
CONTINUING CONNECTED TRANSACTIONS

RELATIONSHIP BETWEEN OUR GROUP AND THE CONNECTED PERSONS

(1) VC Holdings

Sure Strategy is and will, immediately following completion of the Global Offering and the Capitalisation Issue, become a Controlling Shareholder of our Company. VC Investments, being the holding company of Sure Strategy, is an associate of Sure Strategy and a connected person of our Company under Rule 14A.11(4) of the Listing Rules. VC is the holding company of VC Investments. Being a subsidiary of VC, VC Holdings is an associate of VC Investments. In view of such relationship, VC Holdings, being an associate of a connected person, is considered to be a connected person of our Company.

Under the Listing Rules, for so long as VC Investments remains a connected person of our Company, the following transactions between VC Holdings and our Group would constitute continuing connected transactions upon Listing.

(2) Kimberley

Mr. Lau, being our executive Director and a director and Substantial Shareholder of Mayer, a non wholly-owned subsidiary of our Company, will become a connected person of our Company under Rule 14A.11(1) of the Listing Rules upon the Listing. Kimberley is indirectly owned as to 50% by Mr. Lau and as to 50% by his wife, and accordingly it is an associate of Mr. Lau and will also become a connected person of our Company under Rule 14A.11(4) of the Listing Rules upon the Listing. To the best knowledge of our Directors, Kimberley is principally engaged in the manufacturing of apparel products.

Under the Listing Rules, for so long as Mr. Lau remains a connected person of our Company, the following transactions between Kimberley and our Group would constitute continuing connected transactions upon Listing.

(3) Mayer

As mentioned above, Mr. Lau will become a connected person of our Company under Rule 14A.11(1) of the Listing Rules upon the Listing. Mayer is owned as to 51% by FG Holdings and as to 49% by Mr. Lau, and accordingly it is an associate of Mr. Lau and will also become a connected person of our Company under Rule 14A.11(4) of the Listing Rules upon Listing. By virtue of the fact that Mr. Lau is entitled to exercise 10% or more of the voting power at any general meeting of Mayer, Mayer is also a connected person of our Company under Rule 14A.11(5) of the Listing Rules upon Listing.

Under the Listing Rules, for so long as Mr. Lau remains a connected person of our Company, the following transactions between Mayer and our Group would constitute continuing connected transactions upon Listing.

CONTINUING CONNECTED TRANSACTIONS

EXEMPTED CONTINUING CONNECTED TRANSACTIONS

The following continuing connected transactions will constitute exempted continuing connected transactions for our Company under Rule 14A.33(3) of the Listing Rules and will be exempted from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules and are disclosed on a voluntary basis. Such transactions are undertaken on normal commercial terms. The applicable percentage ratios (other than the profits ratio) of the following transactions on an annual basis are either (i) less than 0.1%; or (ii) less than 5% and the annual consideration is less than HK\$1,000,000.

(1) Lease Agreement

Background

Since 19 November 2009, being the date of completion of the transfer of 40% interest in Jiangmen Factory to our Group, the VC Group has been leasing approximately 15,585 sq.m. of land in Luokeng, Xinhui, the PRC (the "**Leased Land**") from our Group at no cost. Such lease arrangements became a continuing connected transaction when Jiangmen Factory became our wholly-owned subsidiary after our Group completed acquiring the 60% interest in Jiangmen Factory on 7 April 2010. A lease agreement (the "**Lease Agreement**") was entered into by VC Holdings (on its own behalf and on behalf of other members of the VC Group) and Jiangmen Factory on 8 September 2010 to formalise this leasing arrangement. Our Directors consider that the entering into of the Lease Agreement is in the interest of our Company as a whole.

