong since June 2019 and weakened market sentiment will likely cause rental expenses to reduce in the coming years. The Group holds the view that it is a good opportunity to execute the Group's expansion plan for the three years ending 31 March 2023 provided that the Group has the necessary financial resources.

The expected inflation rate of 2.1 % that affects the price of food ingredients is referenced to the Consumer Price Index for August 2019 issued by the Census and Statistics Department of the Government of the HKSAR. The Directors believes the source of expected inflation is accurate and reliable.

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

CONDITIONS

The 2019 Master Supply Agreement is conditional upon the approval by the Independent Shareholders of the renewal of the master supply arrangement, the proposed annual caps and the transactions contemplated under the 2019 Master Supply Agreement.

REASONS AND THE BENEFITS OF ENTERING INTO THE 2019 MASTER SUPPLY AGREEMENT

The Group has sourced food ingredients from Elite since the commencement of business in 2000. Elite is one of the key high quality meat and seafood wholesalers in Hong Kong and maintained its position among the top ranking in terms of value of imported food ingredients in Hong Kong. Since the Group is satisfied with the quality and timely delivery of the food ingredients by Elite over the years of cooperation and the terms offered by Elite to the Group are of normal commercial terms, the Directors are of the view that it will be in the interests of the Group and the Shareholders as a whole to continue such transactions with Elite. As such, it is beneficial to the Group to continue to purchase the food ingredients from Elite. Furthermore, given that the Group has established a long-term relationship with Elite which has been providing food ingredients to the Group since 2000, we believe we would achieve better and more efficient communication with Elite as to the Group's business needs as compared to other third parties. In addition, the long-term relationship between the Group and Elite in turn provides us with business and operational convenience. Hence, the Directors believe that entering into the 2019 Master Supply Agreement will maintain synergies to the Group's operation.

INFORMATION ON THE GROUP

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

INFORMATION OF THE PARTIES

Information of MS Restaurant

MS Restaurant is a company incorporated with limited liability in the BVI on 7 November 2017. It is a directly wholly-owned subsidiary of the Company and the intermediate holding company of the Group.

Information on Elite

Elite is a company with limited liability incorporated in Hong Kong on 16 October 1984 and is a supplier of chilled and frozen meat and seafood and other food ingredients in Hong Kong. Since Elite is owned as to 50%, 25% and 25% by Ms. Ingrid Ip, Mr. Joseph Kwong and Ms. Melanie Kwong respectively, who are the Controlling Shareholders, Elite is a connected person of the Company and the transactions contemplated under the 2019 Master Supply Agreement therefore constitute continuing connected transactions for the Group under Chapter 20 of the GEM Listing Rules.

As Mr. Kwong and Ms. Kwong, executive Directors, being the connected person, have material interests in the transactions contemplated under the 2019 Master Supply Agreement, they have abstained from voting on the Board resolutions approving the 2019 Master Supply Agreement and the transactions contemplated thereunder.

As the proposed annual caps in respect of the 2019 Master Supply Agreement for each of the three years ending 31 March 2023 is more than HK$10,000,000, and at least one of the applicable ratios calculated thereof is more than 5%, the transactions contemplated under the 2019 Master Supply Agreement constitute continuing connected transactions and are subject to the reporting, announcement, circular, annual review and Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

INTERNAL CONTROL PROCEDURES

(1) As the food ingredients from Elite is generally readily available in the market, we will carry out a quarterly review on the purchase price offered by Elite by obtaining quotation from at least two other independent suppliers that provide similar food ingredients for any purchase from Elite. Based on the fee quotations provided by other independent suppliers, we will be able to ensure that the purchase price to be paid to Elite by the Group represents the prevailing market price on normal commercial terms.

(2) The relevant personnel of the Group will keep track of the aggregate amount of purchases by the Group from Elite for the supply of chilled and frozen meat and seafood and other food ingredients to the Group under the 2019 Master Supply Agreement by preparing a schedule on purchases by the Group from Elite on a monthly basis and report to the Board for the purpose of ensuring that the annual caps will not be exceeded; and

(3) The Company has adopted relevant reporting and record-keeping procedures to allow independent non-executive Directors and auditors of the Company to perform annual review of the purchase of chilled and frozen meat and seafood and other food ingredients under the 2019 Master Supply Agreement.

THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all independent non-executive directors, namely Mr. Lai Ming Fai, Desmond, Dr. Cheng Lee Lung and Mr. Kwok Yiu Chung, has been established to advise the Independent Shareholders, in respect of the transactions under the 2019 Master Supply Agreement and the proposed annual caps.

No member of the Independent Board Committee has any interest in the 2019 Master Supply Agreement and the proposed annual caps. A letter from the Independent Board Committee is set out on page 14 of this circular.

