
RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Immediately following completion of the Global Offering and the Capitalisation Issue and taking no account of any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option and the options which have been or may be granted under the Share Option Scheme, our Company will be owned as to 75% by KIG.

KIG is a company incorporated in the BVI on 20 March 2003 and it is an investment holding company. As at the Latest Practicable Date, it was owned as to 46.70% by Mr. Peter Sun (among which 2.22% was held by him as trustee on trust for the share award plan of KIG), 13.69% by Mr. David Wong, 13.69% by Mr. Yau Lam Chuen, 9.12% by Mr. Yung Ching Tak, 6.17% by Mr. Banson Lam, 6.17% by Mr. Chan Lin On, 3.09% by Mr. Yeung Man Chiu and 1.37% by Mr. Alan Suen.

On 26 September 2011, a confirmation of concert party arrangement was executed by each of Mr. Peter Sun, Mr. David Wong, Mr. Yau Lam Chuen, Mr. Yung Ching Tak, Mr. Banson Lam, Mr. Chan Lin On and Mr. Yeung Man Chiu, confirming that they are parties acting in concert in the operation and management of KPP-HK, KPP-Suzhou, KRP-HK, KRP-Shenzhen, KRP-Shanghai, KFM-HK and KFM-Shenzhen since 13 March 2002, being the date of incorporation of KPP-HK.

Accordingly, our Controlling Shareholders include KIG, Mr. Peter Sun, Mr. David Wong, Mr. Yau Lam Chuen, Mr. Yung Ching Tak, Mr. Banson Lam, Mr. Chan Lin On and Mr. Yeung Man Chiu.

Innotech is a company incorporated in Hong Kong with limited liability and was owned as to 71% by Gold Joy and as to 29% by Mr. Alan Suen as at the Latest Practicable Date. Kingdom Innovative is a company incorporated in Hong Kong with limited liability and was owned as to 87% by Gold Joy and as to 13% by Mr. Alan Suen as at the Latest Practicable Date. Gold Joy is a company incorporated in Hong Kong with limited liability and was owned as to 52.94% by Mrs. Chow Suen Christina, our executive Director, 17.65% by Mr. Yau Lam Chuen, one of our Controlling Shareholders, 17.65% by Mr. David Wong, our executive Director and one of our Controlling Shareholders and 11.76% by Mr. Yung Ching Tak, one of our Controlling Shareholders. Both Innotech and Kingdom Innovative were once members of our Group, further details of its corporate history are set out in the section headed “History and development” in this prospectus.

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 four executive Directors and three independent non-executive Directors. Three of our executive Directors are Mr. Peter Sun, Mr. David Wong and Mr. Banson Lam, who are our Controlling Shareholders. Mr. Peter Sun is also the chairman of our Group, and he is the elder brother of Mrs. Chow Suen Christina, the remaining executive Director.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Mr. Peter Sun, our executive director, was a director of Innotech between 11 December 2006 and 7 July 2011. Mrs. Chow Suen Christina, our executive Director, was also appointed as a director of Innotech and Kingdom Innovative on 8 July 2011 and subsequently resigned on 12 November 2011. During their directorship in Innotech and/or Kingdom Innovative, they were not involved in their daily operation. Their appointment was for administrative convenience only since both the Innotech Group and the Kingdom Innovative Group do not have any operational office in Hong Kong and ad hoc administrative support could be provided should any need arise if either Mr. Peter Sun or Mrs. Chow Suen Christina was a director of Innotech and Kingdom Innovative. Mr. Alan Suen, a director of both Innotech and Kingdom Innovative, travels frequently between Hong Kong and the PRC and he may not be available in Hong Kong from time to time. Moreover, since both Innotech and Kingdom Innovative do not have any operational office in Hong Kong, they both use the address of KFM-HK as their business address, it would be more convenient to have Mr. Peter Sun and subsequently, Mrs. Chow Suen Christina as a director of Innotech or Kingdom Innovative as they would be available in Hong Kong to assist in administrative matters, for example, signing of certain administrative documents that require director's signatories or the arranging of delivery of business correspondences, etc.. Mr. Yung Ching Tak, a director of certain of the subsidiaries of our Company, namely KFM-HK, KFM-Shenzhen, KPP-Suzhou, and KPP-HK, was also a director of 匯德創意金屬產品(深圳)有限公司 (Innotech Advanced Creative Metal Products (Shenzhen) Limited*) ("**Innotech Advanced**"), which is a subsidiary of Kingdom Innovative and has been deregistered as at the Latest Practicable Date. During his directorship in Innotech Advanced, he was not involved in the company's daily operation. As Mr. Yung Ching Tak was a shareholder of KFM-HK, which owned 87% of the share capital of Kingdom Innovative before such shares were transferred to Gold Joy, Mr. Yung was nominated by KFM-HK to act as a director of Innotech Advanced. Innotech Advanced has been deregistered as at the Latest Practicable Date. As Mrs. Chow Suen Christina has resigned as a director of both Innotech and Kingdom Innovative, and Innotech Advanced has been deregistered as at the Latest Practicable Date, there will not be any common directorship among our Group and the Innotech Group and Kingdom Innovative; and hence, it is not expected that there will be any conflict of interest due to any overlapping of roles.