Principal terms

Pursuant to the Lease Agreement, the VC Group agreed to lease from Jiangmen Factory, and Jiangmen Factory has agreed to lease to the VC Group, the Leased Land during the term of the Lease Agreement. The term of the Lease Agreement commenced from 19 November 2009 to 31 March 2012. The VC Group shall send a renewal notice to Jiangmen Factory in the event that it wishes to renew the Lease Agreement upon its expiry to obtain Jiangmen Factory's written approval, and the parties shall enter into a new lease agreement thereafter. The annual rental payable to Jiangmen Factory is RMB396,000, exclusive of utilities and other charges which may be payable by the tenant.

(2) Waste Water Treatment Master Agreement

Background

Since 19 November 2009, being the date of completion of the transfer of 40% interest in Jiangmen Factory to our Group, the VC Group has been providing waste water treatment services to our Group at no cost. A waste water treatment master agreement (the "**Waste Water Treatment Master Agreement**") was entered into by VC Holdings (on its own behalf and as trustee for the benefit of other members of the VC Group) and FG Holdings (on its own behalf and as trustee for the benefit of other members of our Group) on 8 September 2010 to formalise this arrangement. Our Directors consider that the entering into of the Waste Water Treatment Master Agreement is in the interest of our Company as a whole.

CONTINUING CONNECTED TRANSACTIONS

Principal terms

Pursuant to the Waste Water Treatment Master Agreement, the VC Group agreed to provide, and our Group agreed to accept the provision of, waste water treatment services during the term of the Waste Water Treatment Master Agreement. The term of the Waste Water Treatment Master Agreement commenced from 19 November 2009 to 31 March 2012, and at any time either party may give the other not less than three months' prior written notice to terminate the agreement.

Under the Waste Water Treatment Master Agreement, the VC Group will provide waste water treatment services to our Group at no cost. As at the Latest Practicable Date, the fair market price for the provision of the waste water treatment services amounted to approximately RMB10,000 per month.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

The following continuing connected transactions will constitute non-exempt continuing connected transactions for our Company under Chapter 14A of the Listing Rules.

(1) **Fabric Master Agreement**

Background

During the Track Record Period, the VC Group has been supplying fabric products to our Group. The historical transaction amounts for the purchase of fabric products from the VC Group were approximately HK\$84.6 million, HK\$98.9 million and HK\$32.0 million for the three years ended 31 March 2010, respectively.

Principal terms

A master sale and purchase agreement (the “**Fabric Master Agreement**”) was entered into by VC Holdings (on its own behalf and as trustee for the benefit of other members of the VC Group) and FG Holdings (on its own behalf and as trustee for the benefit of other members of our Group) on 25 February 2010, pursuant to which the VC Group agreed to sell, and our Group agreed to purchase, fabric products during the term of the Fabric Master Agreement. The term of the Fabric Master Agreement commenced from 1 April 2010 to 31 March 2013, and at any time either party may give the other not less than three months' prior written notice to terminate the agreement. The purchase price or consideration, the quantity and specifications of products concerned, the time and place of delivery of the products concerned and other relevant matters will be negotiated by the parties with reference to the then prevailing market prices of the raw materials and accessories required for the manufacturing of the products concerned, as well as, where applicable, prevailing market prices of similar products, and in good faith.

The purchase price and the other payment terms for the products will be set out in the relevant purchase orders to be placed under the Fabric Master Agreement.

CONTINUING CONNECTED TRANSACTIONS

Expected annual caps

Our Directors estimate that the annual transaction amount for the purchases of fabric products under the Fabric Master Agreement for the three years ending 31 March 2013 will not exceed the annual caps of HK\$80 million, HK\$104 million and HK\$135 million, respectively. In determining the annual caps, our Directors have considered (a) the historical transaction amounts for the purchases of fabric products for the three years ended 31 March 2010 and the three months ended 30 June 2010; (b) the targeted growth in demand for the products under the Fabric Master Agreement for the three years ending 31 March 2013; and (c) the prevailing market prices of the products under the Fabric Master Agreement.

