
CONNECTED TRANSACTION

NON-EXEMPT CONTINUING CONNECTED TRANSACTION

World Fair Heshan, an indirect wholly-owned subsidiary of our Company, has entered into a transaction with Mr. Wong, a connected person of our Company and such transaction will, upon Listing, constitute a continuing connected transaction of our Company under the Listing Rules.

Residential Premises Lease Agreement

World Fair Heshan entered into a residential premises lease agreement with Mr. Wong on 16 November 2009, pursuant to which World Fair Heshan has agreed to lease from Mr. Wong 28 residential premises in Jiangmen, the PRC (the “**Premises**”), as residences in Jiangmen for our senior management and other personnel (the “**Lease**”). The term of the Lease is three years effective on the Listing Date. The yearly rent is RMB1,044,000, exclusive of management fees, water and electricity charges, and is fixed throughout the term of the Lease. Our Directors estimate that the annual rent payable by World Fair Heshan to Mr. Wong for each of the three years commencing on the Listing Date will not exceed the annual cap of HK\$1.2 million (which is equivalent to the annual rent of RMB1,044,000). The Lease is renewable at the option of World Fair Heshan by giving three months’ notice to Mr. Wong prior to the expiry of the Lease. In the event we renew the term of the Lease, we shall comply with the rules 14A.35(1), 14A.35(2), 14A.36, 14A.37, 14A.38, 14A.39, 14A.40 and other rules under Chapter 14A of the Listing Rules, if applicable.

As each of the applicable percentage ratios (other than the profits ratio) on an annual basis is expected to be less than 5% based on the consolidated financial statements of our Group and as a result of which, in the absence of any waiver granted by the Stock Exchange, we would be subject to the reporting and announcement requirements under Rule 14A.45 to 14A.47 of the Listing Rules.

Pursuant to Rule 14A.42(3) of the Listing Rules, our Company has applied for, and the Stock Exchange has granted, a waiver from strict compliance with the announcement requirement under Rule 14A.47 of the Listing Rules in respect of the transaction contemplated under the Lease.

Jones Lang LaSalle Sallmanns Limited, the independent property valuer to our Group, has reviewed the Lease and confirmed that the rent payable under the Lease is fair and reasonable and is consistent with prevailing market rates for similar premises in comparable locations in the PRC and the terms of the Lease are on a normal commercial basis.

No historical figure is available because the Premises were available for use by our senior management and other personnel free of charge during the Track Record Period. In arriving of the above annual caps of HK\$1.2 million, our Directors have considered information provided by Jones Lang LaSalle Sallmanns Limited in respect of rental income of similar premises in comparable locations in the PRC and the overall market conditions in the PRC.

Confirmation from our Directors

Our Directors (including the independent non-executive Directors) confirm that the continuing connected transaction with respect to and contemplated under the Lease will be carried out in the ordinary and usual course of business of our Group and is on normal commercial terms, and the terms and the proposed annual cap amount of such transaction are fair and reasonable as far as our Company is concerned and are in the interests of our Shareholders as a whole.

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Confirmation from the Sole Sponsor

The Sole Sponsor is of the view that, (i) the non-exempt continuing connected transaction with respect to the Lease will be carried out in the ordinary and usual course of business of our Group and is on normal commercial terms, and (ii) the terms and the proposed annual cap amount of such transaction are fair and reasonable as far as our Company is concerned and are in the interest of our Shareholders as a whole.

Related Party Transactions

Save for the non-exempt continuing connected transaction disclosed above, we also entered into certain related party transactions during the Track Record Period which are contained in Note 37 to the Accountant's Report in Appendix I to this prospectus.