

## CONNECTED TRANSACTIONS

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### OVERVIEW

Pursuant to Chapter 20 of the GEM Listing Rules, the directors, substantial shareholders and chief executive of our Company or our subsidiaries, any person who was our Director or a director of our subsidiaries within 12 months preceding the [REDACTED], and any of their respective associates will become a connected person of our Company upon the [REDACTED]. Moreover, a deemed connected person also includes a relative of the connected person. Upon the [REDACTED], our transactions with such connected persons will constitute connected transactions of our Company under Chapter 20 of the GEM Listing Rules.

### CONNECTED TRANSACTION

#### Software Licence Agreement

On 29 March 2018, Victory Securities (HK), as licensee, and Victory Corporate Solutions Company Limited, as licensor, entered into a software licence agreement (the “**Software Licence Agreement**”), pursuant to which Victory Corporate Solutions Company Limited has granted a non-exclusive right to Victory Securities (HK) to use a system software at consideration of HK\$800,000 for an indefinite term commencing from 1 April 2018. The consideration was arrived at after arm’s length negotiation between Victory Securities (HK) and Victory Corporate Solutions Company Limited with reference to: (i) the cost incurred by Victory Corporate Solutions Company Limited in designing the system software and (ii) the benefits the system software would bring to Victory Securities (HK). Victory Securities (HK) believes that the system software could enhance the business operation efficiency of Victory Securities (HK). The Directors are of the view that the entering into and the terms and conditions of the Software Licence Agreement are fair and reasonable, on normal commercial terms or better and in the ordinary and usual course of business of our Group, and in the best interests of the Company and the Shareholders as a whole.

Victory Corporate Solutions Company Limited is wholly-owned by Victory Financial Group Company Limited which is owned as to 70.53% by Ms. Kou, who is a Director of our Company. Victory Corporate Solutions Company Limited is therefore an associate of Ms. Kou and a connected person pursuant to the GEM Listing Rules. The transaction with Victory Corporate Solutions Company Limited therefore constitutes a connected transaction under Chapter 20 of the GEM Listing Rules. As the relevant applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the transaction under the Software Purchase Agreement are less than 5% and the total consideration is less than HK\$3,000,000, hence this connected transaction is exempt from the reporting, announcement, circular and independent shareholders’ approval requirements under Chapter 20 of the GEM Listing Rules.

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## CONNECTED TRANSACTIONS

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### CONTINUING CONNECTED TRANSACTIONS

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 [REDACTED].

**A. Brokerage and financing services to Ms. Kou, Mr. Chiu, Mr. Chan Pui Chuen, Mr. Chan, Ms. Chan Pui King and Mr. Ko Yuen Kwan**

During the Track Record Period, Ms. Kou, Mr. Chiu, Mr. Chan Pui Chuen, Mr. Chan, Ms. Chan Pui King and Mr. Ko Yuen Kwan (where applicable, including their respective relatives) maintained trading accounts with Victory Securities (HK) through which they received securities brokerage and financing services. Victory Securities (HK) is going to continue to provide brokerage and financing services to them after the [REDACTED]. Since Ms. Kou, Mr. Chiu, Mr. Chan Pui Chuen and Mr. Chan are the Directors of our Company, they are connected persons under the definition of the GEM Listing Rules. Since Ms. Chan Pui King is a director of Victory (Nominees) and Mr. Ko Yuen Kwan was a director of Victory (Nominees) and Victory VC Asset Management in the last 12 months preceding the [REDACTED], they are also connected persons under the definition of the GEM Listing Rules. Accordingly, the provision of the brokerage and financing services to them and their relatives by Victory Securities (HK) after [REDACTED] will constitute continuing connected transactions. As some of these continuing connected transactions were entered or will be entered into with the parties connected or otherwise associated with one another, the transactions entered or will be entered into with such connected persons shall be categorised as same class of transactions and shall be aggregated into a series of connected transactions for the purpose of calculating the considerations as referred to in the table below under the column “Aggregation of Transactions”.