When considering the historical volume of transactions for the purchases of fabric products, our Directors noted the fact that the historical transaction amount for the year ended 31 March 2010 had decreased significantly from that for the year ended 31 March 2009. Such decrease is mainly attributable to (i) the increase in proportion of fabric suppliers designated by our customers and (ii) the introduction of new customers with products that required special fabric types which had to be sourced from fabric suppliers other than the VC Group. Our Directors are of the view that no specific trend can be observed from the past or projected for the future in relation to the proportion of fabric suppliers to be designated by our customers or the proportion of special fabric that cannot be sourced from the VC Group, since such requests are on a case-by-case basis and are solely based on customers' discretion. As such, our Directors are of the view that the decreased historical transaction amount for the year ended 31 March 2010 is not a representative benchmark for determining the annual caps for the three years ending 31 March 2013.

Our Directors have further made reference to the following factors in determining the annual caps under the Fabric Master Agreement: (i) the historical volume of transactions for the purchases of fabric products from the VC Group for the years ended 31 March 2008 and 2009, which are higher than that for the year ended 31 March 2010; (ii) targeted growth in demand for the products under the Fabric Master Agreement after considering the historical growth rate of the historical transaction amounts for the purchases of fabric products from the VC Group for the Track Record Period; and (iii) the historical utilisation rate and production capacity for the related production plant of our Group.

Given the above, as well as the fact that the proposed annual caps for the three years ending 31 March 2013 under the Fabric Master Agreement would enable our Group to better utilise the available resources on hand and achieve higher efficiency when serving our customers from sourcing from the VC Group, all of which would be beneficial to our Group and our Shareholders, our Directors consider the proposed annual caps for the three years ending 31 March 2013 under the Fabric Master Agreement are fair and reasonable and in the interests of our Shareholders as a whole.

CONTINUING CONNECTED TRANSACTIONS

Listing Rules implications

The transactions contemplated under the Fabric Master Agreement constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing. The details of the Fabric Master Agreement was disclosed in the announcement of VC dated 25 February 2010 and the circular of VC dated 18 March 2010. The transactions contemplated under the Fabric Master Agreement was approved by the then shareholders of VC on 7 April 2010.

Given that the highest applicable percentage ratio of the transactions contemplated under the Fabric Master Agreement, the Steam and Electricity Master Agreement (details of which are set out below) and the Yarn Master Agreement (details of which are set out below), in aggregate, is expected to be more than 25%, such transactions are subject to the reporting, announcement and independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

(2) Steam and Electricity Master Agreement

Background

During the Track Record Period, the VC Group has been supplying steam and electricity to our Group. The historical amounts paid for the supply of the steam and electricity from the VC Group were approximately HK\$1.9 million, HK\$2.2 million and HK\$3.9 million for the three years ended 31 March 2010 respectively.

Principal terms

A master purchase agreement (the “**Steam and Electricity Master Agreement**”) was entered into by VC Holdings (on its own behalf and as trustee for the benefit of other members of the VC Group) and FG Holdings (on its own behalf and as trustee for the benefit of other members of our Group) on 25 February 2010, pursuant to which the VC Group agreed to supply, and our Group agreed to accept the provision of, steam and electricity during the term of the Steam and Electricity Master Agreement. The term of the Steam and Electricity Master Agreement commenced from 1 April 2010 to 31 March 2013, and at any time either party may give the other not less than three months' prior written notice to terminate the agreement.

Under the Steam and Electricity Master Agreement, instructions as to the electricity capacity and voltage required and the quantities, pressure, degree of saturation and other specifications of the steam required will be given to the supplier (i.e. a member of the VC Group) from time to time and a monthly fee will be charged. Pursuant to the Steam and Electricity Master Agreement, the supplier shall calculate the fees for electricity and steam on an arm's length basis, base on the actual costs incurred which include the cost incurred for generating electricity/steam for the supply concerned, the quantity of electricity/steam supplied and the maintenance cost involved.

