
RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OUR CONTROLLING SHAREHOLDERS

On 24 August 2015, Mr. Lee, Mr. Yeung and Mr. Luk entered into the Concert Parties Confirmatory Deed to acknowledge and confirm, among other things, that they are parties acting in concert of each of the members of our Group during and since the Track Record Period and continue as of and after the date of the Concert Parties Confirmatory Deed, details of the Concert Parties Confirmatory Deed are set out in the section headed “History, Reorganisation and Corporate Structure – Parties acting in concert” in this [REDACTED].

Immediately following completion of the [REDACTED] and the Capitalisation Issue (assuming that no share is issued pursuant to the exercise of the [REDACTED] and options which may be granted under the Share Option Scheme), Best Matrix (wholly owned by Mr. Lee), Orange Blossom (wholly owned by Mr. Yeung) and Leader Speed (wholly owned by Mr. Luk) will be together interested in approximately 72.8% of the issued share capital of our Company, with (i) Best Matrix (wholly owned by Mr. Lee) effectively holding 30% of the total issued share capital of our Company; (ii) Orange Blossom (wholly owned by Mr. Yeung) effectively holding approximately 28.2% of the total issued share capital of our Company; and (iii) Leader Speed (wholly owned by Mr. Luk) effectively holding approximately 14.6% of the total issued share capital of our Company. As Mr. Lee, Mr. Yeung, Mr. Luk, Best Matrix, Orange Blossom and Leader Speed will collectively continue to control more than 30% of the issued share capital of our Company, each of them will be our Controlling Shareholder within the meaning of the GEM Listing Rules.

COMPANIES OWNED BY OUR CONTROLLING SHAREHOLDERS BUT NOT INCLUDED IN OUR GROUP

Our Controlling Shareholders are also interested in a number of companies which are either (i) inactive or (ii) engaged in other business activities that are not related to our Group’s businesses, all such businesses will not form part of our Group after the [REDACTED].

RULE 11.04 OF THE GEM LISTING RULES

Each of our Controlling Shareholders, our Directors, our substantial Shareholders and their respective close associates do not have any interest in a business apart from our Group’s business which competes or is likely to compete, directly or indirectly, with our Group’s business, and would require disclosure pursuant to Rule 11.04 of the GEM Listing Rules.

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INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Our Directors consider that our Group is capable of carrying on our business independent of and without undue reliance on our Controlling Shareholders and their respective close associates after the [REDACTED] based on the following reasons:

Management independence

Our management and operational decisions are made by the Board and senior management. The Board comprises three executive Directors and three independent non-executive Directors. Although Mr. Yeung, Mr. Lee and Mr. Luk who are the ultimate Controlling Shareholders also hold directorships in our Company, we consider that our Board and senior management will function independently from our Controlling Shareholders because:

- (a) each Director is aware of his fiduciary duties as a Director which require, among other things, that he acts for the benefit and in the best interest of our Company and does not allow any conflict between his duties as a Director and his personal interests;
- (b) 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) shall abstain from voting at the relevant Board meetings in respect of such transactions, and shall not be counted in forming quorum; and
- (c) all our senior management members are independent from our Controlling Shareholders. They have served our Group for a sufficient length of time during which they have demonstrated their capability of discharging their duties independently from our Controlling Shareholders.

Operational independence

Our Group has established our own organisational structure comprising of individual departments, each with specific areas of responsibilities. Our Group has not shared our operational resources, such as suppliers, customers, sales and marketing and general administration resources, with our Controlling Shareholders and/or their respective close associates.

As at the Latest Practicable Date, there were no business transactions between us and any of our Controlling Shareholders.

Based on the above, our Directors are of the view that we are independent of our Controlling Shareholders in terms of business operations.

Financial independence

Our Group has our own financial management and accounting systems, accountant and administration department and independent treasury functions, and we make financial decision according to our own business needs.

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All the amounts due to our Directors, Controlling Shareholders and their associates, were settled in full or released or waived before the [REDACTED].

Having considered the above factors, our Directors consider that we have no financial dependence on our Controlling Shareholders.

Independence of major customers

Our Directors confirmed that none of our Controlling Shareholders, our Directors and their respective close associates, had any relationship with the major customers of our Group (other than the business contacts in the ordinary and usual course of business of our Group) during the Track Record Period and up to the Latest Practicable Date.

NON-COMPETITION UNDERTAKING

Our Controlling Shareholders as covenantors (each of them, a “**Covenantor**” and collectively, the “**Covenantors**”) executed the Deed of Non-Competition in favour of our Company (for itself and as trustee for and on behalf of our subsidiaries).