<b>Connected Person(s)</b>	<b>Connected Relationship</b>	<b>Aggregation of Transactions</b>
Ms. Kou	Director	Ms. Kou and her relatives (together “ <b>Ms. Kou’s Group</b> ”), namely: The late Dr. Kou Tak Tai ( <i>father</i> ) Ms. Ma Choi Chu ( <i>mother-in-law</i> ) Ms. Kou Luen ( <i>elder sister</i> ) Ms. Chan Yim Chau Flora ( <i>sister-in-law</i> ) Ms. Chan So Chau ( <i>sister-in-law</i> ) Mr. Chan Ying Kit ( <i>spouse</i> ) Mr. Chan Pui Chuen ( <i>son</i> ) Ms. Chan Pui King ( <i>daughter</i> ) Ms. Chui Fan ( <i>niece</i> )
Mr. Chiu	Director	Mr. Chiu and his relatives (together “ <b>Mr. Chiu’s Group</b> ”), namely: Ms. Chan Yun Lai ( <i>spouse</i> ) Ms. Chan Yan Chi ( <i>sister-in-law</i> ) Mr. Chiu Kendy ( <i>son</i> )

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## CONNECTED TRANSACTIONS

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Connected Person(s)	Connected Relationship	Aggregation of Transactions
Mr. Chan Pui Chuen	Director	Mr. Chan Pui Chuen and his relatives are same as the members of Ms. Kou’s Group
Mr. Chan	Director	Mr. Chan and his relatives are same as the members of Ms. Kou’s Group
Ms. Chan Pui King	A director of Victory (Nominees)	Ms. Chan Pui King and her relatives are same as the members of Ms. Kou’s Group
Mr. Ko Yuen Kwan	A former director of Victory (Nominees) and Victory VC Asset Management <sup>(Note)</sup>	Mr. Ko Yuen Kwan and his relatives (together “ <b>Mr. Ko Yuen Kwan’s Group</b> ”), namely: Ms. Kwok Lo Ming ( <i>mother</i> ) Mr. Ko Yuen Fai ( <i>brother</i> ) Mr. Ko Yuen San ( <i>brother</i> ) Mr. Ko Yuen Sing ( <i>brother</i> ) Ms. Lam Siu Ping Caren ( <i>spouse</i> ) Ms. Wang Yan ( <i>sister-in-law</i> ) Ms. Lam Sui Ching ( <i>sister-in-law</i> )

*Note:* Mr. Ko Yuen Kwan resigned as directors of Victory (Nominees) and Victory VC Asset Management on 26 July 2017 and 24 July 2017, respectively. Under Rule 20.07(2) of the GEM Listing Rules, he is considered as a connected person for the period up to and including 25 July 2018. Our Group intends to govern and monitor his trading activity according to the arrangement under continuing connected transactions.

Pursuant to the Connected Service Agreements, Victory Securities (HK) may (but is not obliged to), upon request, provide to Ms. Kou, Mr. Chiu, Mr. Chan Pui Chuen, Mr. Chan, Ms. Chan Pui King and Mr. Ko Yuen Kwan (where applicable, including their respective relatives) securities brokerage and financing services, on normal commercial terms and at rates comparable to rates offered to other clients of Victory Securities (HK) who are Independent Third Parties and in accordance with the pricing policy of Victory Securities (HK) from time to time. The Connected Service Agreements will be effective from the [REDACTED] to 31 December 2020 which can be terminated by either party with seven days prior written notice.

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## CONNECTED TRANSACTIONS

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### Pricing Policy

Set out below is a summary of the pricing policy and the service fees we generally charged our clients who are Independent Third Parties and Ms. Kou, Mr. Chiu, Mr. Chan Pui Chuen, Mr. Chan, Ms. Chan Pui King and Mr. Ko Yuen Kwan (where applicable, including their respective relatives) in relation to our securities brokerage and financing services during the Track Record Period:

Type of services and the relevant pricing policy	Commission rates/Interest rates applicable to Independent Third Parties	Commission rates/Interest rates applicable to Ms. Kou, Mr. Chiu, Mr. Chan Pui Chuen, Mr. Chan, Ms. Chan Pui King and Mr. Ko Yuen Kwan (where applicable, including their respective relatives)
Securities brokerage services ( <i>Note 1</i> )	0% to 0.4%	0.1% to 0.25%
Non-IPO financing services ( <i>Note 2</i> )	1% to 10% per annum	7.25% to 7.75% per annum
IPO financing services ( <i>Note 2</i> )	2% to 2.7% per annum	2% to 2.7% per annum

*Notes:*

- (1) The commission rates were determined on a case-by-case basis after taking into account factors including the transaction histories, trading volumes, trading frequencies and financial positions of our clients and the then market commission rates.
- (2) The interest rates were determined with reference to, among other things, the level of risk of the relevant financing transaction, costs of funding and market interest rates.

During the Track Record Period, the securities brokerage commission rates and the financing interest rates charged on Ms. Kou’s Group, Mr. Chiu’s Group and Mr. Ko Yuen Kwan’s Group were comparable to those rates offered to other clients of our Group who are Independent Third Parties during the Track Record Period.

## CONNECTED TRANSACTIONS

*Annual caps for services to be provided to Ms. Kou, Mr. Chiu, Mr. Chan Pui Chuen, Mr. Chan, Ms. Chan Pui King and Mr. Ko Yuen Kwan (where applicable, including their respective relatives)*

Pursuant to the Brokerage Service Agreements, Ms. Kou, Mr. Chiu, Mr. Chan Pui Chuen, Mr. Chan, Ms. Chan Pui King and Mr. Ko Yuen Kwan (where applicable, including their respective relatives) who receive securities brokerage services will pay securities brokerage fees to Victory Securities (HK). The annual maximum amounts of securities brokerage income from securities brokerage services (the “**Brokerage Annual Caps**”) to be provided to Ms. Kou’s Group, Mr. Chiu’s Group and Mr. Ko Yuen Kwan’s Group for the three years ending 31 December 2018, 2019 and 2020 are proposed as follows:

	Historical amount of the securities brokerage income for the year ended 31 December				Brokerage Annual Caps for the year ending 31 December		
	2016		2017		2018	2019	2020
	Brokerage services HK\$	% of total revenue	Brokerage services HK\$	% of total revenue	Brokerage services HK\$	Brokerage services HK\$	Brokerage services HK\$
Ms. Kou’s Group	96,134	0.3	53,506	0.1	150,000	150,000	150,000
Mr. Chiu’s Group	63	0.0	782	0.0	10,000	10,000	10,000
Mr. Ko Yuen Kwan’s Group	<u>25,455</u>	<u>0.1</u>	<u>35,775</u>	<u>0.1</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
Total	<u>121,652</u>	<u>0.4</u>	<u>90,063</u>	<u>0.2</u>	<u>460,000</u>	<u>460,000</u>	<u>460,000</u>

Pursuant to the Financing Service Agreements, Victory Securities (HK) will provide financing services to Ms. Kou, Mr. Chiu, Mr. Chan Pui Chuen, Mr. Chan, Ms. Chan Pui King and Mr. Ko Yuen Kwan (where applicable, including their respective relatives). The maximum daily outstanding amount of non-IPO financing (the “**Non-IPO Financing Annual Caps**”) and IPO financing (the “**IPO Financing Annual Caps**”) to Ms. Kou, Mr. Chiu, Mr. Chan Pui Chuen, Mr. Chan, Ms. Chan Pui King and Mr. Ko Yuen Kwan (where applicable, including their relatives) for the three years ending 31 December 2018, 2019 and 2020 are proposed as follows:

## CONNECTED TRANSACTIONS

	Maximum daily outstanding amount of non-IPO financing for the year ended 31 December		Non-IPO Financing Annual Caps for the year ending 31 December		
	2016	2017	2018	2019	2020
	HK\$	HK\$	HK\$	HK\$	HK\$
Ms. Kou’s Group	10,053,573	7,313,599	15,000,000	15,000,000	15,000,000
Mr. Chiu’s Group	20	5,076	20,000	20,000	20,000
Mr. Ko Yuen Kwan’s Group	1,222,913	1,226,989	2,000,000	2,000,000	2,000,000