CONTINUING CONNECTED TRANSACTIONS

Expected annual caps

Our Directors estimate that the annual amount paid for the purchase of steam and electricity under the Steam and Electricity Master Agreement for the three years ending 31 March 2013 will not exceed the annual caps of HK\$5.5 million, HK\$7.2 million and HK\$9.3 million, respectively. In determining the annual caps, our Directors have considered, (a) the historical transaction amounts for the purchase of steam and electricity for the three years ended 31 March 2010 and the three months ended 30 June 2010; (b) the expected growth in demand for the services under the Steam and Electricity Master Agreement for the three years ending 31 March 2013, taking into account the expected expansion in capacity of certain knitting machineries; and (c) the prevailing market rates of the services under the Steam and Electricity Master Agreement considering the rising trend of commodity price of coal which would have impact on the price of steam and electricity.

Listing Rules implications

The transactions contemplated under the Steam and Electricity Master Agreement constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing. The details of the Steam and Electricity Master Agreement was disclosed in the announcement of VC dated 25 February 2010 and the circular of VC dated 18 March 2010. The transactions contemplated under the Steam and Electricity Master Agreement was approved by the then shareholders of VC on 7 April 2010.

Given that the highest applicable percentage ratio of the transactions contemplated under the Fabric Master Agreement, the Steam and Electricity Master Agreement and the Yarn Master Agreement (details of which are set out below), in aggregate, is expected to be more than 25%, such transactions are subject to the reporting, announcement and independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

(3) Yarn Master Agreement

Background

The VC Group has been supplying yarn to Jiangmen Factory since 24 June 2009. The historical transaction amounts for the purchase of yarn from the VC Group were approximately HK\$1.7 million for the period from 24 June 2009 to 31 March 2010.

Principal terms

A master sale and purchase agreement (the “**Yarn Master Agreement**”) was entered into by VC Holdings (on its own behalf and as trustee for the benefit of other members of the VC Group) and FG Holdings (on its own behalf and as trustee for the benefit of other members of our Group) on 25 February 2010, pursuant to which the VC Group agreed to sell, and our Group agreed to purchase, yarn during the term of the Yarn Master Agreement. The term of the Yarn Master Agreement commenced from 1 April 2010 to 31 March 2013, and at any time either party may give the other not less than three months' prior written notice to terminate

CONTINUING CONNECTED TRANSACTIONS

the agreement. The purchase price or consideration, the quantity and specifications of products concerned, the time and place of delivery of the products concerned and other relevant matters will be negotiated by the parties with reference to the then prevailing market prices of the raw materials and accessories required for the manufacturing of the products concerned, as well as, where applicable, prevailing market prices of similar products, and in good faith.

The purchase price and the other payment terms for the products will be set out in the relevant purchase orders to be placed under the Yarn Master Agreement.

Expected annual caps

Our Directors estimate that the annual transaction amount for the purchases of yarn under the Yarn Master Agreement for the three years ending 31 March 2013 will not exceed the annual caps of HK\$3.0 million, HK\$4.5 million and HK\$7.0 million, respectively. In determining the annual caps, our Directors have considered (a) the historical transaction amounts for the purchases of yarn for the period from 24 June 2009 to 31 March 2010 and the three months ended 30 June 2010; (b) the targeted growth in demand for the products under the Yarn Master Agreement for the three years ending 31 March 2013, taking into account the expected expansion in capacity of certain knitting machineries for which the yarn purchased from the VC Group may be used; and (c) the prevailing market prices of the products under the Yarn Master Agreement.

Listing Rules implications

The transactions contemplated under the Yarn Master Agreement constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing. The details of the Yarn Master Agreement was disclosed in the announcement of VC dated 25 February 2010 and the circular of VC dated 18 March 2010. The transactions contemplated under the Yarn Master Agreement was approved by the then shareholders of VC on 7 April 2010.