Fortune Financial has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders regarding the transactions under the 2019 Master Supply Agreement and the proposed annual caps. A letter from the Independent Financial Adviser is set out on pages 15 to 24 of this circular.

EGM

Set out on pages EGM-1 to EGM-2 of this circular is a notice convening the EGM to consider and, if appropriate, to approve the ordinary resolution relating to the 2019 Master Supply Agreement.

A form of proxy for use in connection with the EGM is enclosed with this circular and can also be downloaded from the respective websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.mrsteak.com.hk). If you are not able or do not intend to attend the EGM in person and wish to exercise your right as a Shareholder, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return the completed form of proxy to the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event, not later than 48 hours before the time appointed for holding the EGM or its adjournment (as the case may be). Completion and return of the form of proxy will not preclude any Shareholder from attending and voting in person at the EGM or its adjournment he/she/it so wish. If the Shareholder attends and votes at the EGM, the instrument appointing the proxy will be deemed to have been revoked.

VOTING BY POLL

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll except where the chairman of the meeting, 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. Therefore, the resolution to be proposed at the EGM and contained in the notice of the EGM will be voted by way of a poll by the Shareholders.

According to Rule 2.26 of the GEM Listing Rules, any shareholder that has a material interest in the transaction or arrangement shall abstain from voting on the resolution(s) approving the transaction or arrangement at the general meeting. As at the Latest Practicable Date, 1,000,000,000 Shares were in issue, among which, Future More was beneficially interested in 750,000,000 Shares, representing 75% of the total number of issued Shares. Future More is beneficially owned as to 14% by Mr. Kwong, an executive Director and the Chairman, 18% by Ms. Ingrid Ip, 18% by Ms. Kwong, an executive Director and the Vice Chairlady, 25% by Mr. Joseph Kwong and 25% by Ms. Melanie Kwong, respectively. Pursuant to the Concert Party Deed dated 23 November 2017 and executed by Mr. Kwong, Ms. Ingrid Ip, Ms. Kwong, Mr. Joseph Kwong and Ms. Melanie Kwong, each of them has agreed and confirmed, among other things, that they have been parties acting in concert in relation to the Group since 23 November 2017 and upon the Listing and will continue to act in the same manner in the Group. By virtue of the SFO, Mr. Kwong, Ms. Ingrid Ip, Ms. Kwong, Mr. Joseph Kwong and Ms. Melanie Kwong are deemed to be interested in 750,000,000 Shares held by Future More, representing 75% of the total number of issued Shares.

Pursuant to Rule 2.27 of the GEM Listing Rules, Future More is deemed to have a material interest in the transactions under the 2019 Master Supply Agreement for being a close associate to the parties to the said agreement. Therefore, Future More shall abstain from voting in favour of the resolution to approve the transaction contemplated under the 2019 Master Supply Agreement and the proposed respective annual caps at the EGM.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the Latest Practicable Date, there was (i) no voting trust or other agreement or arrangement or understanding (other than an outright sale) entered into by or binding upon any Shareholder; and (ii) no obligation or entitlement of any Shareholder as at the Latest Practicable Date whereby he has or may have temporarily or permanently passed control over the exercise of the voting right in respect of his Shares to a third party, either generally or on a case-by-case basis. Accordingly, to the best of the Directors' knowledge, information and belief, as at the Latest Practicable Date, there existed no discrepancy between any Shareholder's beneficial shareholding interest in the Company and the number of Shares in respect of which such Shareholder will control or will be entitled to exercise control over the voting right at the EGM in respect of the resolutions approving the transaction contemplated under the 2019 Master Supply Agreement and the proposed annual caps.

RECOMMENDATION

Your attention is drawn to the letter of advice from the Independent Financial Adviser as set out on pages 15 to 24 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in connection with the transaction under the 2019 Master Supply Agreement and the proposed annual caps and the letter from the Independent Board Committee set out on page 14 of this circular which contains its recommendation to the Independent Shareholders in relation to the transaction under the 2019 Master Supply Agreement and the proposed annual caps.

The Board (including the Independent Board Committee), having taken into account the advice from the Independent Financial Adviser, but excluding the interested Directors who are interested or deemed to be interested in the 2019 Master Supply Agreement, is of the view that the proposed annual caps are fair and reasonable and on normal commercial terms or better in the ordinary and usual course of business and considers that the 2019 Master Supply Agreement and the proposed annual caps are in the interests of the Company and the Shareholders as a whole and accordingly recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM as set out in the notice of the EGM on page EGM-1 to EGM-2 of this circular.

GENERAL

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

MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

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

MS CONCEPT LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8447)

5 December 2019

To the Independent Shareholders

Dear Sir or Madam

CONTINUING CONNECTED TRANSACTION IN RESPECT OF THE 2019 MASTER SUPPLY AGREEMENT

We have been appointed as the members of the Independent Board Committee to advise the Independent Shareholders in respect of the resolution to approve the transaction contemplated under the 2019 Master Supply Agreement and the proposed annual caps, the details of which are set out in the ''Letter from the Board'' contained in the circular of the Company dated 5 December 2019 (the ''**Circular**'') of which this letter forms part. Unless the context otherwise requires, terms defined in the Circular shall have the same meanings when used in this letter.

