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REGULATIONS IN RELATION TO CONDUCTING BUSINESS IN HONG KONG

Places of public entertainment

The organising and managing of exhibitions is, depending on their nature and size, subject to the Places of Public Entertainment Ordinance (Chapter 172 of the Laws of Hong Kong) (the “PPEO”).

The PPEO regulates places of public entertainment. Under the PPEO, it is an offence for a person to keep or use any place of public entertainment without a licence issued by the Secretary of Home Affairs or a public officer authorised by him. In practice, the licensing function is performed by the Food and Environmental Hygiene Department. A person guilty of the offence shall be liable on conviction to a fine and imprisonment.

REGULATIONS IN RELATION TO CONDUCTING BUSINESS IN THE PRC

Holding exhibition related regulations

The exhibition organisers and co-organisers in the PRC have to comply with relevant PRC laws and regulations in relation to exhibitions. According to the Notice on Strengthening the Management of Hosting Foreign Economic and Technological Exhibitions in PRC from the State Council (《國務院辦公廳關於對在我國境內舉辦對外經濟技術展覽會加強管理的通知》) which came into effect on 31 July 1997, organisers of the exhibition are mainly responsible for formulating and implementing plans and recruiting exhibitors; co-organisers of the exhibition are primarily responsible for show arrangement, safety and other exhibition affairs. According to the Notice on the Management Affairs Regarding Hosting Foreign Economic and Technological Exhibitions in PRC (《關於在我國境內舉辦對外經濟技術展覽會有關管理事宜的通知》), which came into effect on 19 February 2004, a graded approval procedure is introduced in relation to foreign economic and technological exhibitions with an exhibition area of more than 1,000 square metres. International exhibitions held in the name of the departments of the State Council or provincial government should be approved by the State Council. Exhibitions held in the name of the subordinate units of the departments of the State Council should be approved by the Ministry of Commerce. Exhibitions on scientific research and technology exchange should be approved by the Ministry of Science and Technology. Exhibitions held by the China Council for the Promotion of International Trade system should be approved by the China Council for the Promotion of International Trade and filed with the Ministry of Commerce. For record exhibitions held outside Beijing, organisers should seek approval from local foreign economic and trade authorities. For those exhibitions with exhibition area of less than 1,000 square metres, the organisers merely have to file with relevant authorities for record.

Consumers’ rights protection related regulations

According to the Laws on Protection of Consumers’ Rights and Interests of the PRC (《中華人民共和國消費者權益保護法》), consumer whose legitimate rights and interests are infringed upon in purchasing commodities or receiving services may demand compensation from the sellers or suppliers of the services. In case the fairs are over, they may also demand compensation from organisers of the exhibitions. Organisers of the exhibitions shall, after paying the compensation, have the right to recover the compensation from the sellers or suppliers of the services. Pursuant to the Food Safety Law of PRC (《中華人民共和國食品安全法》) and the Food Safety Supervision and Management Measures in

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Circulation (《流通環節食品安全監督管理辦法》) which came into effect on 30 July 2009, organisers of food exhibitions should establish files of food traders and record basic information of food traders, source of purchase, food varieties, brands and suppliers, set up public media for food information, and disclose timely the food information within the marketplace or otherwise disclosed by administrative organisations. Organisers and co-organisers of the exhibition who fail to fulfill the aforesaid management obligations will take a joint liability in the event of a food safety accident occurs. Besides, in accordance with Product Quality Law of the PRC (《中華人民共和國產品質量法》) which came into effect on 8 July 2000, the limitation period for bringing an action claiming compensation for damage caused by product defects is two years from the date on which the party concerned knows of or should have known of the infringement of his rights and interests.

Public safety and related regulations

According to the Regulations on Safety Administration of Large-scale Public Activities (《大型群眾性活動安全管理條例》) which became effective on 1 October 2007, large-scale public activities include exhibition activities with attendance of no less than 1,000 persons which are held by legal persons or other organisations for the public. Public security authorities above county level are responsible for the safety administration of large-scale mass activities. The county public security authorities are entitled to implement security permission for activities with estimated attendance between 1,000 and 5,000 persons, and the municipal public security authorities are entitled to implement security permission for activities with estimated attendance of more than 5,000 persons.

REGULATIONS IN RELATION TO CONDUCTING BUSINESS IN SINGAPORE

Business Registration

Under the Singapore BR Act, a business entity must (with a few exceptions), before carrying on business in Singapore, apply to the Accounting and Corporate Regulatory Authority of Singapore for registration in the prescribed form.

