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## CONNECTED TRANSACTIONS

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### OVERVIEW

Pursuant to Chapter 20 of the GEM Listing Rules, our Directors, substantial Shareholders and Chief Executive Officer or those of our subsidiaries, any person who was our Director or a director of our subsidiaries within 12 months preceding the Listing Date, and any of their respective associates will become a connected person of our Company upon the Listing. Upon the Listing, our transactions with such connected persons will constitute connected transactions of our Company under Chapter 20 of the GEM Listing Rules. Our Directors confirm that the following transactions with our connected persons will continue and will constitute continuing connected transactions of our Company under Chapter 20 of the GEM Listing Rules upon the Listing.

### CONTINUING CONNECTED TRANSACTIONS WHICH ARE EXEMPT FROM THE REPORTING, ANNUAL REVIEW, ANNOUNCEMENT AND INDEPENDENT SHAREHOLDERS' APPROVAL REQUIREMENTS

#### 1. Brokerage Service Agreements

During the Track Record Period, each of Mr. Henry Cheung, Mr. Jonathan Cheung and Ms. Chick had individually maintained an account with PSL and had received brokerage services from PSL. Given that Mr. Henry Cheung and Mr. Jonathan Cheung are our Controlling Shareholders and our executive Directors and Ms. Chick is the spouse of Mr. Wong Chi Kan, a director of PSL, the brokerage services provided by PSL to them constituted connected transactions for our Company pursuant to the GEM Listing Rules.

Pursuant to the Brokerage Service Agreements entered into between PSL and each of Mr. Henry Cheung, Mr. Jonathan Cheung and Ms. Chick on 22 May 2015, PSL may (but is not obliged to), upon request, provide to each of them brokerage services, on normal commercial terms and at rates comparable to rates offered to other customers of PSL who are Independent Third Parties from time to time. Set out below are the principal terms of the Brokerage Service Agreements:

Period:	Listing Date to 31 December 2017
Brokerage fee:	0.20% to 0.25% and such rates are comparable to those rates offered to other customers of PSL who are Independent Third Parties of similar credit standing and trading record
Termination:	either party may terminate the Brokerage Service Agreements by written notice if imposed by the Stock Exchange, or if the transactions contemplated under the Brokerage Service Agreements cannot be complied with by PSL

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The general brokerage commission rates offered to Mr. Henry Cheung, Mr. Jonathan Cheung and Ms. Chick were in the range of 0.20% to 0.25% whereas the general brokerage commission rates offered to Independent Third Parties were in the range of 0.05% to 0.25%. The rates offered to Mr. Henry Cheung, Mr. Jonathan Cheung and Ms. Chick were within the range offered to Independent Third Parties. We consider that the brokerage commission rates offered to Mr. Henry Cheung, Mr. Jonathan Cheung and Ms. Chick are based on normal commercial terms and at rates comparable to those rates offered to other customers of our Group who are Independent Third Parties during the Track Record Period.

### ***Brokerage income from Mr. Henry Cheung, Mr. Jonathan Cheung and Ms. Chick and the Brokerage Annual Caps***

Set out below is the brokerage income received by PSL from Mr. Henry Cheung, Mr. Jonathan Cheung and Ms. Chick as a result of the provision of brokerage services to them for the two years ended 31 December 2014 and three months ended 31 March 2015, and the estimated annual brokerage income ("**Brokerage Annual Cap**") to be received by PSL from Mr. Henry Cheung, Mr. Jonathan Cheung and Ms. Chick for the three years ending 31 December 2017.

	For the year ended 31 December				For the three months		Brokerage Annual Cap		
	2013	2014			ended 31 March		For the year ending		
	Brokerage	% of	Brokerage	% of	ended 31 March	% of	2015	2016	2017
	income	total	income	total	ended 31 March	total	Brokerage	Brokerage	Brokerage
	HK\$	revenue	HK\$	revenue	ended 31 March	revenue	income	income	income
					2015		HK\$	HK\$	HK\$
					(unaudited)				
Mr. Henry Cheung	80,344	0.5%	58,616	0.2%	113,000	1.5%	500,000	500,000	500,000
Mr. Jonathan Cheung	31,609	0.2%	38,168	0.1%	7,000	0.1%	100,000	100,000	100,000
Ms. Rowena Chick	223,997	1.3%	303,547	0.9%	3,500	0.1%	100,000	100,000	100,000
Total	335,950	2.0%	400,331	1.2%	123,500	1.7%	700,000	700,000	700,000

### ***Basis of determining the Brokerage Annual Caps***

In determining the Brokerage Annual Caps, our Directors have considered (i) the expected trading volume of our Group as well as Mr. Henry Cheung, Mr. Jonathan Cheung and Ms. Chick based on the brokerage income received from each of them for the three months ended 31 March 2015, and the expected demand of brokerage services by Mr. Henry Cheung, Mr. Jonathan Cheung and Ms. Chick for the three years ending 31 December 2017; and (ii) the general economic conditions and trading volume of the overall market. Moreover, given the expansion of our margin loan portfolio during the year ended 31 December 2014, our Directors consider it reasonable to extend margin financing to Mr. Henry Cheung and Mr. Jonathan Cheung, our two executive Directors as further elaborated in the following paragraph, and this will in turn result in more trading activities and thus higher brokerage income as such the Brokerage Annual Caps are estimated to be higher than the historical brokerage income recorded for Mr. Henry Cheung and Mr. Jonathan Cheung.