Your attention is drawn to the ''Letter from the Board'', the advice of Fortune Financial in its capacity as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of whether the terms and conditions of the 2019 Master Supply Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and are in the ordinary and usual course of business of the Company as set out in the ''Letter from the Independent Financial Adviser'' as well as other additional information set out in other parts of the Circular.

Having taken into account the advice of and the principal factors and reasons considered by Fortune Financial in relation thereto as stated in its letter, we consider the terms and conditions of the transactions contemplated under the 2019 Master Supply Agreement and the proposed annual caps are on normal commercial terms and are fair and reasonable and are in the interests of the Company and the Shareholders as a whole, and the transactions contemplated hereunder are in the ordinary and usual course of business of the Company. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the transactions contemplated under the 2019 Master Supply Agreement and the proposed annual caps.

Yours faithfully,
For and on behalf of Independent Board Committee

Mr. Lai Ming Fai Desmond	**Dr. Cheng Lee Lung**	**Mr. Kwok Yiu Chung**
Independent non-executive Director	*Independent non-executive Director*	*Independent non-executive Director*

The following is the full text of the letter of advice from Fortune Financial to the Independent Board Committee and the Independent Shareholders in respect of the entering of 2019 Master Supply Agreement purpose of incorporation in this circular



Fortune Financial Capital Limited
43/F, Cosco Tower
183 Queen's Road Central
Hong Kong

5 December 2019

To: the Independent Board Committee and the Independent Shareholders

Dear Sirs/Madams,

CONTINUING CONNECTED TRANSACTION IN RESPECT OF THE 2019 MASTER SUPPLY AGREEMENT

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the fairness and reasonableness of the term of the 2019 Master Supply Agreement and the proposed annual caps thereunder (the "**Proposed Annual Caps**"), details of which are set out in the Letter from the Board (the "**Board Letter**") contained in the circular dated 5 December 2019 issued by the Company to the Shareholders (the "**Circular**"), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

As disclosed in the Prospectus dated 29 March 2018, the Company entered into the 2018 Master Supply Agreement with Elite Fresh Food Company Limited, which will be valid from the Listing Date (16 April 2018) to 31 March 2020. Since Elite is owned as to 50%, 25% and 25% by Ms. Ingrid Ip, Mr. Joseph Kwong and Ms. Melanie Kwong respectively, who are the Company's Controlling shareholders, Elite is a connected person of the Company and the transactions contemplated under the 2019 Master Supply Agreement therefore constitute continuing connected transactions for the Company under Chapter 20 of the GEM Listing Rules.

Based on the Proposed Annual Caps, in respect of the 2019 Master Supply Agreement for each of the three years ending 31 March 2023 is more than HK$10,000,000 and one or more of the applicable percentage ratios (as defined under Chapter 20 of the GEM Listing Rules) are more than 5%, the transactions contemplated under the 2019 Master Supply Agreement will be subject to the reporting, announcement, circular, annual review and the Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

As Mr. Kwong and Ms. Kwong, Executive Directors, being the connected person, have material interests in the transactions contemplated under the 2019 Master Supply Agreement, they have abstained from voting on the Board resolutions approving the 2019 Master Supply Agreement and the transactions contemplated thereunder.

In this regard, the Independent Board Committee named Mr. Lai Ming Fai, Desmond, Dr. Cheng Lee Lung and Mr. Kwok Yiu Chung, comprising all independent non-executive directors of the Company, has been established to advise the Independent Shareholders as to whether the 2019 Master Supply Agreement and the transactions contemplated thereunder (together with the Proposed Annual Caps) are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned, and are in the interests of the Company and the Shareholders as a whole. As of the date of this circular, the Independent Board Committee has reviewed this letter.

OUR INDEPENDENCE

Fortune Financial is a licensed corporation to carry out regulated activities of advising on corporate finance under the SFO. Fortune Financial and its affiliates, whose ordinary business involves the trading of, dealing in and the holding of securities, may be involved in the trading of, dealing in, and the holding of the securities of the Company for client accounts.

As at the Latest Practicable Date, we were not aware of any relationships or interests between us and the Company during the past two years immediately preceding the Latest Practicable Date, or any other parties that could be reasonably regarded as hindrance to our independence to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders.

