

CONNECTED TRANSACTIONS

We have entered into the following agreements which will continue after the Listing Date and thus constitute continuing connected transactions for us under the Listing Rules.

SUMMARY OF CONNECTED TRANSACTIONS

Parties involved	Nature of transactions	Contract Period	Terms of payment	Cap.	Historical figures	Basis of determination
Exempt Continuing Connected Transactions						
FECL, a wholly-owned subsidiary of FEC, a Controlling Shareholder, as the licensor and Cosmopolitan Hotel Limited, our Company's wholly-owned subsidiary, as licensee	Licence agreement between FECL, as the licensor and Cosmopolitan Hotel Limited as licensee for the use of shops 1-4, Grand View Mansion, 383-385 Queen's Road East, Hong Kong	three years from 1 January 2009 to 31 December 2011 (both days inclusive)	Monthly fee of HK\$30,000 inclusive of management fees excluding government rates	For the financial year ending 31 March 2011: HK\$360,000 From 1 April 2011 until the end of licence HK\$270,000	For the financial year ended 31 March 2009: HK\$360,000 2010: HK\$360,000	at arm's length negotiation based on the prevailing market price at the time of signing the licence agreement
Dorsett International (M), a wholly-owned subsidiary of FEC, a Controlling Shareholder, as licensor and our Company, as licensee	Trademark and trade name licence agreement between Dorsett International (M), as licensor and our Company as licensee for the use of certain trademarks applied by Dorsett International (M)	Effective from 30 August 2010 for so long as the Trademark and trade name licence agreement is in effect	No fee is payable	N/A	N/A	N/A
Non-exempt Continuing Connected Transaction						
Cosmopolitan Hotel Limited, our Company's wholly-owned subsidiary, as landlord and FECL, a wholly-owned subsidiary of FEC, a Controlling Shareholder, as tenant	Tenancy agreement between Cosmopolitan Hotel Limited, as landlord and FECL as tenant for the lease of the first floor of Cosmopolitan Hotel	three years from 1 October 2009 to 30 September 2012 (both days inclusive) with an option to extend for another three years	Monthly rental of HK\$200,000 inclusive of government rent, government rates, air-conditioning charges and management fees	For the financial year ending 31 March 2011: HK\$2,400,000 2012: HK\$2,400,000	For the financial year ended 31 March 2010: HK\$2,400,000	at arm's length negotiation based on the prevailing market price at the time of signing the tenancy agreement

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LICENCE AGREEMENT WITH FAR EAST CONSORTIUM LIMITED

Cosmopolitan Hotel Limited as licensee entered into a licence agreement with FECL as licensor on 16 February 2009 for the use of the Shops 1–4, G/F, Grand View Mansion, 383–385 Queen’s Road East, Hong Kong for a monthly fee of HK\$30,000 inclusive of management fees excluding government rates. The duration of the licence agreement is three years commencing from 1 January 2009 to 31 December 2011 (both days inclusive). FECL is a connected person by virtue of it being a wholly-owned subsidiary of FEC, a Controlling Shareholder. Our Directors (including the independent non-executive Directors) are of the view that the licence of Shops 1–4, G/F, Grand View Mansion, 383–385 Queen’s Road East, Hong Kong with FECL has been entered into in the ordinary and usual course of business following arm’s length negotiations, is on normal commercial terms and such terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Our Directors (including the independent non-executive Directors) have confirmed that the proposed annual caps set out above are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Based on the percentage ratios applicable under Chapter 14A of the Listing Rules, the amounts payable under such licence agreement to FECL is less than 0.1% and is therefore exempt from the reporting, annual review, announcement or independent shareholder approval requirements.

LICENCE AGREEMENT FOR TRADEMARK APPLICATIONS IN MALAYSIA

Dorsett International (M) is a connected person by virtue of it being a subsidiary of FEC, a Controlling Shareholder. Dorsett International (M) entered into a trademark and trade name licence agreement on 30 August 2010 with the Company authorising the Group to use various trademarks that are in the process of registration in Malaysia for no consideration. This agreement may be terminated if, among other things, there is a material breach of the agreement or either party goes into liquidation. Our Directors (including the independent non-executive Directors) are of the view that such licence agreement has been entered into in the ordinary and usual course of business following arm’s length’s negotiations, is on normal commercial terms and such terms are fair and reasonable and in the interest of the Company and the Shareholders as a whole. Based on the percentage ratios applicable under Chapter 14A of the Listing Rules and since there is no consideration payable under such licence agreement to Dorsett International (M), this is therefore exempt from the reporting, annual review, announcement and independent shareholders’ approval requirements of Chapter 14A of the Listing Rules.

Further details of the trademark applications are disclosed in the section headed “Statutory and General Information — B. Further Information About the Business — 2. Intellectual Property Rights — (a) Trademarks — (ii) Trademarks Under Registration” in Appendix VI to this prospectus.

LEASE TO FAR EAST CONSORTIUM LIMITED

FECL as tenant entered into a tenancy agreement with Cosmopolitan Hotel Limited as landlord on 10 November 2009 for the lease of the first floor of Cosmopolitan Hotel for a monthly rental of HK\$200,000 inclusive of government rent, government rates, air-conditioning charges and management fees. The duration of the tenancy is three years commencing from 1 October 2009 to 30 September 2012 (both days inclusive) with an option to extend for another three years. FECL is a connected person by virtue of it being a wholly-owned subsidiary of FEC, a Controlling Shareholder. Our Directors (including the independent non-executive Directors) are of the view that the lease of the first floor of Cosmopolitan Hotel in Hong Kong, the La Maison de l’Orient restaurant, with FECL has been entered into in the ordinary and usual course of business following

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arm's length negotiations, is on normal commercial terms and such terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole. DTZ Debenham Tie Leung Limited, our property valuers for properties in Hong Kong, Singapore and PRC, are of the view the lease with FECL is on normal and commercial terms. Our Directors (including the independent non-executive Directors) have confirmed that the proposed annual caps set out above are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Based on the percentage ratios applicable under Chapter 14A of the Listing Rules, the amounts receivable under the lease to FECL are less than five percent. According to Rule 14A.34 of the Listing Rules, the transaction is subject to reporting, announcement and annual review requirements and no independent shareholder approval is required. In the absence of a waiver from the Stock Exchange, such continuing connected transaction after the Listing Date would be subject to the announcement requirement under the Listing Rules.

We confirm that we will comply with Rules 14A.35(1), 14A.35(2), 14A.36, 14A.37, 14A.38, 14A.39 and 14A.40 (where applicable).

We, have applied for, and the Stock Exchange has agreed to grant, a waiver pursuant to Rule 14A.42(3) of the Listing Rules from strict compliance with announcement requirements under Rule 14A.34 of the Listing Rules in respect of the tenancy agreement described above, provided that the annual caps stated above are not exceeded and that the Company complies with the other requirements of Chapter 14A of the Listing Rules, including Rules 14A.36 to 14A.40.

If any terms of the licence agreement and the tenancy agreement are altered in any material respect or if the Group enters into any new agreements with connected persons in the future, the Company will comply with the provisions of Chapter 14A of the Listing Rules which deals with connected transactions, unless it applies for and obtains a separate waiver from the Stock Exchange.

Confirmation from the Joint Sponsors

The Joint Sponsors are of the view that the lease to FECL described above is in the ordinary and usual course of business of our Company, on normal commercial terms, are fair and reasonable and in the interests of the shareholders of our Company as a whole, and that the proposed annual caps referred to above are fair and reasonable and in the interests of the Company and the Shareholders as a whole.