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## HISTORY AND DEVELOPMENT

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### HISTORY AND DEVELOPMENT

Our Company was incorporated as an exempted company with limited liability in the Cayman Islands on 18 November 2009 under the name Travel Expert Enterprises (Cayman) Limited. We adopted our present name on 8 February 2010. Our Company owns 100% of TEEBVIL which in turn owns 100% of TEEL and PEIL. TEEBVIL is an investment holding company incorporated in the BVI with limited liability on 2 March 2010. TEL, a wholly-owned subsidiary of TEEL, owns some of the trademarks currently used by our Group and operates the travel consultancy business of our Group. TEBSL, a wholly-owned subsidiary of TEEL, develops the corporate sales business and a larger variety of supplier network. TEOL, a wholly-owned subsidiary of TEEL, is responsible for the Group's e-commerce development. TECL, a wholly-owned subsidiary of TEEL, develops our cruise business and provides training to our travel consultants in respect of our cruise business. PEIL is a wholly-owned subsidiary of TEEBVIL and owns our Group's registered trademarks. TMHL, a wholly-owned subsidiary of TEEL, was established to be a new brand name in our Group. CGL, a wholly-owned subsidiary of TEEL, is expected to be the property holding company in our Group.

TEL was founded in 1986 in Hong Kong. During the first few years of TEL's operations, our Group's clientele principally comprised business executives, local students who were studying abroad and customers who travelled to visit relatives living overseas. In the 1980s, local leisure travellers showed a relatively strong demand for escorted tours. TEL realised the potential in the travel industry. As such, TEL started arranging air ticket and hotel reservation services for business executives, students and independent travellers.

The beginning of the 1990s witnessed a positive economic trend in Hong Kong. The Hong Kong population had become more cultivated with a higher education level and stronger foreign language literacy. The use of the Internet at the end of the decade advanced the efficiency of information flow and facilitated the promotion of newer and a broader range of travelling ideas. FIT information became more readily available in various media including the Internet space, books and magazines. FIT became increasingly popular among the Hong Kong population who enjoyed travelling with independence and freedom at a relaxing pace instead of an itinerised journey. TEL seized the market trend and was one of the pioneers of FIT and travel consulting services in Hong Kong.

Our management team envisioned the emerging demand for independent travelling and started our operations as a small travel agent with a single office which provided hotel and air ticket reservation services. This laid the foundation for our Group to evolve its proven business model as an FIT specialist. Like many other retail travel agents, TEL experienced constraints on business development when wholesale agents were unable to fully satisfy the quantity of air tickets demanded by TEL's customers. TEL set its vision for a long-term commitment to business expansion and decided to establish agency relationships with major airlines directly at a higher cost of supply temporarily notwithstanding that TEL could have procured air tickets from wholesale agents at lower cost which would have enabled TEL to achieve a higher gross profit margin. During the next few years, TEL built up satisfactory agency relationships with major airlines directly which laid a strategic cornerstone for its future business expansion as TEL could procure air tickets in a larger quantity and at a reasonable cost of supply.

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In July 1997, the Asian Financial Crisis started in Thailand with the financial collapse of the Thai baht. As the crisis spread, many Asian countries saw slumping currencies, devalued stock markets and asset prices, and a significant rise in private debt. Indonesia, South Korea and Thailand were particularly affected by the crisis. Hong Kong's economy was also adversely impacted by the slump. Our Group's business operations were then relatively smaller in size. The management team maintained a prudent and flexible approach in steering our Group through the difficult economic conditions following the crisis and were able to rely upon the hard work and cooperation of our Group's staff.

In 2000, TEL reengineered the remuneration packages for its front line staff to incentivise sales staff by calculating commission based on profitability performance. The commission reward system encouraged our front line staff to strive to provide quality services and be more proactive to provide customers with appealing travel ideas. This was a significant milestone in our roadmap to become a leading travel agency and travel consulting company in Hong Kong currently with more than 50 retail shops.