BASIS OF OUR OPINION

Basis of Our Advice

In formulating our recommendation, we have made discussion with the management of the Company ("**Management**") and reviewed, among other things: (i) 2018 Master Supply Agreement and 2019 Master Supply Agreement;(ii) the Announcement and the Board Letter; (iii) the Prospectus; (iv) the annual report of the Company for the year ended 31 March 2018 (the "**2018 Annual Report**"); (v) the annual report of the Company for the year ended 31 March 2019 (the "**2019 Annual Report**"); and (vi) the interim result announcement of the Company for the six months ended 30 September 2019 (the "**2019/20 Interim Announcement**"). We have relied, without assuming any responsibility for independent verification, on the information, opinions and facts supplied and representations made to us by the Directors and Management, who have assumed full responsibility for the accuracy of the information contained in the Circular, and that any information and representations made to us are true, accurate and complete in all material respects as at the date hereof and that they may be relied upon. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Company. We have discussed with the Management of the Company regarding their plans and prospects of the Company. We have also relied on certain information available to the public and have assumed such information to be accurate and reliable, and we have not independently verified the accuracy of such

information. We have also assumed that statements and representations made or referred to in the Circular were accurate at the time they were made and continue to be accurate at the date of the extraordinary general meeting. We consider that we have reviewed sufficient information to reach an informed view in order to provide a reasonable basis for our advice. We have not, however, carried out any independent verification of the information provided to us nor have we conducted any form of independent in-depth investigation into the business affairs or assets and liabilities of the Company, Fortune Financial or any of their respective subsidiaries or associated companies. It is not within our terms of engagement to comment on the commercial feasibility of the Continuing Connected Transactions, which remains the responsibility of the Directors. As the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, we have not been involved in the negotiations in respect of the terms of the 2019 Master Supply Agreement (including the Proposed Annual Caps). Our opinion with regard to the terms thereof has been made on the assumption that all obligations to be performed by each of the parties to the Continuing Connected Transactions will be fully performed in accordance with the terms thereof.

Our opinion is necessarily based upon the financial, economic, market, regulatory, and other conditions as they exist on, and the facts, information, and opinions made available to us as of the date of this letter. We have no obligation to update this opinion to take into account events occurring after the date on which this opinion is delivered to the Independent Board Committee and the Independent Shareholders. This letter is for the information of the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the 2019 Master Supply Agreement (including the Proposed Annual Caps) and, except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purpose, without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

The principal factors and reasons we have taken into account in assessing the 2019 Master Supply Agreement (including the Proposed Annual Caps) in giving our recommendation to the Independent Board Committee and the Independent Shareholders are set out below:

(1) Background of the 2019 Master Supply Agreement

Information of MS Restaurant

MS Restaurant is a company incorporated with limited liability in the BVI on 7 November 2017. It is a directly wholly-owned subsidiary of the Company and the intermediate holding company of the Group.

Information on Elite

Elite is a company with limited liability incorporated in Hong Kong on 16 October 1984 and is a supplier of chilled and frozen meat and seafood and other food ingredients in Hong Kong. Since Elite is owned as to 50%, 25% and 25% by Ms. Ingrid Ip, Mr. Joseph Kwong and Ms. Melanie Kwong respectively, who are the Controlling

Shareholders, Elite is a connected person of the Company and the transactions contemplated under the 2019 Master Supply Agreement therefore constitute continuing connected transactions for the Group under Chapter 20 of the GEM Listing Rules.

(2) Reasons for Entering the 2019 Master Supply Agreement

According to the Board Letter, the Group have sourced food ingredients from Elite since the commencement of business in 2000. Elite is one of the key high quality meat and seafood wholesalers in Hong Kong and maintained its position among the top ranking in terms of value of imported food ingredients in Hong Kong. Since the Group is satisfied with the quality and timely delivery of the food ingredients by Elite over the years of cooperation and the terms offered by Elite to the Group are of normal commercial terms, the Directors are of the view that it will be in the interests of the Group and the Shareholders as a whole to continue such transactions with Elite. As such, it is beneficial to the Group on continuing to purchase the food ingredients from Elite. Furthermore, given that the Group has established a long-term relationship with Elite which has been providing food ingredients to the Group since 2000, the Directors believe the Group would achieve better and more efficient communication with Elite as to the Group's business needs as compared to other third parties. In addition, the long-term relationship between the Group and Elite in turn provides the Group with business and operational convenience. Hence, the Directors believe that the entering into the 2019 Master Supply Agreement will maintain synergies to the Group's operation.

We have discussed with the Management and according to the Prospectus, we noted that the Group have sourced food ingredients from Elite since the commencement of business of the Group in 2000 with a friendly business relationship for approximately 19 years. According to the industry report from China Insights Consultancy Limited, an independent market research and consulting company, Elite is one of the key high quality meat and seafood wholesaler in Hong Kong and ranked third in terms of value of imported food ingredients in Hong Kong in 2016. Elite has also received a governor's valued partner award in appreciation contributions as a valued partner of Agri Beef co and Friend of the State of Idaho, USA in 2019. During the business relationship with Elite, the Management confirmed there were no material delay or quality issues and no dispute or conflict existed in the history. The communication has been smooth and prompt and Elite has provided stable and reliable quality of food ingredients to support the Group's operation. Additionally, the Group has also enjoyed a favorable credit terms from Elite with a relatively longer payment cycle than other suppliers' as confirmed by the Management. We also noted from the 2018 Master Supply Agreement and 2019 Master Supply Agreement that the purchase price shall not be higher than the price offered by independent third parties.