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### 2. Margin Financing Service Agreements

During the Track Record Period, each of Mr. Henry Cheung and Mr. Jonathan Cheung had individually maintained a margin account with PSL and taking into consideration that our Group was expanding its client base and margin finance portfolio during the Track Record Period, they did not obtain any margin financing services from our Group.

Given that Mr. Henry Cheung and Mr. Jonathan Cheung are our Controlling Shareholders and executive Directors, the margin financing services to be provided by PSL to them will constitute connected transactions for our Company pursuant to the GEM Listing Rules.

Pursuant to the Margin Financing Service Agreements entered into between PSL and each of Mr. Henry Cheung and Mr. Jonathan Cheung on 22 May 2015, PSL may (but is not obliged to), upon request, provide to each of them margin financing services, on normal commercial terms and at rates comparable to rates offered to other customers of PSL who are Independent Third Parties from time to time. Set out below are the principal terms of the Margin Financing Service Agreements:

Period:	Listing Date to 31 December 2017
Margin financing fee:	Normal commercial terms at a rate of prime rate +3%, or at rates comparable to that of other customers of PSL who are Independent Third Parties of similar credit standing, trading record and quality of collaterals given
Termination:	either party may terminate the Margin Financing Service Agreements by written notice if imposed by the Stock Exchange, or if the transactions contemplated under the Margin Financing Service Agreements cannot be complied with by PSL

## CONNECTED TRANSACTIONS

### ***Maximum daily outstanding amount of financing to be provided to Mr. Henry Cheung and Mr. Jonathan Cheung and the Financing Annual Caps***

Pursuant to the Margin Financing Service Agreements, the maximum daily outstanding amount of financing to be provided to Mr. Henry Cheung and Mr. Jonathan Cheung for the three years ending 31 December 2017 (the "Financing Annual Cap") are proposed as follows:

	<b>Maximum daily outstanding amount</b>		<b>Financing Annual Cap</b>		
	<b>For the year ended</b>		<b>For the year ending 31 December</b>		
	<b>31 December</b>	<b>31 December</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Mr. Henry Cheung	–	–	500,000	500,000	500,000
Mr. Jonathan Cheung	–	–	500,000	500,000	500,000
<b>Total</b>	<b>–</b>	<b>–</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>

### ***Margin financing services to be provided to Mr. Henry Cheung and Mr. Jonathan Cheung and the Interest Annual Caps***

During the Track Record Period and the three months ended 31 March 2015, PSL did not receive any interest income from Mr. Henry Cheung and Mr. Jonathan Cheung given that no margin financing service was provided to either of them due to the aforementioned reasons. In view of the extension of margin financing services to Mr. Henry Cheung and Mr. Jonathan Cheung, set out below is the estimated interest income ("Interest Annual Cap") to be received by PSL from Mr. Henry Cheung and Mr. Jonathan Cheung for the three years ending 31 December 2017.

	<b>For the year ended 31 December</b>				<b>For the three months ended 31 March</b>		<b>Interest Annual Cap For the year ending 31 December</b>		
	<b>2013</b>		<b>2014</b>		<b>2015</b>		<b>2015</b>	<b>2016</b>	<b>2017</b>
	<b>Interest income</b>	<b>% of total revenue</b>	<b>Interest income</b>	<b>% of total revenue</b>	<b>Interest income</b>	<b>% of total revenue</b>	<b>Interest income</b>	<b>Interest income</b>	<b>Interest income</b>
	<i>HK\$</i>		<i>HK\$</i>		<i>HK\$</i>		<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Mr. Henry Cheung	–	–	–	–	–	–	63,000	63,000	63,000
Mr. Jonathan Cheung	–	–	–	–	–	–	63,000	63,000	63,000
<b>Total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>126,000</b>	<b>126,000</b>	<b>126,000</b>

*Note:* Up to 31 March 2015, being the latest practicable date to ascertain such information, Mr. Henry Cheung and Mr. Jonathan Cheung had not utilised the margin financing extended to them. As such, no interest income was recorded.

