MS CONCEPT LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8447)

CHANGE IN USE OF PROCEEDS

Reference is made to the prospectus of MS Concept Limited (the "**Company**", together with the subsidiaries, the "**Group**") dated 29 March 2018 (the "**Prospectus**") in relation to the listing of the issued shares of the Company on GEM of the Stock Exchange by way of share offer, the annual report of the Group for the year ended 31 March 2020 (the "**Annual Report**") and the supplemental announcement dated 10 July 2020 in relation to the annual reports of for the years ended 31 March 2019 and 2020 (the "**Supplemental Announcement**") on the updates regarding the use of proceeds. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Prospectus and the Annual Report.

CHANGE IN USE OF PROCEEDS

As disclosed in the Annual Report and the Supplemental Announcement, Net Proceeds of approximately HK$39.6 million from the Listing will be utilized by the Group in accordance with the planned use of proceeds set out in the Prospectus. As at 30 September 2020, being the latest practicable date for the purpose of this announcement, the unutilized Net Proceeds amounted to approximately HK$29.6 million (the "**Unutilized Net Proceeds**"). The Board has resolved to change the use of the Unutilized Net Proceeds as follows:

	Planned use of Net Proceeds as stated in the Prospectus and the Annual Report		Unutilized Net Proceeds as at the latest practicable date	Revised allocation of Unutilized Net Proceeds	
	HK$'million	*%*	*HK$'million*	*HK$'million*	*%*
Expanding our restaurant network in strategic locations in Hong Kong	25.1	63.4	18.4	13.9	47.0
Maintaining steady food quality by setting up a central kitchen	5.8	14.6	5.8	—	—
Enhancing and upgrading our restaurant facilities	5.3	13.4	4.6	2.6	8.8
Strengthening customer relationship and our brand awareness	2.3	5.8	0.8	0.8	2.7
General working capital	1.1	2.8	—	12.3	41.5
Total	39.6	100.0	29.6	29.6	100.0

REASONS FOR AND BENEFITS OF THE CHANGE IN USE OF PROCEEDS

In view of the outbreak of novel coronavirus disease (COVID-19) pandemic (the "**Pandemic**") since January 2020, the food and beverage industry in Hong Kong has been seriously affected. The third wave of the Pandemic has not been passed and the social distancing measures were still maintained by the Hong Kong Government to control and prevent the disease infection. The Board is of the view that the current priority should be to focus on its existing operations and strengthen its position in the market which would require more working capital to provide stronger support for the operations.

The Group therefore weighed up the costs and benefits and considered to adopt a prudent approach of changing the business strategies, holding up certain capital-intensive investments on the establishment of a new buffet restaurant and central kitchen as stipulated in the Prospectus and increase the number of restaurants by establishing new restaurants with capital-light investments to maintain the competitiveness of the Group. In addition, the restaurants operated under the brand of "Sky Bar" located at Lee Theatre, Causeway Bay and Yoho Mall, Yuen Long had ceased operations in November 2019 and July 2020 respectively and the planned renovation upon renewal of leases of such restaurants was no longer required. Therefore, the Unutilized Net Proceeds is revised and approximately HK$12.3 million will be allocated to the general working capital of the Group.

The Board is of the view that the use of proceeds should appropriately adjusted to better meet the current economic climate and is more beneficial to the Group's operational needs in combatting the challenges brought by the Pandemic.

The Directors consider that the development direction of the Company is still in line with the disclosures in the Prospectus in spite of the change in use of proceeds as stated above. As at the date of this announcement, the Directors confirm that there is no material change in the nature of business of the Group as set out in the Prospectus. The Directors consider that the change is in the best interest of the Company and Shareholders as a whole and will not have any material adverse effect on the existing business and operations of the Group.

The Directors will continuously assess the plans for the use of Unutilized Net Proceeds and may revise or amend such plans where necessary to cope with the changing market conditions and strive for better business performance for the Group.

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

Hong Kong, 12 November 2020

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

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

This announcement, 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 announcement 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 announcement misleading.

This announcement will remain on the "Latest Listed Company Information" page of the GEM website (www.hkgem.com) for at least seven days from the date of its publication. This announcement will also be published on the website of the Company (www.mrsteak.com.hk).

In the case of inconsistency, the English text of this announcement shall prevail over the Chinese text.