In 2003, Hong Kong reported severe acute respiratory syndrome (SARS) cases from March to June. During the height of the outbreak, schools were suspended and social activities were curtailed. As the SARS outbreak raged on in the PRC, the economic environment in the region darkened over concerns about the possible impact of SARS on China's fast-growing economy. Our Group took an aggressive approach in negotiating competitive prices with our suppliers and worked in a concerted effort with our staff throughout this difficult period. In the same year, we established a company in Wuhan, the PRC (the "Wuhan Company"), with a view to exploring business opportunities related to the travel industry in Wuhan. The Wuhan Company was principally engaged in the provision of travel information and related travel services. We chose Wuhan due to the relatively low operation cost as rental and staff costs were low there. Furthermore, we had planned to leverage on the business network of a staff who used to work in a travel agency in Wuhan.

In February 2006, a group reorganisation was conducted whereby the shareholdings of the principal operating company of the Group, TEL, and other operating companies, TEBSL, TEOL and TECL, were reorganised to be held under an investment holding company, TEEL, which in turn was wholly owned by TEHL. Before such reorganisation, Mr. Ko and Mrs. Ko held directly, or indirectly via their interests in Kowen, a majority of equity interest in TEL, TEBSL, TECL and TEOL, and Mr. Chan, Mr. Cheung, Ms. Chang and Ms. Ho also held equity interests in those companies. The shareholders of TEL, TEBSL, TECL and TEOL had a preliminary idea of preparing for the listing of the travel business operated by TEL. TEEL and TEHL were formed to be the holding companies of a group comprising principally TEL, TEBSL, TECL and TEOL to rationalise the interest amongst Mr. Ko, Mrs. Ko, Mr. Chan, Mr. Cheung, Ms. Chang and Ms. Ho taking into account their respective contribution to such group of companies.

Following the financial tsunami in 2008 and a slowdown in the global economy, Hong Kong's economy suffered a heavy blow in the latter half of 2008. The global financial markets were under exceptional stress and credit conditions were unusually tight. The management team of our Group continued to steer our Group's business with prudence and seized competitive pricing opportunities offered by suppliers to endure the crisis. In the same year, we ceased our operation in Wuhan to focus on our business in Hong Kong. The cessation of the business of the Wuhan Company was not

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related to any regulatory non-compliance and the dissolution procedure was completed on 2 February 2008. As the Wuhan Company was dissolved prior to the commencement of the Reporting Period, the financial results of the Wuhan Company do not contribute to our consolidated financial statements and have not been reflected in the Accountants' Report. Our Group worked with various tourism boards to promote travel to certain countries of tourism and was appointed as one of the 'Philippines Tourism Buddies' by the Philippines Department of Tourism. In 2009, we began a joint campaign with the Korea Tourism Organisation to promote Korea travel programmes.

With 25 years of experience by 2011, our Group has become one of the leading travel agents in Hong Kong, employing over 400 staff and operating more than 50 retail shops in easily accessible locations such as shopping arcades, MTR stations, core business districts and large housing estates. In addition to our conventional service offerings in respect of FIT, we now provide a wider variety of products and services including services targeted for corporate travellers, small escorted tailor-made group tours, cruise vacations, car rental, transportation arrangements, admission tickets, travel insurances and visa processing.

### MATERIAL DEVELOPMENT MILESTONES

1986	TEL was founded in Central, Hong Kong.
1988	We started using a GDS which enabled us to access the most up-to-date schedules, retrieve air and non-air information and conduct transactions.
1990	Our first branch was established in Tsim Sha Tsui, Hong Kong.
1992	TEL was accredited with IATA membership.
1993	We adopted the Chinese name 專業國際旅運有限公司 for TEL.  We hired external training consultants to design a systematic in-house customer service training programme.
2000	We reengineered the remuneration packages by calculating commission based on profitability performance of frontline staff.
2004	We opened five more retail shops within a year.
2007	We started using SAP, an international business management system, which enabled our Group to improve our operational and management efficiency.  We established our Kowloon flagship shop in Mongkok, Hong Kong and our New Territories flagship shop in Shatin, Hong Kong.
2009	We established our Hong Kong Island flagship shop in Central.
2010	TEBSL was accredited with IATA membership.

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### TEL

TEL was incorporated in Hong Kong on 20 June 1986 under the name Jumbo Resources Investment Limited and was then owned by Action Line (Nominees) Limited and Action Right (Nominees) Limited as to 50% and 50% respectively. TEL changed its name to Travel Expert Limited in May 1988 and adopted its Chinese name in June 1993.

