
RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OUR CONTROLLING SHAREHOLDERS

Immediately following the completion of the Share Offer and the Capitalisation Issue (without taking into account any Shares which may be allotted and issued pursuant to the exercise of any options which may be granted under the Share Option Scheme), our Company will be owned as to 75% by WWPKG Investment, which is in turn owned as to 68.02%, 23.42% and 8.56% by Ms. Chan, Mr. SK Yuen and Mr. CN Yuen respectively. WWPKG Investment will control over 30% of the issued share capital of our Company. Ms. Chan and Mr. SK Yuen, as spouses, have in the past been managing and operating our business collectively and reaching consensus before making major decisions in respect of our Group's business. Ms. Chan and Mr. SK Yuen confirm that they will continue to act jointly upon Listing so far the voting rights of our Company are concerned. In addition, as Mr. CN Yuen indirectly holds his interests in our Company together with Ms. Chan and Mr. SK Yuen through the common investment vehicle (i.e. WWPKG Investment), he is presumed to be a Controlling Shareholder. As such, each of Ms. Chan, Mr. SK Yuen, Mr. CN Yuen and WWPKG Investment will be regarded as a Controlling Shareholder and they will comprise a group of Controlling Shareholders upon Listing.

Neither of our Controlling Shareholders, our Directors nor their respective close associates has any interest in any business, apart from the business operated by members of our Group, that competes or is likely to compete, directly or indirectly, with the business of our Group and would require disclosure pursuant to Rule 11.04 of the GEM Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Management independence

Although our Controlling Shareholders will retain controlling interest in our Company upon completion of the Share Offer, the day-to-day management and operation of the business of our Group will be the responsibility of our executive Directors and senior management of our Group. Our Board has six Directors comprising three executive Directors and three independent non-executive Directors. With three independent non-executive Directors out of a total of six Directors in our Board, there will be sufficient independent voice within our Board to protect the interests of our independent Shareholders.

Each of our Directors is aware of his or her fiduciary duties as a Director which require, among other things, that he/she (i) acts for the benefit of and in the best interests of our Shareholders and our Company as a whole; and (ii) does not allow any conflict between his or her duties as a Director and his or her personal interests to affect the performance of his or her duties as a Director. 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 close associates, the interested Director(s) will abstain from voting at the relevant board meetings of our Company in respect of such transaction and will not be counted in the quorum.

Having considered the above factors, our Directors are satisfied that our Board, as a whole and together with our senior management, is capable of managing our Group's business independently from our Controlling Shareholders.

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Operational independence

Our Group has established our own organisational structure made up of individual departments, each with specific areas of responsibilities. We have sufficient operational resources, such as sales and marketing and general administration resources to operate our business independently. Our Group has also established a set of internal control measures to facilitate the effective operation of our business. We are the holders of all relevant licences and qualifications material to our business.

Save as disclosed in “Connected Transactions”, our Group does not currently have any intention to enter into any other transactions with our Controlling Shareholders and/or their close associates and, if such event happens in the future, the connected transactions/continuing connected transactions will be conducted in compliance with the GEM Listing Rules. Though there will be continuing connected transactions between our Group and the close associates of our Controlling Shareholders after Listing, these transactions are entered into in the ordinary and usual course of business of our Group on terms which are fair and reasonable and in the interests of our Company and our Shareholders as a whole, and our Directors are of the view that alternative services and premises are available if necessary. Accordingly, our Directors do not consider that there is any material reliance by our Group on the Controlling Shareholders or their close associates.

Financial independence

We have our own accounting and finance department and independent financial system, and we make financial decisions according to our business needs. In view of our Group’s internal resources and the estimated net proceeds from the Share Offer, our Directors believe that our Group will have sufficient capital for our financial needs without dependence on our Controlling Shareholders or their close associates.

As at 30 November 2016, our Group had an overdraft facility of HK\$10.0 million and a revolving loan facility of HK\$6.0 million, which were secured by, among others, personal guarantees by Mr. SK Yuen and Ms. Chan, our executive Directors and Controlling Shareholders. Given our amount of cash and cash equivalents on hand, such banking facilities were obtained mainly for emergency purposes and we had never drawn down any bank borrowings during the Track Record Period. These personal guarantees, together with all other guarantees provided by our Controlling Shareholders and their close associates for our Group’s banking facilities, will be fully released upon Listing and will be replaced by a corporate guarantee given by our Company. Accordingly, our Directors further believe that, upon Listing, our Group is capable of obtaining financing from external sources independently without the support of our Controlling Shareholders.