In this regard, we concur with the view of Directors that entering in to the 2019 Master Supply Agreement is in the interests of the Group and the Shareholders as a whole.

(3) The Salient Terms of the 2019 Master Supply Agreement

The salient principal terms of the 2019 Master Supply Agreement are summarized as below:

Date

8 November 2019

Parties

(1) MS Restaurant (as the purchaser); and

(2) Elite (as the supplier)

Term

The 2019 Master Supply Agreement will be effective from 1 April 2020 and up to 31 March 2023 (both dates inclusive).

Nature of the transactions

MS Restaurant as purchaser and Elite as supplier agree that the Group will purchase and Elite will supply chilled and frozen meat and seafood and other food ingredients to the Group for its restaurant operations.

Pricing basis

As noted from the Board Letter, the purchase price of each and every purchase shall be separately determined on order-by-order basis by both parties according to the following principles:

(1) the purchase price shall be determined after arm's length negotiation between the parties and shall be in accordance with normal commercial terms;

(2) the purchase price shall not be higher than the prevailing market price; and

(3) the purchase price shall not be higher than the price offered by independent third parties.

Settlement terms

The parties shall settle the accounts according to the actual verified purchase amount of chilled and frozen meat and seafood and other food ingredients supplied to the Group for its restaurant operations. Elite shall issue invoices to the Group for payment within 60 days of confirmation of verified purchase amount of chilled and frozen meat and seafood and other food ingredients supplied.

Our view and analysis

We have reviewed and compared the terms between the 2018 Master Supply Agreement and the 2019 Master Supply Agreement, and noted that there are no material differences except for the Proposed Annual Caps.

In order the exam the fairness and reasonableness of the pricing basis, we have reviewed 30 samples in total including, but not limited to the fee quotation documents offered by other independent suppliers that provide similar food ingredients from any purchase from Elite during the period from the date of listing to 30 September 2019, we noted that the food ingredients from Elite is generally including the chilled and frozen meat and seafood and other food suppliers which generally readily available in the market and the price is not less favorable to the Group than the price quoted from independent third parties.

In this regard, we concur with the view of Directors that terms of the 2019 Master Supply Agreement are fair and reasonable and on normal commercial basis.

(4) Proposed Annual Caps

According to the Board Letter, the Proposed Annual Caps set out above for the three years ending 31 March 2023 was determined with reference to factors such as (i) the historical transaction amount between the Group and Elite; (ii) the expected demand of the relevant food ingredients by the Group for the three years ending 31 March 2023; (iii) the estimated business growth of the Group during the three years ending 31 March 2023; (iv) the new restaurants to be opened by the Group before 31 March 2023; and (v) an inflation rate of 2.1% that is expected to affect the price of food ingredients.

Our View and Analysis

According to the Board Letter, the following table sets out the historical figures and the existing annual caps under the 2018 Master Supply Agreement and the proposed annual caps under the 2019 Master Supply Agreement:

	For the year ended 31 March			For the six months ended 30 September	For the year ending 31 March			
2018	**2018**	**2019**	**2019**	**2019**	**2020**	**2021**	**2022**	**2023**
Historical amount	Existing annual cap	Historical amount	Existing annual cap	Historical amount	Existing annual cap	Proposed annual cap	Proposed annual cap	Proposed annual cap
HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
39,886	40,000	36,390	50,000	17,980	65,000	41,000	49,000	57,000

The decrease of historical transaction amount between the Group and Elite for the year ended 31 March 2019 from the year ended 31 March 2018 with the usage rate of approximately 99.7% and 72.8% respectively was mainly due to the closure of 2

restaurants upon expiry of the lease in 2018, which led to the decrease in purchase from Elite, such decrease was partly offset by the commencement of operation of a new restaurant since January 2018. By simply doubling the historical amount of HKD17,980,000 for the six months ended 30 September 2019 as disclosed in the 2019/20 Interim Announcement (i.e. HKD35,960,000) ("**Estimated FY20 Purchase Amount**"), we noted that the expected full year's purchase amount for the year ending 31 March 2020 is approximately in line with the actual amount for the year ended 31 March 2019.

