

CONTINUING 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 25 to the Accountant’s Report set out in Appendix I to this document. Our Directors have confirmed that these related party transactions were conducted in the ordinary course of business and on normal commercial terms. Save as described below, these related party transactions have discontinued before the Latest Practicable Date.

Following the Listing, the following transaction will continue between our Group and the relevant connected persons, which will constitute continuing connected transaction under the GEM Listing Rules.

EXEMPTED CONTINUING CONNECTED TRANSACTION

Lease Agreement

On 20 May 2016, KMK, Mrs. Kwong and Ms. Kwong Wing Yee entered into a property lease agreement (the “**Lease Agreement**”), details of which are set out below:

Date of agreement	:	20 May 2016
Parties	:	Mrs. Kwong and Ms. Kwong Wing Yee as landlord (the “ Landlord ”) KMK as tenant (the “ Tenant ”)
Premises	:	Office J, 11th Floor, Kings Wing Plaza 1, No. 3 On Kwan Street, Shek Mun, Sha Tin, New Territories, Hong Kong
Term	:	Two (2) years commencing on 1 May 2016 and expiring on 30 April 2018 (both days inclusive)
Rental and payment terms	:	HK\$20,000.00 per month payable in advance on the first day of each and every calendar month during the Term
Rental deposit	:	HK\$20,000.00
Termination	:	The Tenant shall have the right to terminate this tenancy at any time during the period from 1 May 2017 to 30 April 2018 by giving not less than two (2) months’ prior written notice or two (2) months’ rent in lieu of notice to the Landlord provided that no such notice shall be served by the Tenant before 1 May 2017. For the avoidance of doubt, the date of termination shall not be earlier than 1 May 2017
Miscellaneous terms	:	The rental is inclusive of rates and Government rent

Mrs. Kwong and Ms. Kwong Wing Yee are the spouse and daughter of Mr. Kwong, a Controlling Shareholder and an executive Director of the Company. Therefore, Mrs. Kwong and Ms. Kwong Wing Yee are our connected persons under the GEM Listing Rules. The transaction contemplated under the Lease Agreement will constitute continuing connected transaction for us under Chapter 20 of the GEM Listing Rules upon the Listing.

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Since each of the applicable percentage ratios (other than the profits ratio) for the transaction above is less than 5% with annual total consideration of less than HK\$3,000,000, the transaction above constitutes de minimis continuing connected transaction under Rule 20.74(1)(c) of the GEM Listing Rules, which is fully exempted from shareholders' approval, annual review and all disclosure requirements applicable under Chapter 20 of the GEM Listing Rules.

With reference to the market data on rentals of similar properties in the locality, the Sponsor is of the view that the rental in respect of the Premises is comparable to the market level of similar properties in the locality and is thus on normal commercial terms.

Our Directors (including our independent non-executive Directors) have confirmed that the transactions under the Lease Agreement are in the ordinary and usual course of business of our Group, on normal commercial terms or better, fair and reasonable, and in the interests of our Company and Shareholders as a whole.