On 27 June 1986, Action Line (Nominees) Limited transferred its share in TEL to Mrs. Ko for a consideration of HK\$1.00 and Action Right (Nominees) Limited transferred its share in TEL to Ms. Leung for a consideration of HK\$1.00. As a result, TEL was owned by Ms. Leung and Mrs. Ko as to 50% and 50% respectively.

On 2 July 1986, Mr. Chan, Mr. Lee, Ms. Leung and Mrs. Ko increased the paid-up share capital of TEL from HK\$2 to HK\$250,000 by the allotment and issue of 249,998 new shares of HK\$1.00 each, resulting in Mr. Chan, Mr. Lee, Ms. Leung and Mrs. Ko holding 40%, 20%, 20% and 20% in TEL respectively.

On 31 August 1987, TEL increased its paid-up capital from HK\$250,000 to HK\$300,000 by the allotment and issue of 50,000 new shares of HK\$1.00 each to all of its shareholders on a pro-rata basis.

On 27 January 1989, Mr. Chan, Mr. Lee and Ms. Leung transferred 40,000 shares, 35,000 shares and 35,000 shares respectively, to Mrs. Ko at a consideration of HK\$40,000, HK\$35,000 and HK\$35,000 respectively, resulting in Mr. Chan, Mr. Lee, Ms. Leung and Mrs. Ko holding 26.7%, 8.3%, 8.3% and 56.7% in TEL respectively.

On 17 January 1990, Mrs. Ko transferred 5,000 shares in TEL to Mr. Lee at a consideration of HK\$5,000 and transferred 5,000 shares in TEL to Mr. Cheung at a consideration of HK\$5,000. At the same time, Mr. Chan transferred 10,000 shares in TEL to Mr. Cheung at a consideration of HK\$10,000. As such, TEL was owned by Mr. Chan, Mr. Lee, Ms. Leung, Mrs. Ko and Mr. Cheung as to 23.3%, 10.0%, 8.3%, 53.4% and 5.0% respectively.

On 6 August 1990, TEL increased its paid-up capital from HK\$300,000 to HK\$500,000 by the allotment and issue of 200,000 new shares of HK\$1.00 each to Mr. Chan as to 47,000 shares, Mr. Lee as to 20,000 shares, Ms. Leung as to 16,000 shares, Mrs. Ko as to 107,000 shares and Mr. Cheung as to 10,000 shares. As a result, Mr. Chan, Mr. Lee, Ms. Leung, Mrs. Ko and Mr. Cheung owned TEL as to 23.4%, 10.0%, 8.2%, 53.4% and 5.0% respectively.

On 15 November 1991, Mr. Lee transferred his entire equity interest in TEL to Ms. Chang at a consideration of HK\$50,000. On the same date, Ms. Leung transferred her entire equity interest in TEL to Ms. Chang as to 38,000 shares at a consideration of HK\$38,000 and to Mr. Chan as to 3,000 shares at a consideration of HK\$3,000. At the same time, Mrs. Ko transferred her entire equity interest in TEL to Kowen as to 255,000 shares at a consideration of HK\$255,000 and to Ms. Chang as to 12,000 shares at a consideration of HK\$12,000, and Mr. Cheung transferred his entire equity interest in TEL to Ms. Chang at a consideration of HK\$25,000. As a result, TEL was owned by Mr. Chan, Kowen and Ms. Chang as to 24.0%, 51.0% and 25.0% respectively.

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On 20 May 1993, TEL increased its paid-up share capital from HK\$500,000 to HK\$800,000 by the allotment and issue of 300,000 new shares of HK\$1.00 each to all of its shareholders on a pro-rata basis. In the same year, TEL adopted its Chinese name.

On 3 September 1996, Mr. Chan transferred 72,000 shares of TEL to Mr. Cheung at a consideration of HK\$244,285.71 and 40,000 shares of TEL to Ms. Ho at a consideration of HK\$135,714.29, resulting in Mr. Chan, Mr. Cheung, Kowen, Ms. Chang and Ms. Ho holding 10.0%, 9.0%, 51.0%, 25.0% and 5.0% respectively in TEL.

On 23 June 1997, TEL increased its paid-up share capital from HK\$800,000 to HK\$1,500,000 by the allotment and issue of 700,000 new shares of HK\$1.00 each to all of its shareholders on a pro-rata basis.

