
RELATIONSHIP WITH CITIC PACIFIC

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As of the Latest Practicable Date, CITIC Pacific owned 100% of the issued share capital of the Company. Immediately following the completion of the Global Offering, CITIC Pacific will own 56.6% of the issued share capital of the Company (assuming that the Over-allotment Option is not exercised) or approximately 50.1% of the issued share capital of the Company (assuming that the Over-allotment Option is exercised in full) and the Company will remain a subsidiary of CITIC Pacific.

CITIC Pacific's business includes manufacturing of special steel, iron ore mining, property development and investment, infrastructure (such as power generation, aviation, civil infrastructure and communications), and marketing and distribution. The Company's operation is one distinct business amongst the range of diversified businesses of CITIC Pacific group.

INDEPENDENCE FROM THE RETAINED GROUP

The Board is satisfied that the Company can carry on business independently of the Retained Group and its associates after the Listing on the basis of the following:

- **Independence of boards and management**

Set out below is a summary of the directors and senior management of CITIC Pacific and the Company as at the Latest Practicable Date:

	CITIC Pacific	the Company
Executive directors	Larry Yung Chi Kin Henry Fan Hung Ling Peter Lee Chung Hing Carl Yung Ming Jie Leslie Chang Li Hsien Vernon Francis Moore Li Shilin Liu Jifu Chau Chi Yin Milton Law Ming To Wang Ande	Hui Ying Bun Chu Hon Fai Yip Moon Tong Mak Kwing Tim Lau Sei Keung Tsoi Tai Kwan, Arthur Glenn Robert Sturrock Smith Chan Kin Man, Andrew
Non-executive directors	Willie Chang André Desmarais Chang Zhenming Peter Kruyt (alternate director to André Desmarais)	Hamilton Ho Hau Hay Chau Chi Yin Stella Chan Chui Sheung Kwok Man Leung
Independent non-executive directors	Hamilton Ho Hau Hay Alexander Reid Hamilton Hansen Loh Chung Hon Norman Ho Hau Chong	Cheung Kin Piu, Valiant Hsu Hsung, Adolf Yeung Yue Man

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	CITIC Pacific	the Company
Senior Management	Frances Yung Ming Fong Stella Chan Chui Sheung Paul Lo Kai Sing Aaron Wong Ha Hang Kwok Man Leung Cai Xing Hai Cindy Kwan Kit Ying Stephen Ho Wai Chung Miranda Yip Siu Wai Hui Ying Bun (<i>Note</i>) Chu Hon Fai (<i>Note</i>) Glenn Robert Sturrock Smith (<i>Note</i>)	Kuk Tai Wai, David Kwong Sum Mei, Esther Hui Kwong Lok Cheuk Chun Wai, Simon Wong Chit Chong Liang Chun Kit, Henry 嚴夢英 (Yan Mengying) Ho Ming Kei, Wayne Wong Hoi Ming, Alan Chau Wai Man

Note: Mr. Hui, Mr. Chu and Mr. Smith are senior managers of CITIC Pacific because of their management and executive roles in the Company.

The Company and CITIC Pacific have boards of directors that function independently of each other. There are no common executive directors between the Company and CITIC Pacific upon Listing.

The Company, acquired by CITIC Pacific in 1991, is a wholly-owned subsidiary of CITIC Pacific. It is the holding company holding the Group's business for CITIC Pacific. For the three years ended 31 December 2006, Mr. Larry Yung Chi Kin, Mr. Henry Fan Hung Ling and Mr. Peter Lee Chung Hing were designated to sit on the board of the Company as representatives from CITIC Pacific and Mr. Yung was the former Chairman. As the Company has been selected to be the listing entity and for the purposes of Listing, Mr. Yung, Mr. Fan and Mr. Lee resigned as directors of the Company.

Mr. Yung, Mr. Fan and Mr. Lee were not involved in the day-to-day management and operations of the Group's business. Such management and operations have always been performed by Mr. Hui Ying Bun and Mr. Chu Hon Fai, with the assistance of Mr. Yip Moon Tong, Mr. Mak Kwing Tim, Mr. Lau Sei Keung, Mr. Tsoi Tai Kwan, Arthur, Mr. Glenn Robert Sturrock Smith and Mr. Chan Kin Man, Andrew (i.e. the present executive Directors of the Company). The main roles of Mr. Yung, Mr. Fan and Mr. Lee were to oversee the strategic decisions of the Company's business in consultation with Mr. Hui and Mr. Chu. They were mainly involved in and consulted with, in relation to any issue relating to CITIC Pacific group as a whole. Apart from the foregoing, Mr. Yung, Mr. Fan and Mr. Lee did not have any executive roles in the Group's business during the three years ended 31 December 2006.

