

---

## CONNECTED TRANSACTIONS

---

During the Track Record Period, our Group entered into a number of related party transactions, details of which are set out in Note 27 to the Accountants’ Report of our Company set out in Appendix I. Save as described below, these related party transactions were discontinued before the Latest Practicable Date.

Following the [REDACTED], the following transactions will continue between our Group and Popstate and will constitute continuing connected transactions under the GEM Listing Rules. Popstate is a company incorporated in Hong Kong with limited liability and is principally engaged in property holding and investment and is owned as to 100% by Mr. Lam (our executive Director and one of our Controlling Shareholders). As such, Popstate is a connected person pursuant to the GEM Listing Rules.

### EXEMPT CONTINUING CONNECTED TRANSACTIONS

#### Tenancy Agreement

During the Track Record Period, Techoy Construction (as tenant) leased the following properties from Popstate (as landlord):

<u>Address</u>	<u>Gross floor area</u>	<u>Use of property</u>
Unit A to F, 2/F., Centre 600, No. 82 King Lam Street, Lai Chi Kok, Kowloon, Hong Kong.	453.18 sq.m.	For office use
Car park L4, P4 and P5	N/A	For car parking

On 13 March 2015, Techoy Construction (as tenant) and Popstate (as landlord) entered into a tenancy agreement, pursuant to which we agreed to rent the aforesaid properties for a term of two years commencing on 13 March 2015 at an aggregate monthly rent of HK\$108,500 (exclusive of utility charges, building management fee and tax), which was agreed after arm’s length negotiations between the parties with regard to the prevailing market rates. The monthly rent is payable in advance on the first day of each and every successive calendar month. The total annual rent payable by us under the tenancy agreement shall be HK\$1,302,000 per annum.

For the years ended 31 March 2014 and 2015, the aggregate amount of rents paid by us to Popstate for the lease of the aforesaid properties amounted to approximately HK\$600,000 and approximately HK\$1,302,000, respectively.

Upon [REDACTED], the Tenancy Agreement will constitute a continuing connected transaction of our Company under the GEM Listing Rules. The tenancy agreement was entered into on normal commercial terms where each of the relevant percentage ratios (other than the profits ratio) calculated for the purpose of Chapter 20 of the GEM Listing Rules is less than 5% while the total annual rent payable by us under the Tenancy Agreements is less than HK\$3.0 million. As

## **CONNECTED TRANSACTIONS**

---

such, pursuant to Rule 20.74(1)(c) of the GEM Listing Rules, the tenancy agreement is fully exempt from the reporting, annual review, announcement and independent Shareholders’ approval requirements under Chapter 20 of the GEM Listing Rules.

### **Services Agreement**

On 31 March 2011, Techoy Construction entered into a services agreement with Popstate, pursuant to which Techoy Construction agreed to provide management services to Popstate with effect from 1 April 2011. Such management services including department charges such as administration, personnel, accounting services, and provision of stationery, courier, electricity and water in the office (but excluding direct expenses incurred by Popstate). The monthly charge payable by Popstate to Techoy Construction is HK\$10,000.

For the years ended 31 March 2014 and 2015, the aggregate amount of management fees received by Techoy Construction from Popstate amounted to approximately HK\$120,000 and HK\$120,000, respectively.

Upon [REDACTED], the services agreement will constitute a continuing connected transaction of our Group under the GEM Listing Rules. Since the costs of Techoy Construction for providing the management services to Popstate are identifiable and are allocated to Popstate on a fair and equitable basis, the transactions contemplated under the services agreement fall within the ambit of Rule 20.96 of the GEM Listing Rules and accordingly are fully exempt from the reporting, annual review, announcement and independent Shareholders’ approval requirements under Chapter 20 of the GEM Listing Rules.