On 15 June 1998, TEL increased its paid-up share capital from HK\$1,500,000 to HK\$2,000,000 by the allotment and issue of 500,000 new shares of HK\$1.00 each to all of its shareholders on a pro-rata basis.

On 8 November 2000, TEL increased its paid-up share capital from HK\$2,000,000 to HK\$2,500,000 by the allotment and issue of 500,000 new shares of HK\$1.00 each to all of its shareholders on a pro-rata basis.

On 18 July 2002, TEL increased its paid-up share capital from HK\$2,500,000 to HK\$3,000,000 by the allotment and issue of 500,000 new shares of HK\$1.00 each to all of its shareholders on a pro-rata basis.

On 29 July 2004, TEL increased its paid-up share capital from HK\$3,000,000 to HK\$4,000,000 by the allotment and issue of 1,000,000 new shares of HK\$1.00 each to all of its shareholders on a pro-rata basis.

On 29 November 2004, TEL increased its paid-up share capital from HK\$4,000,000 to HK\$5,000,000 by the allotment and issue of 1,000,000 new shares of HK\$1.00 each to all of its shareholders on a pro-rata basis.

On 10 September 2005, TEL increased its paid-up share capital from HK\$5,000,000 to HK\$6,000,000 by the allotment and issue of 1,000,000 new shares of HK\$1.00 each to all of its shareholders on a pro-rata basis.

On 15 February 2006, Mr. Chan transferred his entire equity interest in TEL to TEEL at a consideration of HK\$1,800,000 whilst Mr. Cheung transferred his entire equity interest in TEL to TEEL at a consideration of HK\$1,620,000. On the same date, Kowen transferred its entire equity interest in TEL to TEEL at a consideration of HK\$9,180,000 and Ms. Chang transferred her entire equity interest in TEL to TEEL at a consideration of HK\$4,500,000. At the same time, Ms. Ho transferred her entire equity interest in TEL to TEEL at a consideration of HK\$900,000, of which one share was held by Mrs. Ko on trust for TEEL. As a result, TEL was then wholly-owned by TEEL with one share held by Mrs. Ko on trust for TEEL.

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On 11 May 2006, TEL increased its paid-up share capital from HK\$6,000,000 to HK\$7,000,000 by the allotment and issue of 1,000,000 new shares of HK\$1.00 each to TEEL.

On 28 December 2006, TEL increased its paid-up share capital from HK\$7,000,000 to HK\$9,000,000 by the allotment and issue of 2,000,000 new shares of HK\$1.00 each to TEEL.

On 16 October 2007, TEL increased its paid-up share capital from HK\$9,000,000 to HK\$11,000,000 by the allotment and issue of 2,000,000 new shares of HK\$1.00 each to TEEL.

On 20 July 2010, TEL increased its paid-up share capital from HK\$11,000,000 to HK\$13,000,000 by the allotment and issue of 2,000,000 new shares of HK\$1.00 each to TEEL.

On 17 June 2011, TEL increased its paid-up share capital from HK\$13,000,000 to HK\$15,500,000 by the allotment and issue of 2,500,000 new shares of HK\$1.00 each to TEEL. As at the Latest Practicable Date, TEL was wholly-owned by TEEL, of which one share was held by Mrs. Ko on trust for TEEL.

### TEHL

TEHL was incorporated in Hong Kong on 6 January 2006 under the name T.E. (Holdings) Limited and was then wholly-owned by Kowen. On 22 July 2008, it adopted its Chinese name, 尊業(集團)有限公司 which was subsequently removed on 10 March 2011.

On 15 February 2006, TEHL increased its paid-up share capital from HK\$1 to HK\$10,000 by the allotment and issue of 9,999 new shares of HK\$1.00 each to Kowen as to 5,250 shares, Ms. Chang as to 2,574 shares, Mr. Chan as to 734 shares, Mr. Cheung as to 927 shares and Ms. Ho as to 514 shares. As a result, TEHL was held by Kowen, Ms. Chang, Mr. Chan, Mr. Cheung and Ms. Ho as to 52.51%, 25.74%, 7.34%, 9.27% and 5.14% respectively.