In view of the abovementioned, our Directors consider that our Group will be financially independent from our Controlling Shareholders and/or any of their respective close associates.

DEED OF NON-COMPETITION

On 16 December 2016, our Controlling Shareholders (each a “**Covenantor**” and collectively, the “**Covenantors**”) entered into the Deed of Non-competition in favour of our Company (for

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itself and as trustee of the other members of our Group), under which each of the Covenantors has irrevocably and unconditionally, jointly and severally, undertakes to and covenants with our Company (for itself and as trustee of the other members of our Group) that, among others:

- (a) he/she/it shall not, and shall procure each of his/her/its close associates and/or companies controlled by him/her/it (excluding any member of our Group) not to, whether on his/her/its own account or in conjunction with or on behalf of any person, firm or company and whether directly or indirectly, carry on a business which is, or be interested or involved or engaged in or acquire or hold any rights or interest or otherwise involved in (in each case whether as an investor, a shareholder, partner, principal, agent, director, employee or otherwise and whether for profit, reward, interest or otherwise) any Restricted Business (as defined below);
- (b) if he/she/it and/or any of his/her/its close associates and/or companies controlled by him/her/it (excluding any member of our Group) is offered or becomes aware of any project or new business opportunity (“**New Business Opportunity**”) that relates to the Restricted Business, whether directly or indirectly, he/she/it shall: (i) promptly within ten (10) Business Days notify or procure the relevant close associate and/or the companies controlled by him/her/it to notify our Company in writing of such New Business Opportunity and provide such information as is reasonably required by our Company in order to enable our Company to come to an informed assessment of such New Business Opportunity; and (ii) use his/her/its best endeavours to procure that such New Business Opportunity is offered to our Group on terms no less favourable than the terms on which such opportunity is offered to him/her/it and/or his/her/its close associates and/or companies controlled by him/her/it;
- (c) he/she/it or any Directors who has an actual or potential material interest in the New Business Opportunity (if any) shall abstain from attending and voting at, and shall not count towards the quorum for, any meeting or part of a meeting convened to consider such New Business Opportunity. The remaining non-interested independent non-executive Director(s) shall be responsible for assessing the New Business Opportunity and making the decision as to whether or not to take up any particular New Business Opportunity;
- (d) he/she/it shall provide our Company and our Directors (including our independent non-executive Directors) with all information necessary, including but not limited to monthly turnover records and any other relevant documents considered necessary by our independent non-executive Directors from time to time, for the annual review by our independent non-executive Directors with regard to compliance and enforcement of the non-competition undertakings; and
- (e) (i) he/she/it will not and will procure that none of his/her/its close associates and/or companies controlled by him/her/it (excluding any member of our Group) will solicit or entice away from any member of our Group any existing or then existing directors, employees, customers or suppliers of our Group;

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- (ii) he/she/it will not without the consent from our Company, make use of any information pertaining to the business of our Group which may have come to his/her/its knowledge in his/her/its capacity as the controlling shareholder (within the meaning of the GEM Listing Rules) of our Company for any purposes;
- (iii) he/she/it will not, in the course of carrying on any trade or business, claim, represent or otherwise indicate he/she/it is a member, director or employee of our Group for the purpose of obtaining or retaining any business and to the detriment of our Group;
- (iv) he/she/it will not use or divulge to any person, or publish or disclose or permit to be published or disclosed, any information (whether or not being secret or confidential information) relating to our Group which he/she/it has received or obtained (whether or not in the case of documents, they are marked as confidential);
- (v) he/she/it will not, otherwise than as required by our Company, retain, duplicate or remove from the premises of our Group information relating to our Group in whatever form (whether written, or recorded in some other form, or oral) which is supplied by our Group;
- (vi) he/she/it will not engage in any trade or business or be associated with any person or firm or company that engages in any trade or business using any of our Group's trademark (whether registered or not) or any trade or business name owned by our Group or used by our Group from time to time in connection with its business, or incorporating all or any material part of any of them or any colourable imitation thereof;
- (vii) he/she/it will not serve as senior management, consultant, chief executive or director of or otherwise operate or enter into any negotiation, agreement or arrangement with any person to operate any Restricted Business; and
- (viii) he/she/it will abstain from attending and voting at any general meeting if there is any actual or potential conflict of interests in relation to the Restricted Business and any New Business Opportunity.

