

RELATIONSHIP WITH THE CONTROLLING SHAREHOLDERS

I. INFORMATION ON OUR CONTROLLING SHAREHOLDERS

Mr. Yiu and Ms. Law Wai Ping, our Controlling Shareholders, are interested and deemed to be interested in a total of 66% of the issued share capital of our Company immediately after the completion of the Share Offer (assuming that the Over-allotment Option is not exercised). Mr. Yiu and Ms. Law Wai Ping, through various companies controlled by them, are interested in different businesses (other than those of our Group) (the “**Non-Group Businesses**”). Certain associates of the Controlling Shareholders have been having or will have (as the case may be) on-going transactions in their ordinary course of business with our Group during or after (as the case may be) the Track Record Period. Certain of these transactions (as set out below) will continue after the Listing.

Set out below is a brief summary of certain operating Non-Group Businesses.

Name of company/ business/individual	Nature of current or proposed/future business (directly or indirectly held)
Ming Fung Fund Limited	Property investment (for development) in the PRC
Ming Fung Limited, Kan Park Developments Limited, 博羅明豐置業有限公司(Boluo Ming Fung Zhiye Limited*, the vendor of six residential units for use by our Group as staff quarters, the details of which are set out in Appendix IV – Property valuation, to this prospectus) and Mr. Yiu	<ul style="list-style-type: none"> – Property investment (for development) in the PRC – Hotel project (at an early development stage) in the PRC – Operation of a farm in the PRC
Ming Fung Farm Limited	Property investment (for development) in the PRC
Ming Fung Silverhair Industry Investment Management Limited	Provision of services for the elderly in the PRC
Pan Ocean Properties Limited	Development of commercial properties and property investment in the PRC
Sellmure Investments Limited	Sale of jewellery and costume jewellery on the internet
Plenty China Enterprises Limited	Operation of the 摩菲廸曼 (MFDiamond) brand retail sales of jewellery products

Except as disclosed above, as at the Latest Practicable Date, Mr. Yiu and Ms. Law Wai Ping did not have any other material private businesses. None of the above businesses compete with our Group’s businesses. Each of the Controlling Shareholders and the Directors confirm that he/she/it does not have any interest in a business apart from our business which competes or is likely to compete with us.

RELATIONSHIP WITH THE CONTROLLING SHAREHOLDERS

Our Group's primary business focus and strategy is the development and manufacture of stainless steel products (as detailed in the section headed "Business" in this prospectus) on an OEM basis, which is different from the Non-Group Businesses. As such, the Non-Group Businesses operated by certain associates of the Controlling Shareholders have not been included in our Group. The associates of the Controlling Shareholders have no current intention to inject any of the Non-Group Businesses into our Group.

II. CONTINUING CONNECTED TRANSACTIONS

After the Listing, the following on-going transactions entered into in our Group's ordinary course of business will constitute our continuing connected transactions under the Listing Rules.

1. Exempt continuing connected transaction – Provision of administrative services

While we maintain our own staff for various administrative support functions, namely, company secretarial service, accounting and human resources services, our Group (through our wholly owned subsidiary, Winox Management) has been providing administrative support in such areas to Ming Fung Investment Holdings Limited ("MFIH", a company wholly owned by Mr. Yiu and formerly known as Harvest Ever (China) Limited) which is principally engaged in the business of provision of administrative services since 1 September 2010. This arrangement can be terminated by Winox Management or MFIH giving three months' prior notice in writing to the other. The charges payable by MFIH under the relevant administrative services agreement are determined based on cost of the services and the time spent by our Group's relevant administrative staff as recorded monthly and calculated in proportion to their departmental monthly charges. The aggregate of the charges paid by MFIH from 1 September 2010 to 31 December 2010 was about HK\$345,000. This transaction is exempt pursuant to Rule 14A.33(2) of the Listing Rules.

During the Track Record Period, MFIH provided administrative support services to our Group, amounting to about HK\$1,071,000, HK\$1,086,000 HK\$1,181,000, respectively. We ceased to engage the services of MFIH from 1 September 2010. The Directors are of the view that such related party transactions were conducted on an arm's length basis and on normal commercial terms.

2. Exempt continuing connected transaction – Hong Kong tenancy agreement

Our Group has entered into a tenancy agreement as tenant (the "Tenancy Agreement") with Mr. Yiu (a Director and Controlling Shareholder, hence a connected person of our Company under the Listing Rules once the Shares are listed on the Stock Exchange). The Tenancy Agreement will continue after the Listing and will constitute an exempt continuing connected transaction of our Company under

RELATIONSHIP WITH THE CONTROLLING SHAREHOLDERS

Rule 14A.33(3) of the Listing Rules. Particulars of the Tenancy Agreement are set out below:

Commencement date of the tenancy	Landlord	Tenant	Usage by the Group	Term	Annual rental	Property
1 January 2011	Mr. Yiu	Winox Enterprise	Warehouse and ancillary offices	Two years	HK\$402,360	Rooms 2B, 2C and 3, 1st Floor, Sunray Industrial Centre, 610 Cha Kwo Ling Rd., Yau Tong, Kowloon, Hong Kong

The above premises has been rented by Winox Enterprise from Mr. Yiu since 1 January 2009 and the annual rent paid by Winox Enterprise to Mr. Yiu for each of the two years ended 31 December 2010 amounted to HK\$402,000 and HK\$402,000, respectively.