The Group's management has been led by Mr. Hui Ying Bun since 2003, when he was appointed Group Chief Executive. Mr. Hui is responsible for overseeing the strategic and operational decisions of the business of the Group, with the assistance of Mr. Chu. Mr. Chu has been a Director of the Company since 2001. Mr. Hui and Mr. Chu were the key persons and leaders to the existing business of the Group during the three years ended 31 December 2006.

All the 8 executive directors (including Mr. Hui) are, and have during the three years ended 31 December 2006 been, involved in the Company's business on a full-time basis. All senior managers of the Company are full-time employees of the Group except that 嚴夢英 (Yan Mengying), the managing director of Dah Chong Hong (China) Limited (a wholly-owned subsidiary of the Company), will remain a director of CITIC Pacific China Holdings Limited ("CP China") and 上海中信泰富廣場有限公司 (Shanghai CITIC Square Co., Ltd) ("Shanghai CS") which involve in various real estate projects in the PRC. The time spent by 嚴夢英 (Yan Mengying) on CP China and Shanghai CS are minimal and she will be separately remunerated by CITIC Pacific for these directorships.

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嚴夢英 (Yan Mengying) is not a director of the Company. She is an experienced senior management of the Company responsible for the Group's China operations. CP China and Shanghai CS are mainly focused on real estates development in the PRC. The board of CP China comprises 10 directors, and is led by the Chairman of CITIC Pacific. The board of Shanghai CS comprises 6 directors, and is led by a Deputy Managing Director of CITIC Pacific. CP China and Shanghai CS would enlist Ms. Yan's assistance in PRC real estates matters given her established background in the PRC. 嚴夢英 (Yan Mengying) does not have an active or dominant role in CP China's or Shanghai CS's business and her limited involvement in these two companies would not conflict with the business of the Group. A majority of Ms. Yan's management time and focus will be spent with the Company.

Being a group company of CITIC Pacific, the Company has 3 non-executive directors nominated by CITIC Pacific on its board. They are Mr. Chau Chi Yin (executive director of CITIC Pacific), Mr. Kwok Man Leung (Director of Business Development Department of CITIC Pacific) and Ms. Chan Chui Sheung, Stella (Director of Company Secretariat Department of CITIC Pacific). Mr. Hamilton Ho Hau Hay, having been appointed independent non-executive director of CITIC Pacific since 1992 and director of the Company since 1991 when CITIC Pacific acquired the Company, will continue his role as non-executive director of the Company.

The roles of the non-executive directors (other than independent non-executive directors) of the Company are expected to be consultative in matters concerning the Company and CITIC Pacific. The Company may continue to share certain non-essential group administrative functions with CITIC Pacific after the Listing. It is expected that the non-executive directors' roles will become more focused on these areas where CITIC Pacific's involvement may be required.

Each of the Company and CITIC Pacific has its own management and administrative capacity. Except for alignment of group internal control, the Group's company secretarial, internal audit functions and tax compliance matters, which have been shared with CITIC Pacific, will continue to be shared with CITIC Pacific so long as CITIC Pacific holds not less than 30% of the entire issued and fully paid share capital of the Company.

In any event, in case of any issues of conflict being decided by the Board, conflicting Directors such as Mr. Hamilton Ho Hau Hay, Mr. Chau Chi Yin, Mr. Kwok Man Leung, and Ms. Stella Chan Chui Sheung, if any, will, apart from abstaining from voting and not be counted in the quorum, physically leave the relevant Board meeting.