	Maximum daily outstanding amount of IPO financing for the year ended 31 December		IPO Financing Annual Caps for the year ending 31 December		
	2016	2017	2018	2019	2020
	HK\$	HK\$	HK\$	HK\$	HK\$
Ms. Kou’s Group	—	2,699,936	4,000,000	4,000,000	4,000,000
Mr. Chiu’s Group	—	249,994	200,000	200,000	200,000
Mr. Ko Yuen Kwan’s Group	470,898	799,981	1,000,000	1,000,000	1,000,000

On the other hand, Ms. Kou, Mr. Chiu, Mr. Chan Pui Chuen, Mr. Chan, Ms. Chan Pui King and Mr. Ko Yuen Kwan (where applicable, including their respective relatives) will pay interests to Victory Securities (HK). The annual maximum amounts of interest income from these financing services (the “**Interest Annual Caps**”) to be received from Ms. Kou, Mr. Chiu, Mr. Chan Pui Chuen, Mr. Chan, Ms. Chan Pui King and Mr. Ko Yuen Kwan (where applicable, including their relatives) for the three years ending 31 December 2018, 2019 and 2020 are proposed as follows:—

	Historical amount of the interest income for the year ending 31 December				Interest Annual Caps for the year ended 31 December		
	2016		2017		2018	2019	2020
	Financing services	% of total revenue	Financing services	% of total revenue	Financing services	Financing services	Financing services
	HK\$		HK\$		HK\$	HK\$	HK\$
Ms. Kou’s Group	24,404	0.1	96,871	0.2	350,000	350,000	350,000
Mr. Chiu’s Group	—	—	196	0.0	10,000	10,000	10,000
Mr. Ko Yuen Kwan’s Group	65,290	0.2	56,960	0.1	100,000	100,000	100,000
Total	89,694	0.3	154,027	0.3	460,000	460,000	460,000

## CONNECTED TRANSACTIONS

### Aggregated Annual Cap

The maximum amounts of the aggregated non-IPO financing and IPO financing services as stated above (i.e. the aggregated Non-IPO Financing Annual Caps and IPO Financing Annual Caps) (the “**Financing Annual Caps**”) for financing services provided to Ms. Kou’s Group, Mr. Chiu’s Group and Mr. Ko Yuen Kwan’s Group for the three years ending 31 December 2018, 2019 and 2020 are proposed as follows:

	Historical amount for the year ended 31 December		Financing Annual Caps for the year ending 31 December		
	2016	2017	2018	2019	2020
	Total HK\$	Total HK\$	Total HK\$	Total HK\$	Total HK\$
Ms. Kou’s Group	10,053,573	10,013,535	19,000,000	19,000,000	19,000,000
Mr. Chiu’s Group	20	255,070	220,000	220,000	220,000
Mr. Ko Yuen Kwan’s Group	<u>1,693,811</u>	<u>2,026,970</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>
Total	<u>11,747,404</u>	<u>12,295,575</u>	<u>22,220,000</u>	<u>22,220,000</u>	<u>22,220,000</u>

The maximum amounts of the aggregated income from securities brokerage services and interest income from financing services (i.e. the aggregated Brokerage Annual Caps and Interest Annual Caps) (the “**Dealing Annual Caps**”) to be received from Ms. Kou’s Group, Mr. Chiu’s Group and Mr. Ko Yuen Kwan’s Group for the three years ending 31 December 2018, 2019 and 2020 are proposed as follows:

	Historical amount for the year ended 31 December				Dealing Annual Caps for the year ending 31 December		
	2016		2017		2018	2019	2020
	Total HK\$	% of total revenue	Total HK\$	% of total revenue	Total HK\$	Total HK\$	Total HK\$
Ms. Kou’s Group	120,538	0.4	150,377	0.3	500,000	500,000	500,000
Mr. Chiu’s Group	63	0.0	978	0.0	20,000	20,000	20,000
Mr. Ko Yuen Kwan’s Group	<u>90,745</u>	<u>0.3</u>	<u>92,735</u>	<u>0.2</u>	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>
Total	<u>211,346</u>	<u>0.7</u>	<u>244,090</u>	<u>0.5</u>	<u>920,000</u>	<u>920,000</u>	<u>920,000</u>

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## CONNECTED TRANSACTIONS

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### *Basis for determining the Financing Annual Caps, and Dealing Annual Caps*

In determining the Financing Annual Caps, our Directors have aggregated annual caps for financing services to be provided to Ms. Kou’s Group, Mr. Chiu’s Group and Mr. Ko Yuen Kwan’s Group (i.e. the Non-IPO Financing Annual Caps and IPO Financing Annual Caps), and have taken into account:—

- (1) for the Non-IPO Financing Annual Caps, our Directors noted the discrepancy between the historical amounts and the Non-IPO Financing Annual Caps for Ms. Kou’s Group, Mr. Chiu’s Group and Mr. Ko Yuen Kwan’s Group and have taken into consideration: (i) the investment style and financial status of Ms. Kou’s Group, Mr. Chiu’s Group and Mr. Ko Yuen Kwan’s Group, and (ii) the interest rates charged by other financing services providers.
- (2) for the IPO Financing Annual Caps, our Directors noted the discrepancy between the historical amounts and the IPO Financing Annual Caps for Ms. Kou’s Group, Mr. Chiu’s Group and Mr. Ko Yuen Kwan’s Group and have taken into consideration: (i) the investment style and financial status of Ms. Kou’s Group, Mr. Chiu’s Group and Mr. Ko Yuen Kwan’s Group, (ii) the interest rates charged by other financing services providers, and (iii) the expected share trading volume and IPO subscription amount of Ms. Kou’s Group, Mr. Chiu’s Group and Mr. Ko Yuen Kwan’s Group.

In determining the Dealing Annual Caps, our Directors have aggregated all annual caps for income to be received from Ms. Kou’s Group, Mr. Chiu’s Group and Mr. Ko Yuen Kwan’s Group (i.e. the Brokerage Annual Caps and the Interest Annual Cap), and have taken into account:—

- (1) for the Brokerage Annual Caps, our Directors noted the discrepancy between the historical amounts and the Brokerage Annual Caps for Ms. Kou’s Group, Mr. Chiu’s Group and Mr. Ko Yuen Kwan’s Group and have taken into consideration: (i) the trading volume of the overall market and (ii) the expected amount of income to be generated from the provision of brokerage securities services to Ms. Kou’s Group, Mr. Chiu’s Group and Mr. Ko Yuen Kwan’s Group, respectively.
- (2) for the Interest Annual Caps, our Directors have taken into consideration: (i) the Non-IPO Financing Annual Caps and the IPO Financing Annual Caps, and (ii) the expected average interest rates for IPO financing and Non-IPO financing.

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## CONNECTED TRANSACTIONS

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### B. Trademark Licence Deed

On 14 June 2018, our Company, as licensee, and DTTKF, as licensor, entered into a trademark licence deed (the “**Trademark Licence Deed**”) pursuant to which DTTKF has granted an exclusive right to our Group to use the trademark “ 勝利證券有限公司” (the “**Trademark**”) with no consideration for a term of three years commencing from 23 June 2017 (i.e. the date DTTKF began to own the Trademark).

### C. Asset Management Agreement

On 14 June 2018, Victory Securities (HK) entered into an asset management agreement (the “**Asset Management Agreement**”) with Victory Global Trustee Company Limited, pursuant to which Victory Securities (HK) agreed to provide asset management services to Victory Global Trustee Company Limited for a term of three years commencing from 1 April 2018.