Given that the highest applicable percentage ratio of the transactions contemplated under the Fabric Master Agreement, the Steam and Electricity Master Agreement and the Yarn Master Agreement, in aggregate, is expected to be more than 25%, such transactions are subject to the reporting, announcement and independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

(4) Kimberley Apparel Master Agreement

Background

The transactions with Kimberley and Mayer forms part of our Group's cooperation with Mayer and Kimberley under which Kimberley manufactures apparel products and sells them to Mayer; Mayer then sells the apparel products bought from Kimberley either directly or through our Group to the independent customers. Our Group provides business supporting services to Mayer including shipping and delivery services and accounting services in respect of Mayer's sales to its independent customers.

CONTINUING CONNECTED TRANSACTIONS

During the Track Record Period, Kimberley has been supplying apparel products to our Group. The historical transaction amounts for the purchase of apparel products from Kimberley were approximately HK\$38.3 million, HK\$54.0 million, HK\$69.8 million for the three years ended 31 March 2010 respectively. The historical transactions were carried out under a master sale and purchase agreement dated 1 April 2007 and entered into by Kimberley and Mayer (the “**Former Kimberley Apparel Master Agreement**”). For details of the Former Kimberley Apparel Master Agreement, please refer to the circular of VC dated 4 October 2007.

Principal terms

A master sale and purchase agreement (the “**Kimberley Apparel Master Agreement**”) was entered into by Kimberley and FG Holdings (on its own behalf and as trustee for the benefit of other members of our Group) on 16 March 2010, pursuant to which Kimberley agreed to sell, and our Group agreed to purchase, apparel products during the term of the Kimberley Apparel Master Agreement. The term of the Kimberley Apparel Master Agreement commenced from 1 April 2010 to 31 March 2013, and at any time either party may give the other not less than three months’ prior written notice to terminate the agreement. The purchase price or consideration, the quantity and specifications of products concerned, the time and place of delivery of the products concerned and other trade terms will be negotiated by the parties with reference to the then prevailing market prices of the raw materials and accessories required for the manufacturing of the products concerned, as well as, where applicable, prevailing market prices of similar products, and in good faith.

The payment terms for the products will be set out in the relevant purchase orders to be placed under the Kimberley Apparel Master Agreement.

Expected annual caps

Our Directors estimate that the annual transaction amount for the purchases of apparel products under the Kimberley Apparel Master Agreement for the three years ending 31 March 2013 will not exceed the annual caps of HK\$100 million, HK\$133 million and HK\$176 million, respectively. The basis for the determination of annual caps are set out in the paragraph headed “Basis of the annual caps of Kimberley Apparel Master Agreement and Mayer Apparel Master Agreement” of this section.

Listing Rules implications

The transactions contemplated under the Kimberley Apparel Master Agreement constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing. The details of the Kimberley Apparel Master Agreement was disclosed in the announcement of VC dated 16 March 2010 and the circular of VC dated 1 April 2010. The transactions contemplated under the Kimberley Apparel Master Agreement was approved by the then shareholders of VC on 22 April 2010.

Given that the highest applicable percentage ratio of the transactions contemplated under the Kimberley Apparel Master Agreement and the Mayer Apparel Master Agreement (details of which are set out below), in aggregate, is expected to be more than 25%, such transactions are subject to the reporting, announcement and independent shareholders’ approval requirement under Chapter 14A of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

(5) Mayer Apparel Master Agreement

Background

As explained in the paragraph headed “Background” under “(4) Kimberley Apparel Master Agreement” of this section, Mayer sells the apparel products bought from Kimberley either (i) directly to the customers, or (ii) through our Group to the independent customers. For scenario (i), Mayer will directly issue invoices to the customers while FG International will provide business supporting services to Mayer; while for scenario (ii), FG International will purchase goods from Mayer based on orders from the customers. In both cases, our Group provides business supporting services to Mayer including shipping and delivery services and accounting services in respect of Mayer’s sales to its independent customers. The historical transaction amounts for the transaction with Mayer (aggregating transactions in the above mentioned scenario (i) and (ii)) were approximately HK\$50.97 million, HK\$70.11 million and HK\$96.51 million for the three years ended 31 March 2010 respectively. The historical transactions were carried out under a master sale and purchase agreement dated 1 April 2007 and entered into by Mayer and FG Holdings (the “**Former Mayer Apparel Master Agreement**”). For details of the Former Mayer Apparel Master Agreement, please refer to the circular of VC dated 4 October 2007.