In view of the above and for the reasons set out below, the Directors believe that the Company operates independently of the Retained Group and in the interests of the Shareholders:

- (i) The majority of the Board, namely, the 8 executive directors (including Mr. Hui) and 3 independent non-executive directors ("INEDs"), who are independent and not related to any of the businesses of CITIC Pacific, does not have any management position with CITIC Pacific;
- (ii) there are sufficient numbers of INEDs to counterbalance any situations of conflict of interest and protect the interests of independent shareholders if such situations arise;
- (iii) the non-executive directors of the Company, namely Mr. Hamilton Ho Hau Hay, Mr. Chau Chi Yin, Mr. Kwok Man Leung and Ms. Chan Chui Sheung, Stella, only have minimal involvement in the Company and are not expected to spend any time handling the day-to-day management of the Company; and

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(iv) the following corporate governance measures are in place to adequately deal with any potential conflict of interest in respect of conflicting position of overlapping directors and senior management of the Group and the Retained Group, and to safeguard the interests of independent shareholders:

- the conflicting Directors will, apart from abstaining from voting and not be counted in the quorum, physically leave the relevant Board meeting in case of any issues of conflict being decided by the Board;
- the above corporate governance measure has been incorporated in the Articles; and
- specific corporate governance measures put in place in respect of enforcement of the non-competition undertaking given by CITIC Pacific mentioned below.

- **Separate lines of business**

Operations of the Company are independent of and separate from the businesses of the Retained Group.

The Group is principally engaged in motor vehicle sales, motor vehicle-related business and services, sale of food and consumer products, as well as logistics services supported by integrated distribution platform and with a well established base and network in the PRC, Hong Kong and Macao. On the other hand, the Retained Group's business includes manufacturing of special steel, iron ore mining, property development and investment, and infrastructure (such as power generation, aviation, civil infrastructure and communications).

Given the different nature of business between the Group and the Retained Group, after the Listing, the Directors do not expect there to be any overlap or competition of the Retained Group's businesses and the Group's business save as disclosed below.

Without prejudice to the foregoing, CITIC Pacific currently holds non-controlling investment interests in joint ventures established with 沃爾瑪(中國)投資有限公司 Wal-Mart (China) Investment Co., Ltd ("Wal-Mart China"), and may continue to enter into joint ventures with Wal-Mart China in the future (collectively "Wal-Mart JVs"). Wal-Mart China is an Independent Third Party and holds controlling majority stakes in Wal-Mart JVs. As at the Latest Practicable Date, there were 2 Wal-Mart JVs, namely, 沃爾瑪華東百貨有限公司 Wal-Mart East China Stores Co., Ltd and 江蘇沃爾瑪百貨有限公司 Jiangsu Wal-Mart Stores Co., Ltd in each of which CITIC Pacific has a 35% investment interest and Wal-Mart China has a 65% controlling interest. Wal-Mart JVs operate Wal-Mart supercentres in Eastern China, including Shanghai, Jiangsu Province and Zhejiang Province in the PRC. The Wal-Mart supercentres as operated by the Wal-Mart JVs are only one of the many Wal-Mart supercentres in the PRC. As at the Latest Practicable Date, Wal-Mart China currently operates 81 supercentres in the PRC on its own or through joint ventures with corporate partners in the PRC. CITIC Pacific is one of Wal-Mart China's corporate partners in the PRC.

Wal-Mart supercentres are retail outlets providing a wide selection of products at low prices to retail consumers. Each of Wal-Mart JVs' supercentres have a store area of at least 10,000 square metres. They sell a wide range of traditional general merchandise (e.g. apparel, baby products, books, electronics products, foodstuffs, home appliances and housewares, flowers, CDs, pets, toys etc.). CITIC Pacific does not have management control over Wal-Mart JVs and the majority of the board of directors of Wal-Mart JVs are appointed by Wal-Mart China. Wal-Mart China has the right to appoint 6 directors and CITIC Pacific has the right to appoint 3 directors in the Wal-Mart JVs.

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Wal-Mart JVs currently have 10 Wal-Mart supercenters in Eastern China. Being in the trade of food and consumer products, some of the merchandise and goods offered by Wal-Mart JVs and the Group may be of a similar nature, e.g. frozen meat, rice, edible oil and Chinese foodstuffs, certain electrical appliances and audio and video equipment, cosmetics and skin care products. However, for the reasons set out below, the business of Wal-Mart JVs and the business of the Group are clearly delineated and the Company does not regard Wal-Mart JVs and the Company as directly competing with, or relying on, each other:

- ***Different business strategies & models:*** Each of Wal-Mart China and the Company pursues very different business strategies in the PRC. Wal-Mart JVs currently have 10 Wal-Mart supercenters in Eastern China, where direct sales to retail consumers took place, and is a small part of a larger retail chain (currently with 81 supercenters) all managed by Wal-Mart China which focuses on mass-market retailing business. The Company has no retail operations in the PRC but only has wholesale business regarding the food and consumer products, except for certain cosmetics and skin-care products under Shiseido group, and the Company can only retail these products in Guangdong province, PRC. Wal-Mart JVs have no operations in Guangdong province, PRC.
- ***Different geographical location of operations:*** Wal-Mart JVs' 10 supercenters are located at Shanghai, Jiangsu Province and Zhejiang Province in the PRC. The Company has no retail operations in these cities insofar as food and commodity products are concerned.
- ***Independent management:*** The day-to-day management of Wal-Mart JVs is managed by Wal-Mart China. The Company's day-to-day management is managed by its executive directors and senior managers; none of them has any role or position in Wal-Mart JVs. Other than Mr. Kwok Man Leung who is a non-executive director of the Company and a director of Wal-Mart JVs, the Group and the Wal-Mart JVs do not have common directors and senior management.
- ***Independent operations:*** Wal-Mart JVs and the Company operate independently. The purchase functions of all Wal-Mart supercenters in the PRC, including those under Wal-Mart JVs, are managed by Wal-Mart China. The Company does not have long term supply contracts with Wal-Mart China. During the three years ended 31 December 2006, Wal-Mart China was not one of the top 10 customers of the Company and there is no reason why the Company cannot continue to carry on its business independently from and at arm's length basis with Wal-Mart JVs.

As mass-market retailer, Wal-Mart JVs' customers are direct retail customers in the PRC. As a wholesale supplier in the PRC, the Company does not directly compete with Wal-Mart JVs in the retail business. Retailers, like Wal-Mart JVs or its competitors, are more in a position as customers to the Company than as competitors. The Company supplies merchandises and goods to these retailers, who in turn sell them to retail customers. The sales channels and customer bases of Wal-Mart JVs and the Company are different. As such and for the reasons set out above, the Company and Wal-Mart JVs are not in direct competition with each other. On the contrary, the Directors consider that the increase in business of retailers like Wal-Mart JVs would complement rather than prejudice the Company's wholesale business in the PRC.

Notwithstanding the aforesaid, in view of the overlapping of certain merchandises and goods as mentioned above, there is still the possibility that the same customers may make purchases with the Company and Wal-Mart JVs for the same items thus creating competition between with the Company and Wal-Mart JVs. As the purchase functions of all Wal-Mart supercenters in the PRC, including those under Wal-Mart JVs, are managed by Wal-Mart China, there is no information available to ascertain the actual amount of such competition. However, as an indication of the comparative significance of

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such competition to the Group's business, for each of the three years ended 31 December 2006 and the six months ended 30 June 2007, the amount of overlapping merchandises and goods supplied by the Company to Wal-Mart China represented less than 0.5% of the Company's total turnover. Wal-Mart China sources supplies for all supercenters in the PRC (currently 81) including the 10 supercenters under Wal-Mart JVs. For the year ended 31 December 2006, the amount of all merchandises and goods sold by Wal-Mart JVs were expected to represent less than 20% of the Group's food and consumer products operations. Furthermore, the merchandises and goods on offer both by Wal-Mart JVs and the Company, represented only a small part of the wide ranging products sold by Wal-Mart JVs. Based on the above, the Directors are of the view that the turnover of and the said competition in only a few categories of overlapping merchandises and goods as mentioned herein would not have any material adverse impact on the Company's business as a whole.

Neither CITIC Pacific nor the Directors envisage that CITIC Pacific will be able to create, via its investment interests in Wal-Mart JVs, any threat to the business operation of the Company nor any direct competition against the Company.

The disposal of interest in Wal-Mart JVs by CITIC Pacific would trigger the first right of refusal by the joint venture partner, which renders any such proposed disposal not commercially practicable. Furthermore, the Company does not consider the business of the Wal-Mart JVs as a whole fit into the operations of the Company at the present stage. As such, CITIC Pacific does not intend to include its investment interests in Wal-Mart JVs in the Group or to otherwise enable the exercise of such first right of refusal.

In accordance with the Listing Rules, if such intention changes, the Company will disclose such information by way of an announcement once it becomes aware of such change.