As advised by the Management, the Proposed Annual Caps for the year ending 31 March 2021 are determined with reference to i) the Estimated FY20 Purchase Amount and the actual amount for the year ended 31 March 2019; ii) forecast transaction amount between the Group and Elite for the 6 months period ending 31 March 2020 on the basis of the historical transaction amount for the comparable period ended 31 March 2019; iii) the expected commencement of operation of 1 restaurant in December 2020; and iv) an inflation rate of 2.1% that is expected to affect the price of food ingredients.

Based on the projection provided by the Management, we understand the expected full year's purchase from those restaurants are around HKD34,581,000 for the year ending 31 March 2020 which is similar to the actual transaction amount between the Group and Elite for the actual amount for the year ended 31 March 2019 and the Estimated FY20 Purchase Amount. We also noted that there was a restaurant opened in August 2019 ("**New Restaurant**") with actual monthly purchase from Elite of approximately HKD369,000 and expected purchase amount of HKD4,429,000 for the year ending 31 March 2021. We have also reviewed the Company's plan of the expected commencement of operation of a restaurant in December 2020, with comparable size of operation of the New Restaurant, that the Company has planned to negotiate with the landlord from the first quarter of 2020. Therefore, the expected purchase amount from Elite for this restaurant is approximately HKD1,476,000 for four months ending 31 March 2021.

As advised by the Management, the proposed annual cap for the year ending 31 March 2022 are determined by reference to i) the proposed annual cap for the year ending March 2021 of HKD41,000,000; ii) the expected commencement of operation of 2 restaurants in July 2021 and December 2021 and iii) the expected inflation rate of 2.1% that affects the price of food ingredients. The proposed annual cap for the year ending 31 March 2023 are determined by reference to i) the proposed annual cap for the year ending 31 March 2022; ii) the expected commencement of operation of 2 restaurants in July 2022 and December 2022 and iii) an inflation rate of 2.1% that is expected to affect the price of food ingredients.

According to the latest business plan, the Group intends to establish 5 new restaurants with estimated timeframe as follows:

	For the year ending 31 March		
	2021	**2022**	**2023**
Second quarter	—	1	1
Fourth quarter	1	1	1

As disclosed in the Prospectus, the Group expected to establish 2 new restaurants for each of the year ended 31 March 2019 and the year ending 31 March 2020, respectively. Affected by the market sentiment under the trade war between the People's Republic of China and the United States since 2018 and the uncertain economic condition the Group exercised reasonable due care in selecting strategic locations for the Group's expansion. As a result, the Group established only 1 new restaurant located at Citygate, Tung Chung in August 2019.

The social unrest in Hong Kong since June 2019 and weakened market sentiment will likely cause rental expenses to reduce in the coming years. The Group holds the view that it is a good opportunity to execute the Group's expansion plan for the three years ending 31 March 2023 provided that the Group has the necessary financial resources.

We are further advised by the Management that the new expected restaurants are expected to be the similar size to existing restaurants, which has purchased food ingredients as at 31 August 2019. We have also reviewed the monthly Composite Consumer Price Index for meals away from home under the food section from January 2019 to August 2019, which has been issued by the Census and Statistics Department of the Government of HKSAR. We noted that the inflation rate of 2.1% used by the Management on food ingredients is within the range from approximately 2.0% to 2.8% for the 8 months ended 31 August 2019.

Having considered i) the historical transaction amount between the Group and Elite for the year ended 31 March 2019 and 6 months period ended 30 September 2019 under 2018 Master Supply Agreement ; ii) the Consumer Price Index for August 2019 issued by the Census and Statistics Department of the Government of HKSAR, referred as annual inflation and food costs increment; iii) the expansion plan of the restaurant network and the Group's business plan. We concur with the view of the Directors that the Proposed Annual Caps are fair and reasonable.

INTERNAL CONTROL MEASURES AND ANNUAL REVIEW OF THE CONTINUING CONNECTED TRANSACTIONS

According to the Board Letter. the Company has established the following internal control measures in relation to the 2019 Mater Supply Agreement:

(1) As the food ingredients from Elite is generally readily available in the market, the Company will carry out a quarterly review on the purchase price offered by Elite by obtaining quotation from at least two other independent suppliers that provide similar food ingredients for any purchase from Elite. Based on the fee quotations provided by other independent suppliers, the Company will be able to ensure that the purchase price to be paid to Elite by the Company represents the prevailing market price on normal commercial terms.

(2) The relevant personnel of the Group will keep track of the aggregate amount of purchases by the Group from Elite for the supply of chilled and frozen meat and seafood and other food ingredients to the Group under the 2019 Master Supply Agreement by preparing a schedule on purchase by the Group from Elite on a monthly basis and report to the Board for the purpose of ensuring that the annual caps will not be exceeded; and

(3) The Company has adopted relevant reporting and record-keeping procedures to allow independent non-executive Directors and auditors of the Company to perform annual review of the purchase of chilled and frozen meat and seafood and other food ingredients under the 2019 Master Supply Agreement.