Where a person required to be registered under the Singapore BR Act carries on business without being registered to do so, the rights of the person in default under or arising out of any contract, in relation to the business carried on by it in respect of which there is no valid registration, made or entered into by or on its behalf at any time while it is in default shall not be enforceable by action or other legal proceedings. However, if the court is satisfied that the default was accidental or due to inadvertence or some other sufficient cause, or that on other grounds it is just and equitable to grant relief, the court may grant such relief either generally or in relation to any particular contract, upon application by the person in default.

A person in default shall be guilty of an offence under the Singapore BR Act and shall be liable on conviction to a fine not exceeding S\$5,000 or to imprisonment for a term not exceeding 12 months or to both. Further, if the person in default is a corporation or other body corporate and the offence is proved to have been committed with the consent or connivance of, or to have been facilitated by any neglect on the part of, any director, chairman, manager, secretary or other officer of the corporation or other body corporate then he, as well as the corporation or body corporate, shall be guilty of the offence and shall be liable to be proceeded against and punished accordingly.

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REGULATIONS IN RELATION TO CONDUCTING BUSINESS IN THE STATE OF NEVADA, US

Qualification to do business in the State of Nevada, US

Prior to doing business in Nevada, a non-US corporation must file a series of forms with the Office of the Secretary of State, including but not limited to:

- (a) qualification to do Business in Nevada form;
- (b) a certificate of corporate existence;
- (c) a statement signed by an officer of the corporation setting forth a general description of the purposes of the corporation;
- (d) a designated form of corporate information to be filed by non-US corporation annually; and
- (e) a statement of last calendar year's "business" in two issues of a newspaper published in Nevada.

If a foreign corporation fails to qualify to do business in Nevada and a court determines that the foreign corporation was indeed conducting business in Nevada, and, therefore, should have qualified to do business, the foreign corporation would be subject to a fine of not less than US\$1,000 but not more than US\$10,000. However, a failure of the foreign corporation to qualify would not impair the validity of any contract or act of the corporation, or prevent the corporation from defending any action, suit or proceeding in any court of this State.

A corporation that fails or neglects to comply with the requirements of qualification may not commence or maintain any action or proceeding in any court in Nevada, unless and until the corporation comes into compliance.

Nevada State Business License Requirement

A person may not conduct business in Nevada until it has obtained a state business license issued by the Secretary of State of Nevada. A "business" includes any person, except a natural person, that performs a service or engages in a trade for profit.

If any person fails to obtain a Nevada state business license and a court finds that person was required to obtain such a license, that person would be subject to a penalty in the amount of US\$100.

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German Industrial Code

A person or legal entity who/which intends to organise a trade exhibition or an exhibition (both as defined below) in Germany either requires a licence from the regulatory agency of the competent municipality (“**Competent Authority**”) pursuant to section 69 of the German Industrial Code (*Gewerbeordnung*, “**Industrial Code**”) or has to make a notification to such Competent Authority pursuant to section 14 of the Industrial Code, which is the act setting forth the principal legal provisions for the operation of a business in Germany.

Licence for organisation of a trade exhibition and an exhibition

An organiser of a trade exhibition and exhibition may apply for a licence pursuant to section 69 of the Industrial Code (“**Licence**”).

Section 69 of the Industrial Code stipulates that after having received a proper application from the organiser the Competent Authority has to grant the Licence for an event which fulfils the prerequisites set forth in section 64 to 68 of the Industrial Code and determine the subject, time, opening hours and location of such event. The events which are defined in sections 64 and 65 of the Industrial Code include trade exhibition and exhibition.

An organiser in the meaning of section 69 of the Industrial Code is a person or legal entity who/which acquires rights and duties vis-à-vis the relevant parties, in particular the exhibitors and visitors of the trade exhibition and exhibition respectively, who/which plans, organises and carries out the event and who/which bears the economic risk of such event (“**Organiser**”).

According to section 69a of the Industrial Code, the Competent Authority has to reject the Organiser’s application, if:

- (i) the trade exhibition and the exhibition respectively, does not fulfil the prerequisites set forth in the Industrial Code;
- (ii) there are circumstances justifying the assumption that the applicant or the person who is instructed to manage the trade exhibition and exhibition respectively, does not have the personal reliability required for the conduct of such event;
- (iii) the conduct of the trade exhibition and the exhibition respectively, is contrary to the public interest.

According to section 64 of the Industrial Code, a trade exhibition is an event:

- which is conducted for a limited period of time; and
- which principally is repeated regularly; and
- where various exhibitors present market/distribute a range of products, which is essential for one or more industrial sectors, to industrial resellers, industrial business consumers and bulk purchasers.