According to a rental appraisal report issued by an independent property valuer, DTZ Debenham Tie Leung Limited, the annual market rental chargeable under the Tenancy Agreement is fair and reasonable and reflects market rates.

Since the total annual rental payable by our Group pursuant to the Tenancy Agreement will be less than the applicable percentage ratios and HK\$1 million, the transaction will fall within Rule 14A.33 of the Listing Rules and is exempted from the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

3. Exempt continuing connected transaction – PRC lease agreement

Huizhou WFOE (our wholly owned subsidiary) has entered into a lease agreement as tenant (the "**Lease Agreement**") with Ming Fung Kitchen (a company, which intends to carry on the business of manufacturing and distribution of kitchenware, whose shareholder entered into an entrustment agreement (代持協議) with Mr. Yiu to hold the entire equity interest in such company on behalf of Mr. Yiu (a Director and Controlling Shareholder, hence a connected person of our Company under the Listing Rules once the Shares are listed on the Stock Exchange)), under which Ming Fung Kitchen has agreed to lease our Dongfengcun Factory to Huizhou WFOE.

Pursuant to the Lease Agreement, Huizhou WFOE has the right to terminate the Lease Agreement at any time during the term of the lease, and has been granted the right to renew the lease on the same terms upon its expirations. Our Dongfengcun Factory is used by our Group to operate the stainless steel mobile phone cases production line for temporary production use pending completion of our planned development of our own production facilities at the Huzhen Site, details of which are set out in the section headed "Future plans and use of proceeds from the Share Offer" and the paragraphs headed "Business – Business strategies – Expansion of production capacity" and "Business – Properties – leased properties and the operating rights of land" of this prospectus.

RELATIONSHIP WITH THE CONTROLLING SHAREHOLDERS

The Lease Agreement will continue after the Listing and, thus, will constitute an exempt continuing connected transaction of our Company. No similar arrangements have been entered into by the Group during the Track Record Period. Particulars of the Lease Agreement are set out below:

Date of the Lease Agreement	Lessor	Lessee	Usage by the Group	Term	Annual rental	Land
23 May 2011	Ming Fung Kitchen	Huizhou WFOE	Operation of production line	Two years	RMB 660,000	Dongfengcun, Boluo County, Huizhou, Guangdong Province, the PRC

According to a rental appraisal report issued by an independent property valuer, DTZ Debenham Tie Leung Limited, the annual market rental chargeable under the Lease Agreement is fair and reasonable and reflects market rates.

Since the total annual rental payable by our Group pursuant to the Lease Agreement will be less than the applicable percentage ratios and HK\$1 million, the transaction will fall within Rule 14A.33 of the Listing Rules and is exempted from the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

4. Exempt continuing connected transaction – Transportation services

Winox Enterprise has entered into a transportation service agreement (the "**Transportation Services Agreement**") on 11 March 2011 with Hong Kong Tung Fat Transportation Limited ("**Tung Fat**", a company which is wholly owned by Ms. Yiu, the sister of Mr. Yiu, and the husband of Ms. Yiu and is principally engaged in the business of provision of transportation services) to engage Tung Fat to provide transportation services for the delivery of our products from the Group's factory in the PRC to Hong Kong. The Transportation Services Agreement will continue after the Listing and will constitute an exempt continuing connected transaction of our Company under Rule 14A.33(3) of the Listing Rules. The fees payable by Winox Enterprise under the Transportation Services Agreement are based on the amount of products under each delivery order.

During the Track Record Period, the fees paid by Winox Enterprise to Tung Fat amounted to about HK\$346,000, HK\$289,000 and HK\$262,000, respectively.

Although the Group has also engaged another transportation services provider during the Track Record Period for the provision of transportation services at prices comparable to those of Tung Fat, considering the fact that we manufacture valuable products, we require and trust the secured and reliable transportation services provided by Tung Fat and such continuing connected transaction is required for the purposes of our ordinary course of business. Our Directors consider that such transactions are conducted on normal commercial terms and are fair and reasonable to the Company and to the Shareholders as a whole. Based on the expectation that the total annual fees payable by our Group pursuant to the Transportation Services Agreement will be less than the applicable percentage ratios and HK\$1 million, the transaction will fall within Rule 14A.33 of the Listing Rules and is exempted from the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

RELATIONSHIP WITH THE CONTROLLING SHAREHOLDERS

5. Opinion of our Directors

Our Directors (including our independent non-executive Directors) have confirmed that all the above-mentioned continuing connected transactions have been entered into and are in the ordinary and usual course of business on normal commercial terms, and are fair and reasonable to our Group and are in the interests of our Shareholders as a whole.

