
RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Business Good is a company incorporated in the BVI on 3 April 2012 and an investment company. As at the Latest Practicable Date, Business Good was owned as to 93.2% by Mr. Lee and 6.8% by Mr. Cheung. As Business Good and Mr. Lee, directly or indirectly entitled to exercise or control the exercise of 30% or more of the voting power at our general meeting, each of Business Good and Mr. Lee is regarded as our Controlling Shareholder.

As at the Latest Practicable Date, neither Business Good nor Mr. Lee controls or conducts any business which competes, or is likely to compete, either directly or indirectly, with our business.

Our Directors consider that our Group is capable of carrying on its business independently of our Controlling Shareholders and their respective associates based on the following particulars:

Management Independence

Our Board comprises two executive Directors, and three independent non-executive Directors. Mr. Lee, our chairman, the chief executive officer of our Company and an executive Director, is our Controlling Shareholder.

Except as disclosed above and in the section headed "Directors, senior management and staff" in this document, no other Controlling Shareholder holds any directorship in our Company. Each of our Directors is aware of his fiduciary duties as a Director which require, among other things, that he acts for the benefit and in the best interests of our Company and does not allow any conflict between his duties as a Director and his personal interest. In the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Directors or their respective associates, the respective interested Director(s) shall abstain from voting at the relevant board meetings of our Company in respect of such transactions and shall not be counted in the quorum.

Save as disclosed, we have an independent senior management team to carry out the business decisions of our Group independently. Having considered the above factors, our Directors are satisfied that our senior management team is able to perform their roles in our Company independently, and our Directors are of the view that we are capable of managing our business independently from our Controlling Shareholders.

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Operational and financial independence

Our Group is principally engaged in the organisation and management of trade exhibitions as well as the provision of Exhibition Related Services for other exhibition organisers or project managers. We are capable of providing services to cater for our exhibitors and target visitors of exhibitions that are organised or managed by us. It is our business goal to promote and facilitate trades between international buyers and manufacturers, particularly manufacturers from Asia through the trade exhibitions organised or managed by us. Our major customers are (i) exhibition services agents which purchase our booths and resell to exhibitors and (ii) exhibitors which we sold our booths to directly or referred by our sales agents. None of our Directors or their respective associates, or any Shareholder who, to the knowledge of our Directors, holds more than 5% of our issued Shares, had any interest in any of our customers or our five largest customers during the Track Record Period.

Our Group's major suppliers are exhibition organisers, advertising agents, venue providers, booth contractors and sales agents. Save as Mr. Cheung who is the beneficial owner of GIIL Group, none of our Directors, their respective associates and Shareholders who own more than 5% of the issued share capital of our Company has any interest in any of the top five suppliers of our Group during the Track Record Period. Our Directors are satisfied that we have independent access to our suppliers.

During the Track Record Period, we principally financed our operations through cash generated from our operation. Our source of funding is independent from our Controlling Shareholders and none of our Controlling Shareholders or their respective associates had financed our operations during the Track Record Period. Our Directors also believe that we are able to obtain financing independently from our Controlling Shareholders.

During the Track Record Period and up to the Latest Practicable Date, we had our own finance department and independent accounting systems. During our operation, we do not use any facilities of our Controlling Shareholders or their respective associates.

Amounts due from Mr. Lee, our Controlling Shareholder amounted to approximately HK\$45.9 million, HK\$55.9 million and HK\$21.8 million as at 30 June 2010, 30 June 2011, 30 June 2012 and 30 June 2013 respectively. Such balances were unsecured, interest free, and repayable on demand. As at the Latest Practicable Date, all of the balances with our Controlling Shareholder have been fully settled.

Save as aforesaid, our Group does not rely on our Controlling Shareholders and/or their respective associates by virtue of provision of financial assistance. Accordingly, there is no financial dependence on our Controlling Shareholders.

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NON-COMPETITION

Non-Competition Undertaking

Each of our Controlling Shareholders (namely Business Good and Mr. Lee) and Mr. Cheung has confirmed that none of them is engaged in, or interested in any business (other than our Group) which, directly or indirectly, competes or may compete with our business. To protect our Group from any potential competition, each of our Controlling Shareholders and Mr. Cheung has given an unconditional and irrevocable non-compete undertaking (the "**Non-Competition Undertaking**") in favour of our Company (for itself and for the benefits of its subsidiaries) on 18 October 2013 pursuant to which each of our Controlling Shareholders and Mr. Cheung has, among other matters, unconditionally and irrevocably undertaken to us on a joint and several basis that at any time during the Relevant Period (as defined below), each of our Controlling Shareholders and Mr. Cheung shall, and shall procure that their respective associates and/or companies controlled by them (other than our Group):