According to the 2019 Annual Report, we noted that the Group has engaged an independent internal control consultant to review the effectiveness of the Group's risk management and internal control systems to assess the effectiveness and adequacy for FY2019. As confirmed by the Directors, based on its internal control review, the independent internal control consultant did not note any material deficiency over the Group's internal control mechanism.

According to the 2019 Annual Report, we noted that the Independent Non-executive Directors (the "INEDs") have reviewed the continuing connected transactions under 2018 Master Supply Agreement and confirmed that the transactions were carried out during the year (1) in the ordinary and usual course of business of the Group; (2) on normal commercial or better terms; and (3) according to the relevant agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

According to the 2019 Annual Report, the independent auditors of the Company have performed procedures on the continuing connected transactions under 2018 Master Supply Agreement in FY2019 and confirmed that:

(1) nothing has come to their attention that causes them to believe the above continuing connected transactions have not been approved by the Board;

(2) for transactions involving the provision of goods or services by the Group, nothing has come to their attention that causes them to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group;

(3) nothing has come to their attention that causes them to believe the transactions were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and

(4) nothing has come to their attention that causes them to believe that the above continuing connected transactions have exceeded the annual cap.

We concur with the view of the Directors that the internal controls procedures and arrangements, to ensure that the transactions would follow the terms under the 2019 Master Supply Agreement, are sufficient and effective.

RECOMMENDATION

Having considered the above factors, we consider that the entering into of the 2019 Master Supply Agreement is the ordinary and usual course of business of the Group. The terms of the 2019 Master Supply Agreement are on normal commercial terms and which, altogether with the Proposed Annual Caps, are fair and reasonable, and the transactions contemplated under the 2019 Master Supply Agreement are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favor of the resolutions to approve the 2019 Master Supply Agreement (including the Proposed Annual Caps) at the EGM.

Yours faithfully,
For and on behalf of
Fortune Financial Capital Limited
Jiang Jun
Chief Executive Officer
Yang Peng
Director

Ms. Jiang Jun is a licensed person of the Securities and Future Commission of Hong Kong and a Responsible Officer of Fortune financial Capital to carry out Type 6 (advising on corporate finance) regulated activity as defined under the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong), and has over 11 years of experience in corporate finance in Hong Kong.

Mr. Yang Peng is a licensed person of the Securities and Future Commission of Hong Kong and a Responsible Officer of Fortune financial Capital to carry out Type 6 (advising on corporate finance) regulated activity as defined under the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong), and has over 9 years of experience in corporate finance in Hong Kong.

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS

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

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

Long positions in the Shares and underlying Shares of the Company

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

Notes:

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

2. As at the Latest Practicable Date, Future More held 750,000,000 Shares and Future More was owned as to 14% by Mr. Kwong, 18% by Ms. Ingrid Ip, 18% by Ms. Kwong, 25% by Mr. Joseph Kwong and 25% by Ms. Melanie Kwong respectively. Mr. Kwong and Ms. Kwong are directors of Future More.

3. These percentages are calculated on the basis of 1,000,000,000 Shares in issue as at the Latest Practicable Date.

Long positions in the shares of associated corporation

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

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

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

As at the Latest Practicable Date, the following persons/entities (other than the Directors or chief executive of the Company) had or were deemed to have interests or short positions in the shares, the underlying shares and debentures of the Company which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under Section 336 of the SFO, or who were directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of the Company or any other member of the Group:

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

Notes:

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

2. As at the Latest Practicable Date, Future More was owned as to 14% by Mr. Kwong, 18% by Ms. Ingrid Ip, 18% by Ms. Kwong, 25% by Mr. Joseph Kwong and 25% by Ms. Melanie Kwong, respectively.

3. These percentages are calculated on the basis of 1,000,000,000 Shares in issue as at the Latest Practicable Date.

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

interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group.

3. DIRECTORS' INTEREST IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors and their respective associates had any interest in other competing business.

4. MATERIAL ADVERSE CHANGE

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 2019, being the date to which the latest published audited financial statements of the Company were made up.

5. SERVICE CONTRACTS OF DIRECTORS

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

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

As at the Latest Practicable Date, none of the Directors or expert had any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2019, being the date to which the latest published audited consolidated financial statements of the Company were made up.

No Director was materially interested in any contract or arrangement subsisting at the Latest Practicable Date which was significant in relation to the business of the Group taken as a whole, save for the 2019 Master Supply Agreement.

7. EXPERT AND CONSENT

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

Name	Qualification
Fortune Financial Capital Limited	a corporation licensed to carry out type 6 (advising on corporate finance) regulated activity under the SFO

As at the Latest Practicable Date, the Independent Financial Adviser was not beneficially interested in the share capital of the Group nor did it have any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in the Group.