Since 1 February 2010, our Group (excluding Mayer) has been providing business supporting service to Mayer. The historical transaction amounts for the provision of business supporting service was approximately HK\$46,000 from 1 February 2010 to 31 March 2010.

Principal terms

A master sale and purchase agreement (the “**Mayer Apparel Master Agreement**”) was entered into by Mayer and FG Holdings (on its own behalf and as trustee for the benefit of other members of our Group) on 16 March 2010, pursuant to which (i) Mayer agreed to sell, and our Group agreed to purchase, apparel products during the term of the Mayer Apparel Master Agreement; and (ii) our Group (excluding Mayer) has agreed to provide, and Mayer has agreed to engage the provision of, business supporting service during the term of the Mayer Apparel Master Agreement. The term of the Mayer Apparel Master Agreement commenced from 1 April 2010 to 31 March 2013, and at any time either party may give the other not less than three months’ prior written notice to terminate the agreement. The purchase price or consideration, the quantity and specifications of products concerned, the time and place of delivery of the products concerned, as well as, where applicable, prevailing market prices of similar products will be negotiated by the parties with reference to the then prevailing market prices of the raw materials or costs required for the manufacturing of the products concerned, and in good faith. The purchase price and the other payment terms for the products will be set out in the relevant purchase orders to be placed under the Mayer Apparel Master Agreement.

In respect of the provision of business supporting service from our Group (excluding Mayer) to Mayer, orders shall be given orally or in writing from Mayer to our Group (excluding Mayer) from time to time during the term of the Mayer Apparel Master Agreement. The service fee shall be determined by the parties from time to time, by reference to, among other factors, the complexity of the service to be provided as well as, where applicable, prevailing market rates of similar services. Complexity of the service to be provided varies depending on, for instance, the Group’s arrangements for delivery. The Group may arrange for delivery up to the

CONTINUING CONNECTED TRANSACTIONS

customers' designated port of loading or, alternatively, shipment from port of loading to port of discharge with arrangements for insurance cover for goods-in-transit, customs clearance process and payment for relevant duty, as well as arrangements for local delivery of goods to customers' designated warehouse after the goods are cleared from customs.

Expected annual caps

Our Directors estimate that the annual transaction amount for the (i) purchases of apparel products by our Group (excluding Mayer) under the Mayer Apparel Master Agreement for the three years ending 31 March 2013 will not exceed the annual caps of HK\$126 million, HK\$164 million and HK\$214 million respectively; and (ii) provision of business supporting service from our Group (excluding Mayer) to Mayer under the Mayer Apparel Master Agreement for the three years ending 31 March 2013 will not exceed the annual caps of HK\$2 million, HK\$4 million and HK\$10 million respectively.

Basis of the annual caps of Kimberley Apparel Master Agreement and Mayer Apparel Master Agreement

The Kimberley Apparel Master Agreement and the Mayer Apparel Master Agreement are inter-related as Mayer will place purchase orders with Kimberley based on the sales orders received by FG Holdings from its customers. Kimberley and Mayer entered into the Former Kimberley Apparel Master Agreement in relation to the arrangement in 2007.