CITIC Pacific may or may not consider injecting the passive investment in the Wal-Mart JVs in the Company in the future, subject to Wal-Mart China's first right of refusal. It would be a commercial decision for CITIC Pacific, taking into account all the circumstances from time to time. Such injection may or may not take place. The Company understands from CITIC Pacific that there is no particular pre-set circumstances under which CITIC Pacific will or will not inject such interest in the Company. The Company also considers that it is immature at this stage to pre-set any criteria under which it should consider such an offer from CITIC Pacific, without limiting its flexibility to reject such offer.

Any such injection, if proposed, will be subject to arm's length negotiation between CITIC Pacific and the Company. For so long as CITIC Pacific remains a substantial shareholder of the Company, if an offer is made by CITIC Pacific in the future to inject its interest in the Wal-Mart JVs in the Company, the independent non-executive directors will be invited to consider and decide on, without attendance of the non-executive directors nominated by CITIC Pacific or other executive directors (except as invited by the independent non-executive directors to assist them), whether to accept such offer. Any such offer, if accepted, will also be required to comply with Chapter 14A of the Listing Rules including, where applicable, the announcement, reporting and independent shareholders' approval requirements of those rules.

It is CITIC Pacific's stated strategy to pursue development of its core businesses, which it actively manages to leverage off its expertise, such as special steel manufacturing, iron ore mining, property development and investment, and power generation. CITIC Pacific intends to hold its remaining interest in the Company after the Listing as a long term investment.

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- **Non-competition undertaking**

CITIC Pacific has executed a non-competition undertaking in favour of the Company to the effect that at any time during which the Shares are listed on the Stock Exchange and for so long as CITIC Pacific and its associates together hold, whether individually or taken together, 30% (or such other amount as may from time to time be specified in the Hong Kong Codes on Takeovers and Mergers) or more in the issued share capital of the Company or are otherwise regarded as a controlling shareholder of the Company under the Listing Rules, (i) CITIC Pacific will not engage, and will procure the Retained Group (excluding CITIC 1616 Holdings Limited and its respective subsidiaries) not to engage, on its own account or with each other or in conjunction with or on behalf of any person, firm or company, carry on or be engaged in, concerned with or interested in, directly or indirectly, whether as a shareholder (other than being a director or a shareholder of the Company, CITIC 1616 Holdings Limited and their respective subsidiaries), partner, agent or otherwise, in the trading and distribution of motor vehicles, food commodities, FMCG and consumer products and provision of logistics services as now engaged in by the Company and disclosed in this Prospectus, or in any other business that may compete, directly or indirectly, with such business (“Restricted Activity”); and (ii) in the event that any opportunity is made available to CITIC Pacific to invest in any Independent Third Party business which is engaged in the Restricted Activity (an “Investment Opportunity”), CITIC Pacific will use its best efforts to procure that such Investment Opportunity is offered to the Group and the Group shall have a right of first refusal in respect of such Investment Opportunity.

The restrictions which CITIC Pacific agreed to undertake as mentioned above do not apply to the following:

- (a) Restricted Activity conducted by Wal-Mart JVs, being joint ventures between CITIC Pacific and Wal-Mart China from time to time where members of the CITIC Pacific Group do not have management control and the right to appoint the majority of the board of directors; or
- (b) CITIC Pacific or its associates holding or being interested in shares or other securities in any company which conducts or is engaged in any Restricted Activity (a “Subject Company”); provided that (i) such shares or securities are listed on a recognised stock exchange and (ii) the aggregate equity interest or number of shares held by CITIC Pacific and its associates do not exceed 10% of the issued capital or issued shares of the Subject Company, and (iii) CITIC Pacific and its associates do not have board or management control of the Subject Company.

- **Corporate governance measures regarding potential conflict of interest with the Retained Group**

The Company is committed to the view that the Board should include a balanced composition of executive and non-executive Directors (including independent non-executive directors) so that there is a strong element on the Board which can effectively exercise independent judgment. The Company is also committed to the view that the independent non-executive directors of the Company should be of sufficient caliber and number for their views to carry weight.

CITIC Pacific has also undertaken to provide an annual confirmation to the Company confirming that it has not breached the terms of the non-compete undertaking (including without limitation that it has offered any Investment Opportunity to the Company as and when required under the non-competition undertaking), and to provide all information necessary for the annual review by the independent non-executive directors on the enforcement of the non-competition undertaking.