## CONNECTED TRANSACTIONS

### ***Aggregate of Brokerage Annual Caps and Interest Annual Caps for each of Mr. Henry Cheung and Mr. Jonathan Cheung (the "Dealing Annual Caps")***

The following table sets out the aggregate amount of the Dealing Annual Caps for each of Mr. Henry Cheung and Mr. Jonathan Cheung for the three years ending 31 December 2017:

	For the year ended 31 December				For the three months		Dealing Annual Caps		
	2013	2014	2013	2014	ended 31 March	ended 31 March	For the year ending		
	Total	% of	Total	% of	Total	% of	2015	2016	2017
	HK\$	total	HK\$	total	HK\$	total	HK\$	HK\$	HK\$
	(Note)		(Note)		(unaudited)				
					(Note)				
Mr. Henry Cheung	80,344	0.5%	58,616	0.2%	113,000	1.5%	563,000	563,000	563,000
Mr. Jonathan Cheung	31,609	0.2%	38,168	0.1%	7,000	0.1%	163,000	163,000	163,000
<b>Total</b>	<b>111,953</b>	<b>0.7%</b>	<b>96,784</b>	<b>0.3%</b>	<b>120,000</b>	<b>1.6%</b>	<b>726,000</b>	<b>726,000</b>	<b>726,000</b>

*Note:* These figures represented the brokerage income received by PSL from each of Mr. Henry Cheung and Mr. Jonathan Cheung during the Track Record Period and the three months ended 31 March 2015.

### ***Basis of determining the Financing Annual Caps and Interest Annual Caps***

In determining the Financing Annual Caps and the Interest Annual Caps, our Directors have considered (i) the expansion of our margin loan portfolio; (ii) the expected trading volume of our Group as well as Mr. Henry Cheung and Mr. Jonathan Cheung; (iii) the expected increase in demand of margin financing services by Mr. Henry Cheung and Mr. Jonathan Cheung for the three years ending 31 December 2017 given the extension of margin financing service to them; and (iv) the general economic conditions and trading volume of the overall market.

### **GEM LISTING RULES IMPLICATIONS**

As the applicable percentage ratios as defined in Rule 19.07 of the GEM Listing Rules calculated with reference to each of the Dealing Annual Caps and the Financing Annual Caps on an annual basis, is less than 5.0% (and the annual consideration is less than HK\$3,000,000), the transactions contemplated under the Brokerage Service Agreements and the Margin Financing Service Agreements will fall within the exemption under Rule 20.74 of the GEM Listing Rules and be exempt from the reporting, annual review, announcement and independent Shareholders' approval requirements.

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### **DIRECTORS' VIEW**

Having considered (i) the expected trading volume of our Group as well as Mr. Henry Cheung, Mr. Jonathan Cheung and Ms. Chick based on the brokerage income received from each of them for the three months ended 31 March 2015; (ii) that the expected margin financing services to be provided to each of Mr. Henry Cheung and Mr. Jonathan Cheung upon the Listing will be at rates and amounts comparable to those offered to other customers of PSL who are Independent Third Parties of similar credit standing, trading record and quality of collaterals given; and (iii) that the historical brokerage services provided to each of Mr. Henry Cheung, Mr. Jonathan Cheung and Ms. Chick during the Track Record Period were at rates and amounts comparable to those offered to other customers of PSL who are Independent Third Parties of similar credit standing, trading record and quality of collaterals, our Directors (including the independent non-executive Directors) consider that each of the Brokerage Service Agreements (including the terms and conditions thereof and the Brokerage Annual Caps) and the Margin Financing Service Agreements (including the terms and conditions thereof as well as the Interest Annual Caps and the Financing Annual Caps) have been entered into in the ordinary and usual course of business of our Group and are on normal commercial terms which are fair and reasonable and in the interests of our Company and Shareholders as a whole.

### **SPONSOR'S VIEW**

Having considered (i) the expected trading volume of each of Mr. Henry Cheung, Mr. Jonathan Cheung and Ms. Chick with reference to the brokerage income received from each of them during the three months ended 31 March 2015; (ii) that services provided to each of Mr. Henry Cheung, Mr. Jonathan Cheung and Ms. Chick during the Track Record Period were at rates and amounts comparable to those offered to other customers of PSL who are Independent Third Parties of similar credit standing and trading record; and (iii) that the expected margin financing services to be provided to each of Mr. Henry Cheung and Mr. Jonathan Cheung upon the Listing will be at rates and amounts comparable to those offered to other customers of PSL who are Independent Third Parties of similar credit standing, trading record and quality of collaterals given; the Sponsor is of the view that the Brokerage Service Agreements (including the terms and conditions thereof and the Brokerage Annual Caps) and the Margin Financing Service Agreements (including the terms and conditions thereof as well as the Interest Annual Caps and the Financing Annual Caps) have been entered into in the ordinary and usual course of business of our Group and are on normal commercial terms which are fair and reasonable and in the interests of our Company and our Shareholders as a whole.