On 28 June 2006, TEHL increased its paid-up share capital from HK\$10,000 to HK\$24,556 by the allotment and issue of 14,556 new shares of HK\$1.00 each to Kowen as to 7,644 shares, Ms. Chang as to 3,747 shares, Mr. Chan as to 1,066 shares, Mr. Cheung as to 1,349 shares and Ms. Ho as to 750 shares. As a result, TEHL was held by Kowen, Ms. Chang, Mr. Chan, Mr. Cheung and Ms. Ho as to 52.51%, 25.74%, 7.33%, 9.27% and 5.15% respectively.

On 30 March 2007, TEHL increased its paid-up share capital from HK\$24,556 to HK\$24,556,410 by the allotment and issue of 24,531,854 new shares of HK\$1.00 each to all its shareholders on a pro-rata basis.

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On 27 November 2009, Ms. Chang as the vendor; Kowen as the purchaser; and Mr. Ko and Mrs. Ko as the guarantors entered into the SP Agreement for the sale and purchase of 6,321,225 shares of TEHL, pursuant to which Ms. Chang transferred her entire equity interest in TEHL to Kowen for a consideration of HK\$20,000,000 resulting in Kowen holding 78.25% of the paid-up share capital of TEHL. According to the SP Agreement, Kowen undertook among other things to cause our Company to issue to Ms. Chang on or before 31 December 2010, such number of Shares equivalent to 4% shareholding in our Company upon completion of the Listing. Failing which, Kowen shall pay to Ms. Chang an additional sum of HK\$10,000,000. Subsequently, Kowen paid the additional sum of HK\$10,000,000 and on 1 November 2010, the parties entered into a supplemental agreement to the SP Agreement, pursuant to which, among other things, Kowen's undertaking to Ms. Chang relating to the issuing of shares equivalent to 4% shareholding in our Company was deleted and became null and void and of no effect.

On 23 December 2009, Mr. Chan transferred 1,227,821 shares in TEHL to Kowen for a consideration of HK\$6,557,962.95, Mr. Cheung transferred 1,227,821 shares in TEHL to Kowen for a consideration of HK\$7,127,228.95 and Ms. Ho transferred 736,693 shares in TEHL to Kowen for a consideration of HK\$4,367,854.13. As a result, TEHL was held by Kowen, Mr. Chan, Mr. Cheung and Ms. Ho as to 91.25%, 2.33%, 4.27% and 2.15% respectively.

Pursuant to the Reorganisation, TEHL, Evergood, Wealth Asia and CCIL, being investment companies holding investments in real properties which our Group rents to use as office and shops, were transferred out of our Group.

### TEEL

TEEL was incorporated in Hong Kong on 6 January 2006 and was then wholly owned by Mrs. Ko. On 15 February 2006, Mrs. Ko transferred her share in TEEL to TEHL for a consideration of HK\$1.00, resulting in TEEL being wholly owned by TEHL. Pursuant to the Reorganisation, TEHL transferred its entire equity interest in TEEL to TEEBVIL. In consideration of the foregoing, the Company allotted and issued 575 Shares, 8,821 Shares, 314 Shares and 289 Shares to Mr. Cheung, Kowen, Mr. Chan and Ms. Ho respectively representing approximately 5.75%, 88.22%, 3.14% and 2.89% interests in the Company respectively. RTA has granted its approval in principle in relation to such change of shareholder/control of TEEL. Such shareholding in TEEL has remained unchanged as at the Latest Practicable Date.

### TEBSL

TEBSL was incorporated in Hong Kong on 24 March 1994. Kowen and C&H were the founding shareholders and owned TEBSL as to 50% and 50% respectively. TEBSL's original name was Colvin & Horne (HK) Limited which was changed to Travel Free Holidays Limited on 24 July 2002 and then changed to its present name on 13 June 2008.

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On 5 December 2003, the paid-up share capital of TEBSL was increased from HK\$2 to HK\$90 by the allotment and issue of 88 new shares of HK\$1.00 each; to Kowen as to 49 shares, to Ms. Chang as to 25 shares, to Mr. Cheung as to 9 shares and to Ms. Ho as to 5 shares. TEBSL was then owned by Kowen, Ms. Chang, Mr. Cheung, Ms. Ho and C&H as to 55.56%, 27.78%, 10.00%, 5.56% and 1.10% respectively. On 15 February 2006, Kowen, Ms. Chang, Mr. Cheung and Ms. Ho transferred their entire equity interests in TEBSL to TEEL for a consideration of HK\$50, HK\$25, HK\$9 and HK\$5 respectively. On the same date, C&H transferred its entire equity interest in TEBSL to Mrs. Ko for a consideration of HK\$1.00, which was held by Mrs. Ko in trust for TEEL. On 24 August 2006, the paid-up share capital of TEBSL was increased from HK\$90 to HK\$500,000 by the allotment and issue of 499,910 new shares of HK\$1.00 each to TEEL. As at the Latest Practicable Date, TEBSL was wholly-owned by TEEL, of which one share was held by Mrs. Ko in trust for TEEL.