The proposed annual caps for the Mayer Apparel Master Agreement for the three years ending 31 March 2013 are determined by reference to (i) the historical amount of sales order of the apparel products received by FG Holdings from its customers; (ii) the targeted growth in demand for the apparel products from customers of FG Holdings; (iii) the historical transaction amounts under the Former Mayer Apparel Master Agreement for the three years ended 31 March 2010 and Mayer Apparel Master Agreement for the three months ended 30 June 2010; and (iv) the historical transaction amount for the provision of business supporting service from our Group (excluding Mayer) to Mayer for the period from 1 February 2010 to 30 June 2010.

The proposed annual caps for the Kimberley Apparel Master Agreement for the three years ending 31 March 2013 are determined by reference to (i) the expected amount of sales under the Mayer Apparel Master Agreement as affected by factors stated above; (ii) the historical transaction amounts under the Former Kimberley Apparel Master Agreement for the three years ended 31 March 2010 and the Kimberley Apparel Master Agreement for the three months ended 30 June 2010; (iii) the expected growth in the sales volume of the existing clients of Kimberley as well as from Kimberley's expanded new clientele; and (iv) the prevailing market prices of the apparel products.

Listing Rules implications

The transactions contemplated under the Mayer Apparel Master Agreement constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon the Listing. The details of the Mayer Apparel Master Agreement was disclosed in the announcement of VC dated 16 March 2010 and the circular of VC dated 1 April 2010. The transactions contemplated under the Mayer Apparel Master Agreement was approved by the then shareholders of VC on 22 April 2010.

CONTINUING CONNECTED TRANSACTIONS

Given that the highest applicable percentage ratio of the transactions contemplated under the Kimberley Apparel Master Agreement and the Mayer Apparel Master Agreement, in aggregate, is expected to be more than 25%, such transactions are subject to the reporting, announcement and independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

CONFIRMATION FROM OUR DIRECTORS

Our Directors (including our independent non-executive Directors) are of the view that the non-exempt continuing connected transactions described above are fair and reasonable and in the best interests so far as our Shareholders as a whole are concerned, and all such non-exempt continuing connected transactions have been entered into and will be carried out in the ordinary and usual course of business of our Company on normal commercial terms. In addition, our Directors (including our independent non-executive Directors) consider the respective annual caps for the non-exempt continuing connected transactions are fair and reasonable and in the interests of our Shareholders as a whole.

CONFIRMATION FROM THE SPONSOR

The Sponsor is of the view that (i) the non-exempt continuing connected transactions described above have been entered into and will be carried out in the ordinary and usual course of business of our Company and on normal commercial terms, and that the terms of such transactions are fair and reasonable and in the interests of our Shareholders as a whole; and (ii) the respective proposed annual caps for the non-exempt continuing connected transactions are fair and reasonable and in the interests of our Shareholders as a whole.

APPLICATION FOR WAIVER FROM STRICT COMPLIANCE OF THE LISTING RULES

As the above non-exempt continuing connected transactions are expected to continue on a recurring basis and are expected to extend over a period of time, our Directors (including our independent non-executive Directors) consider that strict compliance with the announcement requirement and the independent shareholders' approval requirement (where applicable) would be impractical and in particular, would add unnecessary administrative costs to our Company. Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver to our Company under Rule 14A.42(3) of the Listing Rules from compliance with the announcement and/or (where applicable) independent shareholders' approval requirements under Chapter 14A of the Listing Rules, subject to the confirmations from our Directors and the Sponsor stated above. We will comply with the relevant requirements under Chapter 14A of the Listing Rules, including, but not limited to, the proposed annual caps set out above, and will comply with the relevant rules of Chapter 14A of the Listing Rules (including shareholders' approval requirements as appropriate) if the waiver from the Stock Exchange expires or any of the respective annual caps set out above are exceeded, or when the relevant agreement expires or is renewed or when any terms of the non-exempt continuing connected transactions are materially altered or our Company enters into new agreements with any connected persons.

Our Company confirmed that we will comply with the applicable requirements under Chapter 14A of the Listing Rules as amended from time to time, and will immediately inform the Stock Exchange if there are any material changes to the aforesaid transactions.