- (i) not, directly or indirectly, be interested or involved or engaged in or carry on or concern with or acquire or hold any right or interest (in each case whether as a shareholder, partner, agent or otherwise and whether for profit, reward or otherwise) in any business which is or is about to be engaged in any business which competes or is likely to compete directly or indirectly with the business currently and from time to time engaged by our Group (including but not limited to the provision of (i) organisation of trade exhibition, trade exhibition service as exhibition organiser or project manager; (ii) advertising services in the fair catalogues; (iii) booth design service to exhibitors; and business ancillary to any of the foregoing) in Hong Kong, the PRC, Germany, Singapore, the US, Russia, Macau, Poland, and the UK and any other country or jurisdiction to which our Group provides such services and/or in which any member of our Group carries on business mentioned above currently and from time to time (the "**Restricted Activity**");
- (ii) not solicit any existing employee or then existing employee of our Group for employment by it/him or its/his associates (excluding our Group);
- (iii) not, without the consent from our Company, make use of any information pertaining to the business of our Group which may have come to its/his knowledge in its/his capacity as our Controlling Shareholder (in the case of Business Good and Mr. Lee) or as the shareholder of Business Good (in the case of Mr. Lee and Mr. Cheung) or otherwise for any purpose of engaging, investing or participating in any Restricted Activity;
- (iv) if there is any project or new business opportunity that relates to the Restricted Activity, refer such project or new business opportunity to our Group for consideration;
- (v) not invest or participate in or carry on any project or business opportunity of the Restricted Activity; and
- (vi) procure its/his associates (excluding our Group) not to invest or participate in or carry on any project or business opportunity of the Restricted Activity.

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The above undertakings are subject to the exception that any of the associates of our Controlling Shareholders or Mr. Cheung (excluding our Group) are entitled to invest, participate and be engaged in or carry on any Restricted Activity or any project or business opportunity, regardless of value, which has been offered or made available to our Group, provided always that information about the principal terms thereof has been disclosed to our Company and our Directors, and our Company shall have, after review and approval by our Directors (including our independent non-executive Directors without the attendance by any Director with beneficial interest in such project or business opportunities at the meeting, in which resolutions have been duly passed by the majority of the independent non-executive Directors), confirmed its rejection in writing to be involved or engaged, or to participate or carry on, in the relevant Restricted Activity and provided also that the principal terms on which that relevant associate of our Controlling Shareholders or Mr. Cheung invests, participates or engages in the Restricted Activity are substantially the same as or not more favourable than those disclosed to our Company. Subject to the above, if the relevant associate of our Controlling Shareholders or Mr. Cheung decides to be involved, engaged, participate in or carry on the relevant Restricted Activity, whether directly or indirectly, the terms of such involvement, engagement, participation or carrying on must be disclosed to our Company and our Directors as soon as practicable.

Under the Non-Competition Undertaking, each of our Controlling Shareholders and Mr. Cheung has unconditionally and irrevocably undertaken to our Group to allow our Directors, their respective representatives and the auditors of our Group to have sufficient access to the records of each of our Controlling Shareholders and Mr. Cheung and their respective associates to ensure compliance with the terms and conditions of the Non-Competition Undertaking. Each of our Controlling Shareholders and Mr. Cheung has unconditionally and irrevocably undertaken under the Non-Competition Undertaking that he or it shall provide to us and our Directors (including our independent non-executive Directors) from time to time all information necessary for the annual review by our independent non-executive Directors with regard to compliance with the terms of the Non-Competition Undertaking by our Controlling Shareholders and Mr. Cheung. Each of our Controlling Shareholders and Mr. Cheung has also unconditionally and irrevocably undertaken to make an annual declaration as to full compliance with the terms of the Non-Competition Undertaking and a consent to disclose such letter in our annual report.

CORPORATE GOVERNANCE MEASURES

In order to properly manage any potential or actual conflict of interests between us and our Controlling Shareholders and Mr. Cheung in relation to compliance and enforcement of the Non-Competition Undertaking, we have adopted the following corporate governance measures:

- (a) our independent non-executive Directors shall review, at least on an annual basis, compliance and enforcement of the terms of the Non-Competition Undertaking by our Controlling Shareholders and Mr. Cheung;
- (b) we will disclose any decisions, with basis, made by independent non-executive Directors on whether to accept the business opportunity referred by our Controlling Shareholders or Mr. Cheung in the annual report after [••];
- (c) we will disclose in the corporate governance report of our annual report on how the terms of the Non-Competition Undertaking have been complied with and enforced; and

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- (d) in the event that any of our Directors and/or their respective associates has material interest in any matter to be deliberated by our Board in relation to compliance and enforcement of the Non-Competition Undertaking, he may not vote on the resolutions of our Board approving the matter and shall not be counted towards the quorum for the voting pursuant to the applicable provisions in the Articles.

Our Directors consider that the above corporate governance measures are sufficient to manage any potential conflict of interests between our Controlling Shareholders and Mr. Cheung and their respective associates and our Group and to protect the interests of our Shareholders, in particular, the minority Shareholders.