6. Confirmation from the Sponsor

The Sole Sponsor considers that the above continuing connected transaction have been entered into and are in the ordinary course of business of our Group on normal commercial terms and are fair and reasonable and in the interest of our Shareholders as a whole.

III. INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDER

Our Group is capable of carrying on our business independently of the Non-Group Businesses (as referred to in the section headed "I. Information on our Controlling Shareholder" above). We are engaged in the development and manufacture of stainless steel products (as detailed in the section headed "Business" in this prospectus) on an OEM basis, which is completely different from the Non-Group Businesses. Furthermore, for the reasons set out below, our Directors also consider that we are not reliant on the Non-Group Businesses.

1. Management team

All of our executive Directors and senior management are full time officers and employees of our Group. Each of the executive Directors has also entered into a service contract with our Company for a term of three years.

2. Board structure

Our Board comprises eight Directors, of whom four are executive Directors, one is non-executive Director and three are independent non-executive Directors. The three independent non-executive Directors have extensive experience in different areas or professions and have been appointed pursuant to the requirements under the Listing Rules to ensure that the decisions of the Board are made only after due consideration of independent and impartial opinions.

Our Directors believe that the fact that our Directors have different backgrounds provides a balance of opinion among them. Furthermore, the Board acts collectively by an at least majority decision in accordance with the Articles of Association, and no single Director is allowed to enter into any agreement or transaction or decide on any matters on behalf of our Company unless authorized by the Board or in accordance with the Articles of Association. Save for Mr. Yiu and Ms. Law Wai Ping (an executive Director and the spouse of Mr. Yiu), Mr. Au Wai Ming (a non-executive Director), and Mr. Lee Man Hei Jeff (a member of the senior management), there are no other common directors or senior management members between our Group and the Non-Group Businesses. Mr. Yiu is primarily responsible for our Group's overall strategic planning and policies as well as the overall business management and Ms. Law Wai Ping is primarily responsible for the Group's corporate resources management, and, in any event, both of them have been devoting, and will continue to devote, most of their time and efforts on the businesses of the Group.

RELATIONSHIP WITH THE CONTROLLING SHAREHOLDERS

3. Disclosure of interest, participation in Board meeting and voting

According to the Articles of Association, if any Director is in any way, directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with our Company (“Interested Director”), he will declare the nature of his interest to the Board at his earliest convenience.

In addition, such Interested Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving such contract or arrangement or other proposal in which he or any of his associates is to his knowledge materially interested except in certain circumstances as set out in the Articles of Association as summarised in Appendix V to this prospectus.

However, the Articles of Association also provide that, as a matter of good corporate governance practice, an Interested Director shall excuse himself from any Board meeting, or the relevant part of the meeting, at which matter(s) in which he has a material interest is (are) discussed, unless he is specifically requested to attend or to remain in the meeting by the Directors who have no interest in such matter(s).

According to the Articles of Association, each Director is entitled to one vote in meetings of the Board and a simple majority is required to approve any business considered therein.

Thus, under the Articles of Association, Mr. Yiu and Ms. Law Wai Ping shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or any other proposal in which he/she or any of his/her associates has a material interest. He/she shall also excuse himself/herself from the relevant Board meeting or part of any meeting of the Board and shall not participate in any discussion in respect of any resolution where any contract or arrangement or other proposal in which he or any of his associates has a material interest is discussed or resolved, unless his participation at such meeting of the Board is specifically required by the remaining Directors or as otherwise provided in the Articles of Association. As there are eight members in our Board, even if Mr. Yiu and Ms. Law Wai Ping are in conflict with respect to any resolution, the remaining Directors, including the two executive Directors who are responsible for the daily operations of our Group, can still attend to and consider the relevant proposal(s) and the operation of our Group will not be affected. Based on the above circumstances and reasons, our Directors are of the view that our Directors and senior management are able to function independently of the Non-Group Businesses.

4. Operational independence

Although the Controlling Shareholders will retain a controlling interest in our Company after the Listing, our Board has full rights to make all decisions on, and to carry out, our business operations independently. Although both of Mr. Yiu, being the Controlling Shareholder of our Company, and his wife are executive Directors, our Company has its own management team, of which, other than Mr. Lee Man Hei Jeff who is the nephew of Mr. Yiu, is independent of the Controlling Shareholders.