Each of our Directors is aware of his/her fiduciary duties as a Director which require, among other things, that he/she acts for the benefit and in the best interests of our Company and does not allow any conflict between his/her duties as a Director and his/her 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 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. 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 after the Global Offering.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Operational independence

Our business model principally involves the provision of innovative design engineering solutions and manufacturing services to our customers, of which are mostly internationally renowned companies in the five specialised industry sectors, namely medical and test equipment industry, finance equipment industry, consumer electronics industry, network/data storage industry and the office automation industry. As at the Latest Practicable Date, we have more than 100 customers with headquarters located worldwide, including the PRC, the United States, Singapore, Japan, and certain European countries. None of our Controlling Shareholders or their respective associates had any interests in any of our five largest customers during the Track Record Period.

We purchase a variety of raw materials and components for our manufacturing processes. Such raw materials include electrolytic plate, aluminium, iron, copper and stainless steel. We have independent access to source our raw materials and none of our Controlling Shareholders or their respective associates had any interests in any of our five largest suppliers during the Track Record Period.

The Innotech Group has been supplying tooling and moulding products and metal and plastics components and parts to our Group during the Track Record Period and will continue to supply such products to our Group after Listing. Also, our Group has been supplying spare metal parts, which were different from the Products, to the Innotech Group during the Track Record Period and will continue to supply such products to the Innotech Group after Listing. These transactions constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules and are governed by the Tooling Master Agreement and the Products Master Agreement, details of which were set out in the section headed “Continuing connected transactions” in this prospectus. The transactions were entered into after arm’s length negotiations and the terms of these transactions are determined with reference to market terms. Our Group is not reliant on supplies from the Innotech Group given that the purchase from the Innotech Group only amounted to approximately 2.8%, 2.2% and 1.5% of the total purchase amounts of our Group for the three years ended 31 March 2012 respectively. The Innotech Group is also not our only supplier for tooling and moulding products and the Products. Our Directors also estimate that the annual aggregate transaction amount for the purchases of tooling and moulding products and metal and plastics components and parts under the Tooling Master Agreement and the Products Master Agreement for each of the three years ending 31 March 2015 will not exceed the annual cap of HK\$7.81 million which amount, if compared with the total purchase amount of our Group for the year ended 31 March 2012, would amount to less than 1.6% of the total purchase amount of our Group. With the expansion of our business, it is expected that our Group’s total purchase amounts should increase in line with our business expansion and hence, it is expected the percentage of the amount of purchases from the Innotech Group to our Group’s total purchase should remain at the current level or reduce in future. Furthermore, the sales of spare metal parts to the Innotech Group amounted to approximately HK\$78,840, HK\$113,960, and HK\$114,400 for the three years ended 31 March 2012, respectively, which the Directors consider to be an immaterial amount during the Track Record Period.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Other than these transactions and the Tenancy Agreement referred to in the section headed “Continuing connected transactions” in this prospectus, there are no other transactions between our Group and the Innotech Group or any connected person of our Company. Under Rules 14A.37 and 14A.38 of the Listing Rules, these transactions will be subject to annual review by our independent non-executive Directors and our auditors to ensure, among other matters, that these transactions are (i) in the ordinary and usual course of business of our Group; (ii) either on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to our Group than terms available to or from (as appropriate) Independent Third Parties; and (iii) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interest of our Shareholders as a whole. In order to comply with these requirements, our management will continuously monitor the conducts of all continuing connected transactions between our Group and the Innotech Group to ensure that all these transactions will be conducted in the above manner, failing which our Company will need to re-comply with the reporting, announcement and/or independent shareholders’ approval requirement under Chapter 14A of the Listing Rules in respect of the relevant transactions.

Our Directors consider that we function independently from the Innotech Group given that we also source tooling and moulding products and metal and plastic parts and components from other suppliers. Other than the Innotech Group, our Group had other suppliers of tooling and moulding products and suppliers of metal and plastic parts and components as at the Latest Practicable Date. Furthermore, the sales of spare metal parts to the Innotech Group amounted to approximately HK\$78,840, HK\$113,960, and HK\$114,400 for the three years ended 31 March 2012, respectively, which the Directors consider to be an immaterial amount during the Track Record Period.