In accordance with the Deed of Non-Competition, each Covenantor undertakes that, from the [REDACTED] and ending on the occurrence of the earliest of (i) the date on which the Shares cease to be [REDACTED] on GEM; or (ii) the date on which that Covenantor and his/its close associates (individually or taken as a whole) cease to be a Controlling Shareholder:

1. Non-competition

Each Covenantor jointly and severally and irrevocably undertakes and covenants to our Company that each of them will not, and will procure that its/his close associates (except any member of our Group) will not, either on his/its own account or in conjunction with or on behalf of any person, firm or company, directly or indirectly, among other things, carry on, participate or be interested or engaged in or acquire or hold any right or interest (in each case whether as an investor, a shareholder, principal, partner, director, employee, consultant, agent or otherwise and whether for profit, reward, interest or otherwise), or otherwise be involved in any business which is or may be in competition, whether directly or indirectly, with the business carried on (including but not limited to the provision of logistics services to meet the need of our Group’s customers’ supply chains which include transportation, warehousing, customisation services (consisting mainly of repacking services and labelling services) as well as value-added services (consisting mainly of container handling services and assistance in preparation of shipping document services) in Hong Kong) or contemplated to be carried on by any member of our Group in anywhere or place where our Group has conducted business as at the date of the Deed of Non-Competition or may conduct business from time to time in the future (“**Restricted Business**”).

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2. New business opportunity

Each of the Covenantors hereby represents and warrants that neither it/he nor any of its/his close associates currently carries out, participates in or is interested or engaging in, invests in, acquires or holds, directly or indirectly (in each case whether as a shareholder, director, partner, agent or otherwise and whether for profit, reward, interest or otherwise) or otherwise is involved in the Restricted Business other than through our Group.

Each of the Covenantors further undertakes to refer to our Company within 10 days any and all new opportunities in connection with the Restricted Business (“**New Business Opportunity**”) which are identified by or made available to any of them.

Notwithstanding the aforesaid, the Deed of non-competition does not apply where:

1. any opportunity to invest, participate, be engaged in and/or operate with a third party any Restricted Business has first been offered or made available to our Group, and that the offer should contain all information reasonably necessary for our Group to consider whether (i) such opportunity would constitute competition with any Restricted Business and (ii) it is in the interest of our Group and the shareholders of our Company as a whole to pursue such opportunity, and our Company has, after review by the independent non-executive Directors, declined such opportunity to invest, participate, be engaged in or operate the Restricted Business with such third party or together with the Covenantor and/or its/his close associate(s), provided that the principal terms by which that Covenantor (or its/his close associate(s)) subsequently invests, participates, engages in or operates the Restricted Business are not more favourable than those disclosed to our Company. A Covenantor may only engage in the New Business Opportunity if (i) a notice is received by the Covenantor from our Company confirming that the New Business Opportunity is not accepted and/or does not constitute competition with the Restricted Business (the “**Non-acceptance Notice**”); or (ii) the Non-acceptance Notice is not received by the Covenantor within 30 days after the proposal of the New Business Opportunity is received by our Company;
2. each Covenantor having interests in the shares or other securities in a company whose shares are [REDACTED] on a recognised stock exchange provided that:
 - (a) any Restricted Business conducted or engaged in by such company (and assets relating thereto) accounts for less than 10% of the relevant company’s consolidated turnover or consolidated assets, as shown in that company’s latest audited accounts; or
 - (b) the total number of the shares held by the Covenantors and/or their respective close associates or in which they are together interested does not exceed 5% of the issued shares of that class of the company in question (the “**Relevant Company**”), provided that (i) the total number of the relevant Convenantors’ representatives on the board of directors of the Relevant Company is not significantly disproportionate with respect to his shareholdings in the Relevant Company; and (ii) at all

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times there is a holder of such shareholding (together, where appropriate, with its close associates) a larger percentage of the shares in question than the Covenantors and their respective close associates together hold.

3. Corporate governance measures

In order to ensure the performance of the above non-competition undertakings, the Covenantors will:

- (a) as required by our Company, provide all information which is necessary for our independent non-executive Directors to conduct annual examination with regard to the compliance of the terms of the Deed of Non-Competition and the enforcement of it;
- (b) our Controlling Shareholders undertake to provide all information requested by our Company which is necessary for the annual examination by the independent non-executive Directors and the enforcement of the Deed of Non-Competition;
- (c) procure our Company to disclose to the public either in the annual report of our Company or issue a public announcement in relation to any decisions made by our independent non-executive Directors with regard to the compliance of the terms of the Deed of Non-Competition and the enforcement of it;
- (d) where our independent non-executive Directors shall deem fit, make a declaration in relation to the compliance of the terms of the Deed of Non-Competition in the annual report of our Company, and ensure that the disclosure of information relating to compliance with the terms of the Deed of Non-Competition and the enforcement of it are in accordance with the requirements of the GEM Listing Rules; and
- (e) that during the period when the Deed of Non-Competition is in force, fully and effectually indemnify our Company against any losses, liabilities, damages, costs, fees and expenses as a result of any breach on the part of such Covenantor of any statement, warrant or undertaking made under the Deed of Non-Competition.

The Deed of Non-Competition and the rights and obligations thereunder are conditional upon (a) the Listing Division granting the [REDACTED] of, and the permission to deal in, the Shares, as described in this [REDACTED], and (b) the [REDACTED] and dealings in the Shares on GEM taking place.

As the Covenantors have given non-competition undertakings in favour of our Company, and none of them have interests in other businesses that compete or are likely to compete with the business of our Group, our Directors are of the view that they are capable of carrying on our Group's business independently of the Covenantors following the [REDACTED].