### TEOL

TEOL was incorporated in Hong Kong on 4 July 1989. Realty Dragon Limited and Onglory Company Limited, both independent third parties, were the founding shareholders. TEOL's original name was Hinlen Industrial Limited which was changed to T. Expert Properties Limited on 23 July 1996 and then changed to T. Expert Agency Limited on 19 June 2002. Its present name was adopted on 30 April 2010. On 30 August 1989, the paid-up share capital of TEOL was increased from HK\$2 to HK\$10,000 by the allotment and issue of 9,998 new shares of HK\$1.00 each to Ms. Dorothy Catherine Olaes as to 4,999 shares and to Mr. Cheung as to 4,999 shares. Ms. Dorothy Catherine Olaes held the said shares in trust for Mr. Ko. TEOL was then owned by Realty Dragon Limited, Onglory Company Limited, Ms. Dorothy Catherine Olaes (in trust for Mr. Ko) and Mr. Cheung as to 0.01%, 0.01%, 49.99% and 49.99% respectively. Ms. Dorothy Catherine Olaes was an employee of Michael Tsoi & Co., Certified Public Accountants which handled the incorporation of TEOL. She was a nominee shareholder and did not hold any position in TEOL. Ms. Dorothy Catherine Olaes held the shares in TEOL as trustee for Mr. Ko.

On 1 September 1989, Realty Dragon Limited and Onglory Company Limited each transferred its respective equity interest in TEOL to Mr. Cheung and Ms. Dorothy Catherine Olaes respectively for a consideration of HK\$1.00 each. As a result, TEOL was owned by Ms. Dorothy Catherine Olaes (in trust for Mr. Ko) and Mr. Cheung as to 50.0% and 50.0% respectively.

In February 1990, Ms. Dorothy Catherine Olaes transferred her entire equity interest in TEOL to Ms. Chang as to 4,900 shares and to TEL as to 100 shares at a consideration of HK\$4,900 and HK\$100 respectively. At the same time, Mr. Cheung transferred his entire equity interest in TEOL to TEL at a consideration of HK\$5,000. As a result, TEOL was owned by TEL and Ms. Chang (in their own capacities as shareholders and not in trust for Mrs. Ko) as to 51% and 49% respectively.

According to the audited financial statements of TEOL for the period from 1 April 1993 to 31 March 2006, TEOL was dormant with Ms. Chang and Mrs. Ko as its directors during the aforesaid period.

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On 15 February 2006, TEL transferred its entire equity interest in TEOL to TEEL for a consideration of HK\$5,100 and Ms. Chang transferred her entire equity interest in TEOL to TEEL for a consideration of HK\$4,900, of which one share was held by Mrs. Ko in trust for TEEL. As a result, TEOL was wholly owned by TEEL with one share held by Mrs. Ko in trust for TEEL. On 14 May 2010, TEOL increased its paid up share capital from HK\$10,000 to HK\$500,000 by the allotment and issue of 490,000 new shares of HK\$1.00 each to TEEL. As at the Latest Practicable Date, TEOL was wholly-owned by TEEL, of which one share was held by Mrs. Ko in trust for TEEL.

### TECL

TECL was incorporated in Hong Kong on 13 October 1999. Gateway Registrations Limited and Fortune Corporate Services Limited were the founding shareholders. TECL's original name was Charm Victory Investment Limited which was changed to Travel E. Agency Limited on 8 September 2004 and then changed to its present name on 30 April 2010. On 21 December 1999, Gateway Registrations Limited transferred its share in TECL to Mr. Chiu Sun Ting for a consideration of HK\$1.00 whilst Fortune Corporate Services Limited transferred its share in TECL to Mr. Ko for a consideration of HK\$1.00. As a result, TECL was owned by Mr. Chiu Sun Ting and Mr. Ko as to 50% and 50% respectively.