Pursuant to the Asset Management Agreement, Victory Securities (HK) shall perform such duties as are customarily performed by an investment manager of a unit trust fund or as may be agreed from time to time between Victory Securities (HK) and Victory Global Trustee Company Limited. Victory Securities (HK) shall, subject to the overall supervision and control of the directors of Victory Global Trustee Company Limited, manage the assets and investments which are held by Victory Global Trustee Company Limited as trustee on a discretionary basis in pursuit of the relevant investment objective of the trust(s) managed and administered by Victory Global Trustee Company Limited and subject to the appropriate investment control and restrictions of Victory Global Trustee Company Limited. In consideration of the services provided to Victory Global Trustee Company Limited by Victory Securities (HK) under the Asset Management Agreement, (i) Victory Global Trustee Company Limited shall pay Victory Securities (HK) the asset management fees and performance fees which are on terms no less favourable to our Group than the terms offered by Independent Third Parties; and (ii) Victory Global Trustee Company Limited shall reimburse Victory Securities (HK) for all out-of-pocket costs and expenses incurred by Victory Securities (HK) (or by any delegate or agent appointed by it pursuant to the Asset Management Agreement) in the performance of its duties and obligations under the Asset Management Agreement.

Victory Global Trustee Company Limited is owned as to 20%, 20%, 20%, 20% and 20% by Victory Financial Group Company Limited, Mr. Ko Yuen Kwan, Mr. Chiu, Mr. Chan Pui Chuen and Mr. Yeung Tak Kuen, respectively. Since Victory Financial Group Company Limited is owned as to 70.53% by Ms. Kou, who is a Director of our Company, Victory Financial Group Company Limited is a connected person pursuant to the GEM Listing Rules. Mr. Ko Yuen Kwan is a former director of Victory (Nominees) and Victory VC Asset Management, Mr. Chiu and Mr. Chan Pui Chuen are Directors of our Company, they are therefore connected persons pursuant to the GEM Listing Rules. Mr. Yeung Tak Kuen is one of our Controlling Shareholders. Since Victory Global Trustee Company Limited is owned by the connected persons of our Company, it is considered as a connected person of our Company.

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## CONNECTED TRANSACTIONS

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It is expected that the annual caps for the aggregate of performance fee and management fee will be HK\$2.0 million (the “**Asset Management Annual Caps**”) for each of the three years ending 31 December 2020. The annual caps for the aggregate of performance fee and management fee under the Asset Management Agreement for the three years ending 31 December 2020 was determined by reference to (i) the amount of assets managed by Victory Securities (HK) during the Track Record Period which was approximately HK\$207.7 million as at 31 December 2017; and (ii) the expected market sentiments of the securities market in Hong Kong.

### GEM LISTING RULES IMPLICATIONS

#### **Non-exempt continuing connected transactions**

Our Directors expect that the applicable percentage ratios under Chapter 20 of the GEM Listing Rules calculated with reference to the Financing Annual Caps of Ms. Kou’s Group on an annual basis will be more than 25% or the annual cap will be more than HK\$10,000,000, hence the continuing connected transactions contemplated thereunder are subject to the annual review, reporting, announcement and independent shareholders’ approval requirements under Chapter 20 of the GEM Listing Rules.

#### **Continuing connected transaction exempt from the independent shareholders’ approval requirement but subject to annual review, reporting and announcement**

Our Directors expect that the applicable ratios under Chapter 20 of the GEM Listing Rules calculated with reference to the Financing Annual Caps of Mr. Ko Yuen Kwan’s Group on annual basis will be less than 25% but more than 5% and the total consideration is less than HK\$10,000,000 but more than HK\$3,000,000, hence the continuing connected transactions contemplated thereunder are exempt from the independent shareholders’ approval requirements but subject to annual review, reporting and announcement under Chapter 20 of the GEM Listing Rules.

#### **Continuing connected transactions exempt from annual review, reporting, announcement and independent shareholders’ approval requirement**

Our Directors expect that the applicable percentage ratios under Chapter 20 of the GEM Listing Rules calculated with reference to each of (i) the Financing Annual Caps of Mr. Chiu’s Group; (ii) the Dealing Annual Caps of Ms. Kou’s Group; (iii) the Dealing Annual Caps of Mr. Chiu’s Group; (iv) the Dealing Annual Caps of Mr. Ko Yuen Kwan’s Group and (v) the Asset Management Annual Caps on an annual basis will be less than 5% and the annual cap will be less than HK\$3,000,000, hence the continuing connected transactions contemplated thereunder are exempt from the annual review, reporting, announcement and independent shareholders’ requirements under Chapter 20 of the GEM Listing Rules.