We own our own assets and properties, such as trademarks, designs, patents and production facilities, that are significant to the business and operations of our Group. Further details of our intellectual properties are set out in Appendix V to this prospectus, and further details of our production facilities are set out in the paragraph headed “Production facilities and capacity” in the section headed “Business” in this prospectus.

Our office in Kwai Chung was rented from Mr. Suen Yuen Fu, the father of Mr. Peter Sun, our chairman, our executive Director and one of our Controlling Shareholders, and Mrs. Chow Suen Christina, our executive Director, under the Tenancy Agreement. Further details of the Tenancy Agreement are disclosed in the section headed “Continuing connected transactions” in this prospectus. As the premises under the Tenancy Agreement is used for office purpose only, our Directors do not consider any material reliance on our Controlling Shareholders in terms of our Group’s principal operating assets and properties. Save for the use of offices under the Tenancy Agreement, we do not use any facilities of our Controlling Shareholders or their respective associates.

Financial independence

During the Track Record Period and up to the Latest Practicable Date, we had our own finance department and independent accounting systems. Our Directors also believe that we are able to obtain financing independent from our Controlling Shareholders.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

During the Track Record Period, there are certain amounts due from and due to our Controlling Shareholders and/or their related companies, details of which are set out in notes 8, 15 and 30 to the Accountant's Report. Such balances were unsecured, non-interest bearing and repayable on demand. All of such balances were settled by 7 September 2012.

During the Track Record Period, KFM-HK owned a residential property in Repulse Bay, Hong Kong and which had been used as residence for Mr. Peter Sun, and the property was mortgaged to a bank to secure certain banking facilities for our Group. On 29 December 2011, KFM-HK transferred such property to Mr. Peter Sun at a price of HK\$46.8 million. KFM-HK has not commissioned an independent valuer to conduct a valuation of the property, instead, the consideration of HK\$46.8 million for the disposal was determined with reference to the adjusted market value of the property as assessed by the Hong Kong Inland Revenue Department when it assessed the stamp duty payable for the transfer of shares of KFM-HK to KFM-BVI as part of the Reorganisation, which was HK\$52 million. In view of Mr. Peter Sun's continuous leadership and contributions to our Group, the directors of KFM-HK agreed that a certain discount should be applied to the consideration for selling the property to Mr. Peter Sun and it was then agreed that the consideration for the disposal would be 90% of the adjusted market value as aforesaid. As the property was not related to the business of our Group and it has been used as Mr. Peter Sun's residence since its purchase by KFM-HK, our Directors consider that it is appropriate to sell such property to Mr. Peter Sun. The mortgage secured by such property was released on 29 December 2011.

Save as aforesaid, our Group does not rely on our Controlling Shareholders and/or their respective associates by virtue of their provision of financial assistance.

NON-COMPETITION

Background

Innotech, the shareholding details of which are set out in the paragraph headed "Independence from our controlling shareholders", and its subsidiary is mainly engaged in the manufacture and sale of household products. During the Track Record Period, it also engaged in manufacture and sale of the metal products and metal tooling and moulding products, the nature of which is similar to our Group's products. Certain of such products were sold to our Group, and such transactions will continue after Listing. Details of such transactions are set out in the section headed "Continuing connected transactions" in this prospectus. Except for those supplied to our Group, the metal products and metal tooling and moulding products manufactured by the Innotech Group are only for household products, while those from our Group are for customers which are in the five specialised industry sectors, namely medical and test equipment industry, finance equipment industry, consumer electronics industry, network/data storage industry and the office automation industry. Kingdom Innovative, the shareholding details of which are set out in the paragraph headed "Independence from our controlling shareholders", is engaged in the sales of sweeper products and zinc alloy accessories for household products, the business nature of which is similar to that of the Innotech Group except that they have different customer base.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Our Directors consider that there is no direct competition between the Group on the one hand and Innotech Group and Kingdom Innovative on the other hand as the nature of their respective businesses is different. The core business of the Innotech Group is the manufacture and sales of household products while that of Kingdom Innovative is the sales of sweeper products. The key products of the Innotech Group and Kingdom Innovative are household products and sweeper products respectively. Our Group, on the other hand, is a precision metal engineering solution provider and our business model involves the provision of innovative design engineering solutions and manufacturing services to our customers. The clientele of our Group and the Innotech Group and Kingdom Innovative is also different, with our Group's key customers being mostly globally renowned companies in our five specialised industry sectors, namely medical and test equipment, finance equipment, consumer electronics, network/data storage and office automation industries; and customers of the Innotech Group and Kingdom Innovative being mainly suppliers of household products and sweeper products respectively; and there is no overlapping of major customers or suppliers between our Group and the Innotech Group and Kingdom Innovative respectively.

