

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS AND CONNECTED TRANSACTION

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Immediately following completion of the Global Offering and the Capitalization Issue, Freewings will own approximately 48.14% (assuming the Over-allotment Option and the options granted under the Pre-IPO Share Option Scheme are not exercised) of our outstanding issued share capital. Freewings is an investment holding company incorporated under the laws of BVI on April 1, 2008. The issued share capital of Freewings is owned as to 44.92% by Team One Investments, 39.81% by Trader World, 8.69% by Mr. She Jian Bin, 4.39% by Mr. Chow Chi Keung Savio and 2.19% by Mr. Nam Cheung Ming Louis.

Team One Investments is an investment holding company incorporated under the laws of BVI on March 1, 2011, the entire issued share capital of which is held by Mr. Se Hok Pan. Trader World is an investment holding company incorporated under the laws of BVI on March 1, 2011, the entire issued share capital of which is held by Ms. Un Son I.

Immediately following completion of the Global Offering and the Capitalization Issue, the Ultimate Controlling Shareholders, comprising Mr. Se Hok Pan, Ms. Un Son I, Mr. She Jian Bin, Mr. Chow Chi Keung Savio, Mr. Nam Cheung Ming Louis, Team One Investments and Trader World, through their interest in Freewings, will control more than 30% of our issued share capital.

None of our Controlling Shareholders carries on or is otherwise interested in any business which competes, or is likely to compete, either directly or indirectly, with our business.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the matters described above and the following factors, we believe that our Group is capable of carrying on its business independently from our Controlling Shareholders and their respective associates after the Global Offering:

Management Independence

Our Board consists of ten Directors, comprising four executive Directors, two non-executive Directors and four independent non-executive Directors. All of our executive Directors, namely Mr. Se Hok Pan, Ms. Un Son I, Mr. She Jian Bin and Mr. Chow Chi Keung Savio, are also directors of Freewings. Freewings is an investment holding company whose principal asset is its shareholding in our Company. The majority of our Board members do not hold positions at Freewings.

Each of our Directors is aware of his or her fiduciary duties as a director of our Company which requires, among other things, that he or she acts for the benefit and in the best interests of our Company and does not allow any conflict between his or her duties as a Director and his or her personal interest. In the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Directors or their respective associates, the interested Director(s) shall abstain from voting at the relevant Board meetings of our Company in respect of such

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transactions and shall not be counted towards the quorum. In addition, we have an independent senior management team to carry out the business decisions of our Group independently. None of the members of our senior management team holds any board or other executive position in Freewings.

Having considered the above, our Directors are of the view that the Company is capable of managing its business independently from the Controlling Shareholders after the Global Offering.

Operational Independence

Our organizational structure comprises individual departments, each with a specific area of responsibility. We have also established various internal control procedures to facilitate the effective operation of our business. Other than the transaction described in the paragraph headed “Continuing Connected Transaction” below, our Group has not entered into any other transactions with our connected persons and their associates which will continue after Listing.

We have independent sources of raw materials, and also independent authorized manufacturers and distributors.

Our Directors are of the view that our operational independence will not be affected by the continuing connected transaction, which is described under the heading “Continuing Connected Transaction” below, as the size of the continuing connected transaction is insignificant.

Financial Independence

Our Group has an independent financial system and makes financial decisions according to our Group’s own business needs. We also have our own treasury function and independent access to third party financing. Our Directors confirm that all financial assistance, including amounts due to, loans or guarantees to loans provided by the Controlling Shareholders and its associates to our Group were or will be settled in full or released before Listing. We believe we are capable of obtaining financing from independent third parties, if necessary, without reliance on our Controlling Shareholders. Therefore, our Group is financially independent from our Controlling Shareholders.

CONTINUING CONNECTED TRANSACTION

We have entered into a tenancy agreement with M & M Real Estate Investment Company Limited, a company owned by Mr. Se Hok Pan and Ms. Un Son I, who will become connected persons (as defined in Chapter 14A of the Listing Rules) of our Company upon Listing. Such transaction will, upon completion of Listing, constitute an exempt continuing connected transaction of our Company under Rule 14A.33(3) of the Listing Rules and will be exempt from the reporting, annual review, announcement and independent shareholders’ approval requirements under the Listing Rules.

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Rental of office premises in Macau from M & M Real Estate Investment Company Limited, a company wholly-owned by Mr. Se Hok Pan and Ms. Un Son I

On January 1, 2011, we entered into a tenancy agreement with M & M Real Estate Investment Company Limited, a company owned by Mr. Se Hok Pan and Ms. Un Son I, pursuant to which we agreed to lease the premises located at Alameda Dr. Carlos D'Assumpcao, No. 249, 13 Andar, L&M13 Edif., China Civic Plaza, Macau (澳門新口岸宋玉生廣場中土大廈13樓L及M座) (the "Macau Property") for use as an office at a monthly rental of HK\$26,516. The gross floor area of the Macau Property is 3,788 sq. feet. The tenancy agreement is for a term of three years commencing on January 1, 2011 and expiring on December 31, 2013. M & M Real Estate Investment Company Limited owns the Macau Property.

Prior to the entering into of the tenancy agreement, we have been occupying the Macau Property since 2008 although no rent has been paid to M & M Real Estate Investment Company Limited. The Directors are of the view that it is in the interests of the Group in terms of cost, time and stability to continue using the Macau Property as an office instead of finding and relocating to an alternative property, although alternative properties will be available if necessary.

For each of the three years ending December 31, 2011, 2012 and 2013, the annual rental payable by us to M & M Real Estate Investment Company Limited for the Macau Property will not exceed HK\$320,000. The rental was determined based on comparable market rent.

Based on the historical performance, total assets and projected market capitalization of our Group, in respect of the rental of the Macau Property from M & M Real Estate Investment Company Limited, each of the applicable percentage ratios on an annual basis falls below 0.1%. Therefore, such transaction will be exempt from the reporting, annual review, announcement and independent shareholders' approval requirements applicable to continuing connected transactions under Chapter 14A of the Listing Rules, as they fall within the de minimis threshold under Rule 14A.33(3) of the Listing Rules.