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Pursuant to section 65 of the Industrial Code, an exhibition is an event:

- which is conducted for a limited period of time; and
- where various exhibitors present and market/distribute a representative range of products of one or more industrial sectors or industrial regions or inform about such product range in order to promote the sale and distribution of such products

(such trade exhibitions and exhibitions hereinafter also collectively “**Exhibitions**”).

The Organiser of an exhibition to whom a Licence has been granted would benefit from certain privileges, while the most important privilege is that the exhibitors who present their products and range of products at the Exhibition do not require the so-called “itinerant trade license”. Such license is basically required by an exhibitor pursuant to Section 55 of the Industrial Code. If the exhibitor does not hold the required itinerant trade licence, the Competent Authority is entitled to impose a penalty of up to EUR 5,000.00 on such exhibitor pursuant to section 145 para. 4 of the Industrial Code. Such penalty becomes time-barred upon expiry of two years beginning with the termination of the exhibition. Furthermore, the Competent Authority is entitled to prohibit the relevant business activities of the exhibitor (e.g. by closing down the stand booths).

Our Group had obtained the relevant licences for the exhibitions participated by our Group in Berlin in February 2012 and 2013.

Notification

An Organiser of an Exhibition who has no Licence pursuant to section 69 of the Industrial Code has to make a formal notification pursuant to Section 14 Industrial Code (“**Notification**”).

Section 14 of the Industrial Code set forth that a person or legal entity who/which starts the self-employed operation of a standing trade, a permanent establishment or an independent branch must notify the commencing of such operation to the Competent Authority.

The obligation to make the Notification to the Competent Authority pursuant to section 14 of the Industrial Code applies to foreign persons/legal entities who/which maintains the main business operations and the place of management and business abroad when organising and conducting an Exhibition in Germany for a limited period of time.

Legal Consequences

If the Organiser of an Exhibition who organises and conducts an Exhibition in Germany has no Licence pursuant to Section 69 Industrial Code and has not made a proper Notification pursuant to Section 14 Industrial Code, the Competent Authority is entitled to impose a penalty of up to EUR1,000.00 on such Organiser pursuant to section 146 of the Industrial Code. Furthermore, pursuant to section 17 paragraph. 4 of the Administrative Offence Act the Competent Authority is entitled to absorb any economic advantages which the Organiser gained from the organisation of the Exhibition. The imposing of the penalty becomes time-barred upon expiry of six months from the termination of the Exhibition.

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Moreover, the Competent Authority is entitled to impose a penalty of up to EUR1,000.00 on our Group which can be increased to up to EUR50,000.00 on the Organiser, if such Organiser refrained from making the Notification pursuant to Section 14 of the Industrial Code intentionally and if such Organiser carried out services to a substantial extent (section 8 paragraph. 1 Illegal Employment Law). Furthermore, any economic advantages gained by the Organiser can be absorbed. The imposing of the penalty becomes time-barred upon expiry of three years from the termination of the Exhibition.

Additionally, pursuant to section 35 of the Industrial Code, the Competent Authority is entitled to prohibit the organisation of the Exhibition by the Organiser, if the circumstances and facts suggesting the unreliability of the Organiser or Organiser's representative, who is instructed by the Organiser to manage the Exhibition, is substantiated and if such prohibition of the Exhibition is necessary in order to protect public's interest or the relevant employees.

Berlin Industrial Regulation and the German Civil Code

Pursuant to the Berlin Industrial Regulation (Verordnung über den Betrieb von baulichen Anlagen) of 10 October 2007 the operator of a plant and of facilities is responsible for the safety of events and the fulfilment of the obligations and duties set forth in such regulation. According to such provisions the operator is inter alia obliged to ensure that emergency exits will be kept free and that an appointed event manager will continuously be present at the event. Any violations of these duties may subject the operator to a penalty of up to EUR500,000.00 (Section 50 of the Berlin Industrial Regulation in connection with Section 83 para. 1 sentence 1 no. 12 of the Berlin Building Code). The prosecution of such penalty becomes time-barred upon expiry of three years beginning with the violation of the relevant duty. Pursuant to Section 32 para. 5 of the Berlin Industrial Regulation the operator is allowed to transfer these duties under certain conditions to the organiser of an event (Section 32 para. 5 of the Berlin Industrial Regulation). Regarding the Berlin Expo 2013, the Group would be responsible for these duties and therefore, the Group, as well as Messe Berlin GmbH, as venue provider, is responsible for the safety of Berlin Expo 2013 pursuant to the provisions set forth in the Berlin Industrial Regulation.

Furthermore, according to section 823 of the German Civil Code (Bürgerliches Gesetzbuch) the Group in its capacity as Organiser of Berlin Expo 2012 and 2013 is responsible for the safety of these events under civil law.