For the purpose of the Deed of Non-Competition, “**Restricted Business**” means our Group's business of (i) design, development and sales of outbound package tours; (ii) sales of free independent traveller products; and (iii) provision of ancillary travel related products and services in Hong Kong as described in this prospectus and any other business in Hong Kong and such other places from time to time conducted, carried on or contemplated to be carried on by any member of our Group or in which any member of our Group is engaged or has invested in or which any member of our Group has otherwise publicly announced its intention to enter into, engage in or invest in (whether as principal or agent and whether undertaken directly or through any body corporate, partnership, joint venture, or other contractual or other arrangement).

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The Deed of Non-competition will take effect from the date on which dealings in the Shares first commence on GEM and will cease to have any effect upon the earliest of the date on which (i) such Covenantor and his/her/its close associates, individually or taken as a whole, cease to own, in aggregate, 30% or more of the then issued share capital of our Company directly or indirectly or cease to be deemed as a controlling shareholder (within the meaning of the GEM Listing Rules) of our Company and do not have power to control our Board or there is at least one other independent Shareholder other than the relevant Covenantor and his/her/its close associates holding more Shares than the relevant Covenantor and his/her/its close associates taken together; or (ii) the Shares cease to be listed on GEM or other recognised stock exchange.

CORPORATE GOVERNANCE MEASURES TO SAFEGUARD THE INTEREST OF SHAREHOLDERS

Our Company will adopt the following measures to strengthen its corporate governance practice and to safeguard the interests of our Shareholders:

- (1) the Articles provide that a Director shall absent himself/herself from participating in Board meetings (nor shall he/she be counted in the quorum) and voting on any resolution of the Board approving any contract or arrangement or other proposal in which he/she or any of his/her associates is materially interested unless a majority of the independent non-executive Directors expressly requested him/her to attend. The attendance of that Director shall not be counted towards a quorum at the meeting and such Director shall not vote on the relevant resolution;
- (2) the independent non-executive Directors will review on a bi-annual basis the compliance with the respective non-competition undertakings by our Controlling Shareholders;
- (3) our Controlling Shareholders undertake to provide all information requested by our Company which is necessary for the annual review by the independent non-executive Directors and the enforcement of the respective non-competition undertakings;
- (4) our Company will disclose decisions with basis on matters reviewed by the independent non-executive Directors relating to compliance and enforcement of the respective non-competition undertakings of our Controlling Shareholders in the annual reports of our Company;
- (5) our Controlling Shareholders will make an annual declaration on compliance with their respective non-competition undertakings in the annual report of our Company;
- (6) the independent non-executive Directors will be responsible for deciding whether or not to allow our Controlling Shareholders and/or their respective close associates to be involved or participate in a Restricted Business, and if so, any condition to be imposed;
- (7) the independent non-executive Directors may appoint independent financial adviser and other professional advisers as they consider appropriate to advise them on any matter relating to the non-competition undertakings or connected transaction(s) at the cost of our Company; and
- (8) our Company has appointed Lego Corporate Finance Limited as the compliance adviser which shall provide our Company with professional advice and guidance in respect of compliance with the GEM Listing Rules.

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Further, any transaction that is proposed between our Group and our Controlling Shareholders and their respective associates will be required to comply with the requirements of the GEM Listing Rules, including, where appropriate, the reporting, annual review, announcement and independent shareholders' approval requirements.

None of the members of our Group has experienced any material dispute with its shareholders or among its shareholders themselves and our Directors believe that each member of our Group has maintained positive relationship with its shareholders. With the corporate governance measures including the measures set out above, our Directors believe that the interest of the Shareholders, in particular the minority Shareholders, will be protected.