As at the Latest Practicable Date, the Independent Financial Adviser had no direct or indirect interest in any assets which had been since 31 March 2019 (being the date to which the latest published audited accounts of the Company were made up) acquired or disposed of by or leased to the Group, or were proposed to be acquired or disposed of by or leased to the Group.

The Independent Financial Adviser has given and has not withdrawn its written consent to the issue of this circular, with the inclusion therein of its letter(s), report(s), opinion and/or the references to its name in the form and context in which it appears.

8. GENERAL

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

9. DOCUMENTS AVAILABLE FOR INSPECTION

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

(a) this circular;

(b) the letter of recommendation from the Independent Board Committee to the Independent Shareholders, the text of which is set out on page 14 of this circular;

(c) the letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 15 to 24 of this circular;

(d) the written consent of the Independent Financial Adviser referred to in the paragraph headed "Expert and Consent" in this appendix; and

(e) the 2019 Master Supply Agreement.

MS CONCEPT LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8447)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (the "**EGM**") of MS Concept Limited (the "**Company**") will be held at Meeting Room 1–3, Level 4, Cyberport 1, 100 Cyberport Road, Hong Kong on Monday, 23 December 2019 at 11:00 a.m. for the purpose of considering and, if thought fit, passing the following resolution as ordinary resolution:

ORDINARY RESOLUTION

1. "**THAT**:

   (a) the execution of the agreement dated 8 November 2019 ("**2019 Master Supply Agreement**") entered into between the Company and Elite Fresh Food Company Limited, a copy of which is tabled at the Meeting and marked "A" and initialed by the chairman of the Meeting for identification purpose and its proposed annual caps (as defined and described in the Circular) be and are hereby confirmed, ratified and approved and the transactions contemplated hereunder be and are hereby approved; and

   (b) any one or more executive directors of the Company be and are hereby authorised to do all such acts and things as they consider necessary and to sign and execute all such documents (including under the seal of the Company), and to take all such steps which in their opinion may be necessary appropriate, desirable or expedient for the purpose of giving effect to the 2019 Master Supply Agreement and its proposed annual caps and completing the transactions contemplated thereby."

By Order of the Board
MS Concept Limited
Kwong Tai Wah
Chairman and Executive Director

Hong Kong, 5 December 2019

Notes:

1. Any member of the Company (the "**Member**") entitled to attend and vote at the EGM or its adjourned meeting (as the case may be) is entitled to appoint one (or, if he/she/it holds two or more Shares, more than one) proxy to attend and vote instead of him/her/it. A proxy needs not be a Member but must be present in person at the EGM to represent the Member. If more than one proxy is so appointed, the appointment shall specify the number of Shares in respect of which such proxy is so appointed.

2. Completion and return of the form of proxy will not preclude a Member from attending and voting in person at the EGM if he/she/it so wishes. In the event of a Member who has lodged a form of proxy attending the EGM in person, the form of proxy will be deemed to have been revoked.

3. In order to be valid, the duly completed and signed form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed certified copy of such power or authority, at the office of the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event, not later than 48 hours before the time appointed for holding the EGM or its adjournment (as the case may be).

4. For determining the entitlement of the Members to attend and vote at the EGM, the register of members of the Company ("**Register of Members**") will be closed from Wednesday, 18 December 2019 to Monday, 23 December 2019 (both days inclusive), during which period no transfer of Shares will be registered. To qualify for attending and voting at the EGM, non-registered Members must lodge all transfer documents, accompanied by the relevant share certificates with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 17 December 2019.

5. In compliance with Rule 17.47(4) of the GEM Listing Rules, voting on all proposed resolution set out in this Notice will be decided by way of a poll. The Company will announce the results of the poll in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules.

6. Where there are joint holders of any Share, any one of such joint holders may vote at the EGM, either personally or by proxy, in respect of such Share as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the EGM personally or by proxy, that one of such joint holders so present whose name stands first in the Register of Members in respect of the joint holding shall alone be entitled to vote in respect thereof.

7. (a) Subject to paragraph (b) below, if a tropical cyclone typhoon signal no. 8 is hoisted or a black rainstorm warning signal is expected to be in force at any time between 7:00 a.m. and 5:00 p.m. on the date of the EGM, the EGM will be postponed and the Members will be informed of the date, time and venue of the postponed EGM by an announcement posted on the respective websites of the Company and the Stock Exchange.

   (b) If a black rainstorm warning signal is cancelled at or before three hours before the time fixed for holding the EGM and where conditions permit, the EGM will be held as scheduled.

   (c) The EGM will be held as scheduled when a tropical cyclone typhoon signal no. 3 is hoisted or an amber or red rainstorm warning signal is in force.

   (d) After considering their own situations, the Members should decide on their own as to whether they would attend the EGM under any bad weather condition and if they do so, they are advised to exercise care and caution.

8. The translation into Chinese language of this Notice is for reference only. In case of any inconsistency, the English version shall prevail.