Mr. Alan Suen is the director of Innotech and Kingdom Innovative. Mrs. Chow Suen Christina resigned as the director of Innotech and Kingdom Innovative on 12 November 2011. The Innotech Group and Kingdom Innovative has an aggregate of around 195 employees while our Group had a total of over 3,026 full-time employees as of 31 March 2012, and the production base of Innotech Group is located in Dongguan, the PRC which is different from our Group's. The entire workforce of our Group is different from that of the Innotech Group and Kingdom Innovative and there is also no overlapping of senior management between our Group on the one hand, and Innotech Group and Kingdom Innovative on the other hand. The scale of operations of the Innotech Group and Kingdom Innovative is substantially smaller than our Group in terms of revenue and net profit.

Each of the shareholders of Innotech and Kingdom Innovative confirmed that they were not included as part of our Group since the business growth path and development focus of the Innotech Group and Kingdom Innovative lies in the manufacture and sale of household products and sweeper products, respectively, which is different with that of our Group. Besides, the revenue generated by the sale of metal parts and tooling and moulding products represented an insignificant portion of the total revenue of the Innotech Group for the year ended 31 March 2012, most of which represented sales to our Group. Each of the shareholders of Innotech and Kingdom Innovative confirmed that as at the Latest Practicable Date, they have no intention to inject the business of the Innotech Group or Kingdom Innovative into our Group. Innotech and Kingdom Innovative are also planning to streamline their business focus and the Innotech Group will cease its manufacturing and sales of metal products and metal tooling and moulding products business except provision and sales of such products to our Group pursuant to the Tooling Master Agreement and the Product Master Agreement as more particularly described in the section headed "Continuing Connected Transactions – Non-exempt continuing connected transactions" in this prospectus.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

As at the Latest Practicable Date, our Group has no intention to inject the business of Innotech Group regarding manufacturing and sales of metal products and metal tooling and moulding products into our Group as the Innotech Group also requires machineries for manufacturing of metal components and metal tooling and moulding products for the production of its household product parts, hence it would not be reasonable and efficient to transfer the said machineries to our Group from the Innotech Group.

(1) Innotech Deed of Non-Competition

To further delineate the respective business of the Innotech Group, Kingdom Innovative and our Group and to protect our Group from any potential competition from the Innotech Group and Kingdom Innovative, Innotech and Kingdom Innovative has entered into the Innotech Deed of Non-Competition in our favour on 22 September 2012 pursuant to which the Innotech Group and Kingdom Innovative Group have, among other matters, irrevocably and unconditionally undertaken with us that at any time during the Relevant Period (as defined below), each of them shall, and shall procure that each of their respective associates (other than our Group) shall:

- (i) save for the Excluded Business (as defined below), not, directly or indirectly, be interested or involved or engaged in 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 design and manufacturing of precision metal products, and the assembly and manufacturing of all data storage relating products, data storage automation products, including but not limited to servers for use by computer systems companies) in Hong Kong, the PRC and any other country or jurisdiction to which our Group sells, distributes, supplies or otherwise provides such products/services and/or in which any member of the Group carries on business mentioned above from time to time (the “**Restricted Activity**”);
- (ii) not solicit any existing employee of our Group for employment by any of them or any of their respective 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 knowledge in its capacity as the company indirectly owned by some of our Controlling Shareholders for the 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 any Restricted Activity; and

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

- (vi) procure their respective associates (excluding our Group) not to invest or participate in any project or business opportunity of the Restricted Activity.

For the above purpose, the “**Excluded Business**” means any of the following business:

- (a) the manufacture and sale of metal products and metal tooling and moulding products which are for household products; and
- (b) the production of the metal products and metal tooling and moulding products for supply and/or provision to any member of our Group.