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In addition to the non-competition undertaking, the following measures will be adopted by the Company in respect of the enforceability of the non-compete undertaking:

- the independent non-executive directors of the Company will review, on an annual basis, the Retained Group's compliance with the non-compete undertaking provided by the controlling shareholder on its existing or future competing businesses;
- the Company will disclose decisions on matters reviewed by the independent non-executive directors relating to the enforcement of the non-compete undertaking (if any) in its annual report or, where the Board considers it appropriate, by way of an announcement;
- the controlling shareholder will make an annual confirmation as to compliance with the non-compete undertaking in the annual report of the Company. Disclosure on how the non-competition undertaking was complied with and enforced as is consistent with the principles of making voluntary disclosures in the Corporate Governance Report;
- the Company will invite the independent non-executive directors of the Company ("INEDs") to decide, without attendance by the non-executive directors nominated by CITIC Pacific or any other executive directors (except as invited by the INEDs to assist them), whether or not to take up a new Investment Opportunity referred to the Company under the terms of the non-competition undertaking; and
- the INEDs may engage an independent financial adviser at the expenses of the Company as they consider necessary to advise them on the terms of any such new Investment Opportunity.

Further, any transaction that is proposed between the Group and the Retained Group will be required to comply with the then requirements of the Listing Rules, including, where applicable, the announcement, reporting and independent shareholders' approval requirements.

- **Independent operations**

Although the Company rented certain premises from the Retained Group (details of these connected transactions are set out in the section headed "Connected transactions"), the Company does not share offices premises or facilities with the Retained Group. In fact, these premises can easily be replaced by other comparable alternative premises with comparable rentals and without any material disruption to the operations of the Group. In addition, the Company has its own sources of supplies, customer base and sales and distribution channels. Such sources of supplies, customer base and sales and distribution channels are independent of the Retained Group. The Group has its own sales team separate from CITIC Pacific and negotiates sales contracts with its customers independently from CITIC Pacific.

Please see "Business — Properties" of this Prospectus for further information of the Company's leased premises.

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- **Independent financial viability**

All amounts that the Retained Group owes to the Group and all amounts that the Group owes to the Retained Group (in both cases, other than accounts receivables incurred in the ordinary course of business) will be settled prior to Listing. The Directors believe that the Group has the ability to support its own operations following the Listing and to obtain its own external financial resources, without CITIC Pacific's support or assistance.

The Group has its own group finance department which is responsible for discharging the treasury, accounting, reporting, group credit and internal control functions for the Group. The group finance department comprises about 50 direct reporting staff at holding company level and more than 150 staff at various business unit level.

Mr. Chan Kin Man, Andrew oversees the operation of the group finance department.

- **Independent administrative capability**

For the purpose of aligning implementation of group corporate governance policy, the Company will continue to share certain administrative services, namely, company secretarial services, internal audit services and tax compliance services with CITIC Pacific. Apart from CITIC Pacific, such administrative services can also be provided by other Independent Third Party suppliers with comparable pricing. All the other essential and substantive administrative functions which relate to the operation of the Group's business including general administration, human resources, information technology, finance, legal and compliance will be handled by the Group.

In view of the matters set out above, the Group will be administratively independent of the Retained Group, and is capable of carrying on its business independently of its controlling shareholder and its associates after listing.

NON-COMPETE UNDERTAKINGS

Each Director (except the independent non-executive Directors) has undertaken in favour of the Company to the effect that, save for those interests as disclosed in this Prospectus (please refer to the disclosure in this section above, the section headed "Directors, senior management, staff and Compliance Adviser" and the paragraph headed "Disclosure under Rule 8.10(2) of the Listing Rules" in Appendix VI to this Prospectus) or interest in any company which a Director together with any of his associates own less than 5%, at any time during which he is a Director, he will not engage, and will procure its associates not to engage, on its own account or with each other or in conjunction with or on behalf of any person, firm or company, carry on or be engaged in, concerned with or interested in, directly or indirectly, whether as a shareholder (other than being a director or a shareholder of the Group or its associated companies), partner, agent or otherwise, in the provisions of (i) motor vehicle distribution and dealership; (ii) trading and distribution of food and consumer products; and (iii) logistics business, or in any other business that may compete, directly or indirectly, with such business.