On 11 October 2004, TECL increased its paid-up share capital from HK\$2 to HK\$10 by the allotment and issue of 8 new shares of HK\$1.00 each to Travel Expert (Holdings) Limited, resulting in Travel Expert (Holdings) Limited, Mr. Chiu Sun Ting and Mr. Ko holding 80%, 10% and 10% of TECL respectively. Travel Expert (Holdings) Limited, which subsequently changed its name to DKIC 1234 Limited on 15 October 2009, was owned by Mr. Ko and Kowen as to 50% each. DKIC 1234 Limited was dissolved on 24 December 2010.

On 28 February 2005, each of Mr. Chiu Sun Ting and Mr. Ko transferred their shares in TECL to Travel Expert (Holdings) Limited at a consideration of HK\$1.00 each resulting in TECL being wholly owned by Travel Expert (Holdings) Limited.

On 15 February 2006, Travel Expert (Holdings) Limited transferred its entire equity interest in TECL to TEEL, of which one share was held by Mrs. Ko in trust for TEEL, at a consideration of HK\$10. As such, TECL was wholly owned by TEEL with one share held by Mrs. Ko in trust for TEEL. As a result of our Group's expansion and development of our cruise travel business, our Group set up a cruise centre at Central in December 2009. On 14 May 2010, TECL increased its paid-up share capital from HK\$10 to HK\$500,000 by the allotment and issue of 499,999 new shares of HK\$1.00 each to TEEL. On 20 January 2011, TECL increased its paid-up share capital from HK\$500,000 to HK\$1,000,000 by the allotment and issue of 500,000 new shares of HK\$1.00 each to TEEL. As at the Latest Practicable Date, TECL was wholly owned by TEEL, of which one share was held by Mrs. Ko in trust for TEEL.

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A group reorganisation was conducted in February 2006 whereby the shareholdings of the principal operating company of the Group, TEL, and other operating companies, TEBSL, TEOL and TECL, were reorganised to be held under an investment holding company, TEEL, which in turn was wholly owned by TEHL. Before such reorganisation, Mr. Ko and Mrs. Ko held directly, or indirectly via their interests in Kowen, a majority equity interest in TEL, TEBSL, TECL and TEOL, and Mr. Chan, Mr. Cheung, Ms. Chang and Ms. Ho also held equity interests in those companies. TEEL and TEHL were formed to be the holding companies of a group comprising principally TEL, TEBSL, TECL and TEOL to rationalise the interest amongst Mr. Ko and Mrs. Ko, Mr. Chan, Mr. Cheung, Ms. Chang and Ms. Ho taking into account their respective contribution to such group of companies.

### PEIL

PEIL was incorporated in Hong Kong on 5 August 2010 under the name Power Empire Investments Limited and was wholly owned by Fernside Limited. On 24 September 2010, Fernside Limited transferred its share in PEIL to TEEL for a consideration of HK\$1.00. Pursuant to the Reorganisation, on 30 March 2011 TEEL transferred its share in PEIL to TEEBVIL for a consideration of HK\$1.00. PEIL has been set up to hold our Group's registered trademarks. As at the Latest Practicable Date, PEIL was wholly owned by TEEBVIL.

### TMHL

TMHL was incorporated in Hong Kong on 21 September 2010 and 500,000 shares of HK\$1.00 each of TMHL were allotted and issued to TEEL as founder member. TMHL was wholly owned by TEEL as at the Latest Practicable Date. TMHL has been set up as a new brand name in our Group.

### CGL

CGL was incorporated in Hong Kong on 27 January 2011 and was wholly owned by Ready-Made Incorporations Limited. On 8 April 2011, Ready-Made Incorporations Limited transferred its share in CGL to TEEL for a consideration of HK\$1.00. CGL has been set up to be the property holding company in our Group. As at the Latest Practicable Date, CGL was wholly owned by TEEL.

As at the Latest Practicable Date, TEL, TEBSL, and TECL were travel agents licensed with the RTA under licence numbers 350709, 353211 and 353495 respectively.

We have been advised by our Hong Kong Legal Adviser that we have obtained all requisite permits and licences from the relevant authorities to legitimately conduct our businesses and operations in Hong Kong and all such permits and licences continued to be valid as at the Latest Practicable Date.