(2) Controlling Shareholders Deed of Non-Competition

Save as their interests in the Innotech Group and Kingdom Innovative respectively as disclosed, each of our Controlling Shareholders 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, the Controlling Shareholders have entered into the Controlling Shareholders Deed of Non-Competition in our favour on 22 September 2012 pursuant to which each of our Controlling Shareholders has, among other matters, irrevocably and unconditionally undertaken with us on a joint and several basis that at any time during the Relevant Period (as defined below), each of our Controlling Shareholders shall, and shall procure that their respective associates (other than our Group) shall:

- (i) not, directly or indirectly, be interested or involved or engaged in 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 Restricted Activity;
- (ii) not solicit any existing employee of our Group for employment by it or its 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 for the 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 any Restricted Activity; and
- (vi) procure its associates (excluding our Group) not to invest or participate in any project or business opportunity of the Restricted Activity.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

The Innotech Deed of Non-Competition and the Controlling Shareholders Deed of Non-Competition are subject to the exception that any of the respective associates of Innotech, Kingdom Innovative or our Controlling Shareholders (excluding our Group) (as the case may be) are entitled to invest, participate and be engaged in 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, in which resolutions have been duly passed by the majority of the independent non-executive Directors), confirmed its rejection to be involved or engaged, or to participate, in the relevant Restricted Activity and provided also that the principal terms on which that relevant associate of Innotech, Kingdom Innovative or our Controlling Shareholders (as the case may be) 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 Innotech, Kingdom Innovative or our Controlling Shareholders (as the case may be) decides to be involved, engaged, or participate in the relevant Restricted Activity, whether directly or indirectly, the terms of such involvement, engagement or participation must be disclosed to our Company and our Directors as soon as practicable.

The Innotech Deed of Non-Competition and the Controlling Shareholders Deed of Non-Competition are conditional on (i) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, all our Shares in issue and to be issued under the Global Offering and our Shares which may be issued upon the exercise of the Over-allotment Option and options that may be granted under the Share Option Scheme; and (ii) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional (including, if relevant as a result of the waiver of any condition(s) by the Underwriters) and that the Underwriting Agreements not being terminated in accordance with their terms or otherwise.

For the above purpose, the “**Relevant Period**” means the period commencing from the Listing Date and shall expire for the earliest of the dates below:

- (a) as for Innotech and Kingdom Innovative, the date on which our Controlling Shareholders or their respective associates cease to hold, in aggregate, 30% or more of the then issued share capital of Innotech or Kingdom Innovative, as the case may be, directly or indirectly and do not have the power to control the board of directors of Innotech or Kingdom Innovative, as the case may be;
- (b) as for our Controlling Shareholders, the date on which they and their associates (individually or taken as a whole) ceases to be the controlling shareholders for the purpose of the Listing Rules;
- (c) the date on which our Shares cease to be listed on the Stock Exchange or (if applicable) other stock exchange.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Each of Innotech and Kingdom Innovative and our Controlling Shareholders has undertaken under the Innotech Deed of Non-Competition and the Controlling Shareholders Deed of Non-Competition (as the case may be) that he or it shall provide to us and/or our Directors (including the independent non-executive Directors) from time to time all information necessary for annual review by the independent non-executive Directors with regard to compliance with the terms and the enforcement of the Innotech Deed of Non-Competition and the Controlling Shareholders Deed of Non-Competition (as the case may be) by Innotech, Kingdom Innovative or our Controlling Shareholders (as the case may be). Each of Innotech, Kingdom Innovative and our Controlling Shareholders has also undertaken to make an annual declaration as to compliance with the terms of the Innotech Deed of Non-Competition and the Controlling Shareholders Deed of Non-Competition (as the case may be) in our annual report.

In order to properly manage any potential or actual conflict of interests between us and (i) Innotech, (ii) Kingdom Innovative or (iii) our Controlling Shareholders in relation to the compliance and enforcement of the Innotech Deed of Non-Competition and the Controlling Shareholders Deed of Non-Competition, we have adopted the following corporate governance measures:

- (a) our independent non-executive Directors shall review, at least on an annual basis, the compliance with and enforcement of the terms of the Innotech Deed of Non-Competition and the Controlling Shareholders Deed of Non-Competition by Innotech, Kingdom Innovative or our Controlling Shareholders (as the case may be);
- (b) we will disclose any decisions on matters reviewed by the independent non-executive Directors relating to compliance and enforcement of the Innotech Deed of Non-Competition and the Controlling Shareholders Deed of Non-Competition (as the case may be) either through our annual report or by way of announcement;
- (c) we will disclose in the corporate governance report of our annual report on how the terms of the Innotech Deed of Non-Competition and the Controlling Shareholders Deed of Non-Competition (as the case may be) have been complied with and enforced;
- (d) if a project or business opportunity which falls within the Restricted Activity category is offered to but rejected by us, we will fully disclose the background of the opportunity and the basis of rejection in our annual or interim report;
- (e) and 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 the compliance and enforcement of the Innotech Deed of Non-Competition and the Controlling Shareholders Deed of Non-Competition (as the case may be), he/she may not vote on the resolutions of the Board approving the matter and shall not be counted towards the quorum for the voting pursuant to the applicable provisions in the Articles.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

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