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## CONNECTED TRANSACTIONS

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### *Trademark Licence Deed*

Our Directors expect that the applicable percentage ratios under Chapter 20 of the GEM Listing Rules for the continuing connected transaction under the Trademark Licence Deed on an annual basis will be less than 5% and the annual cap will be less than HK\$3,000,000, hence the continuing connected transaction contemplated thereunder is exempt from the annual review, reporting, announcement and independent shareholders’ requirements under Chapter 20 of the GEM Listing Rules.

Our Company will comply with the requirements under Chapter 20 of the GEM Listing Rules to aggregate any transactions with other persons or parties that will become associates of Ms. Kou’s Group, Mr. Chiu’s Group and Mr. Ko Yuen Kwan’s Group.

### **CONFIRMATION OF OUR DIRECTORS AND THE SOLE SPONSOR**

Having considered that (i) the historical non-IPO financing and IPO financing services provided to Ms. Kou’s Group and Mr. Ko Yuen Kwan’s Group during the Track Record Period were at rates comparable to those offered to other clients of Victory Securities (HK) who are Independent Third Parties; and (ii) the rates are in accordance with the pricing policy of Victory Securities (HK) from time to time, our Directors (including our independent non-executive Directors) and the Sole Sponsor are of the view that (i) each of the continuing connected transactions mentioned in the paragraph headed “Non-exempt continuing connected transactions” and the paragraph headed “Continuing connected transaction exempt from the independent shareholders’ approval requirement but subject to annual review, reporting and announcement” above has been entered into in the ordinary and usual course of our business, on normal commercial terms or better that are fair and reasonable and in the interest of our Shareholders as a whole; and (ii) the proposed annual caps for such continuing connected transactions mentioned in the paragraph headed “Annual caps for services to be provided to Ms. Kou, Mr. Chiu, Mr. Chan Pui Chuen, Mr. Chan, Ms. Chan Pui King and Mr. Ko Yuen Kwan (where applicable, including their respective relatives)” above are fair and reasonable and in the interests of our Shareholders as a whole.

### **WAIVER FROM THE STOCK EXCHANGE**

Given the recurring nature and the fact that the continuing connected transactions mentioned in the paragraph headed “Non-exempt continuing connected transactions” above were entered into prior to the [REDACTED], our Directors consider that compliance with the announcement and independent shareholders’ approval requirements would be unduly burdensome and would add unnecessary administrative costs to our Company. Accordingly, we have applied to the Stock Exchange, and the Stock Exchange has granted, a waiver to us from strict compliance with the announcement and independent shareholders’ approval requirements under Chapter 20 of the GEM Listing Rules, relating to the continuing connected transactions mentioned in the paragraph headed “Non-exempt continuing connected transactions” above on the condition that the annual value of each of the transactions does not exceed the relevant cap as stated above.

## CONNECTED TRANSACTIONS

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Given the recurring nature and the fact that the continuing connected transaction mentioned in the paragraph headed “Continuing connected transaction exempt from the independent shareholders’ approval requirement but subject to annual review, reporting and announcement” above was entered into prior to the [REDACTED], our Directors consider that compliance with the announcement requirement would be unduly burdensome and would add unnecessary administrative costs to our Company. Accordingly, we have applied to the Stock Exchange, and the Stock Exchange has granted, a waiver to us from strict compliance with the announcement requirement under Chapter 20 of the GEM Listing Rules, relating to the continuing connected transactions mentioned in the paragraph headed “Continuing connected transaction exempt from the independent shareholders’ approval requirement but subject to annual review, reporting and announcement” above on the condition that the annual value of each of the transactions does not exceed the relevant cap as stated above.