RELATIONSHIP WITH THE CONTROLLING SHAREHOLDERS

We operate independently from the Controlling Shareholders and their respective associates as (i) we have established our business independent of that of the Controlling Shareholders; and (ii) the business nature of each of the Non-Group Businesses is distinct from the nature of our business.

We have our own design and product development team and production facilities. We have independent access to production materials and other supplies for our own production. Save as disclosed in this section above, none of the Controlling Shareholders is a supplier or intermediary for our supplies. Our products are sold directly, and we have independent access, to our customers.

5. Financial independence

We have our own accounting and finance department and independent financial system and make financial decisions according to our own business need. We also have our own treasury function and independent access to third party financing.

During the Track Record Period, Mr. Yiu and an associate of the Controlling Shareholders provided guarantees and security in favour of our Group's borrowings in the amount of about HK\$36.4 million, HK\$69.1 million and HK\$139.5 million as at 31 December 2008, 2009 and 2010, respectively. For details of guarantees and security provided by related parties for the benefit of our Group, please refer to note 26 to the accountants' report set out in Appendix I to this prospectus.

The Directors have confirmed that, as at the Latest Practicable Date, the relevant lenders of our bank loans (for which guarantees and security from Mr. Yiu and the associate of the Controlling Shareholders were required) had agreed to release all the said guarantees and security upon the Listing becoming effective and a corporate guarantee being given by our Company in place of the relevant guarantees and security, and other than in the ordinary course of the relevant continuing connected transactions mentioned above in this section, we are not indebted to any of the Controlling Shareholders.

IV. NON-COMPETITION UNDERTAKING

On 25 June 2011, Mr. Yiu and Ms. Law Wai Ping entered into a non-competition deed with our Company under which each of Mr. Yiu and Ms. Law Wai Ping has undertaken that he/she will not, and will procure that his/her associates (other than members of our Group) will not:

- (a) directly or indirectly whether as principal or agent or through any person, firm, company or organisation carry on, participate or be interested or engaged in any business in any form or manner that is, directly or indirectly, in competition with the business of any member of our Group in the PRC, Hong Kong or any part of the world in which any member of our Group may from time to time operate;
- (b) directly or indirectly, solicit, interfere with or entice away from any member of our Group any person, firm, company or organisation who, to Mr. Yiu and/or

RELATIONSHIP WITH THE CONTROLLING SHAREHOLDERS

Ms. Law Wai Ping's knowledge, as at the date of the deed, was or had been or would after the date of the deed be, a customer, supplier, distributor or management, technical staff or employees (of managerial grade or above) of any member of our Group; and

- (c) will not exploit his/her knowledge or information obtained from our Group to compete, directly or indirectly, with the business carried on by our Group from time to time.

The above undertakings are subject to the following exceptions:

- (i) Mr. Yiu, Ms. Law Wai Ping and/or his/her associates are entitled to invest, participate and be engaged in any activity as mentioned in paragraphs (a) to (c) above ("Restricted Activity"), regardless of value, which has first been offered or made available to our Group, provided always that (1) information about the principal terms thereof has been disclosed to our Company and our Company has, after review and based on the opinion of the independent non-executive Directors, within one month from the date of receipt of such information confirmed that it does not wish to be involved or engaged, or to participate, in the relevant Restricted Activity and such decision is publicly announced by our Company setting out the reasons for not taking up the business opportunity, and (2) the principal terms on which Mr. Yiu, Ms. Law Wai Ping and/or his/her associate(s) invest, participate or engage in the Restricted Activities are substantially the same as or not more favourable than those disclosed to our Company. Subject to the aforesaid, if Mr. Yiu, Ms. Law Wai Ping and/or his/her associate(s) (as the case may be) decide to be involved, engaged, or participate in the relevant Restricted Activity, whether directly or indirectly, the terms of such involvement, engagement or participation must be disclosed to our Company as soon as practicable but in any event before any binding commitment is entered into by Mr. Yiu, Ms. Law Wai Ping and/or his/her associate(s) (as the case may be); and
- (ii) the above undertakings do not apply to the holding of or interests in shares or other securities in any company which conducts or is engaged in any Restricted Activity, provided that, in the case of such shares, they are listed on a stock exchange and either:
 - (a) the relevant Restricted Activity and assets relating thereto account for less than 10% of the relevant company's consolidated turnover and consolidated assets, respectively, as shown in that company's latest audited consolidated accounts; or
 - (b) the total number of shares held by Mr. Yiu, Ms. Law Wai Ping and his/her associates (as the case may be) or in which they are together interested does not amount to more than 10% of the issued shares of the company in question, provided that Mr. Yiu, Ms. Law Wai Ping and his/her associates, whether acting singly or jointly, are not entitled to appoint a majority of the directors of that company.