

June 7, 2010

Mr. Fred Lam
Executive Director
Hong Kong Trade Development Council
38/F Office Tower, Convention Plaza
1 Harbour Road, Wanchai
Hong Kong

Dear Fred,

Thank you for your letter dated May 10, 2010 in response to our letter dated April 26, 2010.

The Legislative Council members and the Government at the Panel on Commerce and Industry on April 20 specifically requested that we seek ways to cooperate for the benefit of Hong Kong. In our letter we outlined a number of suggestions in the spirit of the directive as laid down by the Panel. However, your letter dismissed our suggestions without providing alternative thoughts on how we may collaborate.

What we are suggesting is a concrete proposal to provide you, the Trade Development Council (TDC), with ample exhibition area and favorable terms during the peak weeks of April and October for your Electronics, Housewares and Gifts & Premiums shows, which can both address any waiting lists you may have and benefit trade associations immediately. We have proactively put forward this proposal in line with the Government's intention as well as the Panel's directive, and are awaiting your direct response on this matter.

Our series of China Sourcing Fairs is now well established worldwide and proven successful with respect to both the quantity and quality of our exhibitors and buyer attendees. As an example, Global Sources' six trade fairs during the month of April 2010 hosted 5,000 exhibitors and attracted 57,000 buyers -- a huge achievement for the Hong Kong taxpayer, hospitality service providers and airlines.

Let us be clear. We are not disputing either the TDC's contribution to the Hong Kong economy or the support which the TDC provides our trade and industrial associations. As an organization that brings substantial benefit to Hong Kong's development, we also deserve your assistance, your recognition and your collaboration.

The Government has already endorsed the concept of "one fair two locations", which has been proven successful by the UBM Jewelry Fair in September, and in so doing making it more convenient for both exhibitors and attendees participating, making the Fair the largest in the world. We trust that in the best interest of Hong Kong, the TDC will work with us to overcome any obstacles in making our collaboration work, so as to benefit our industry and the Hong Kong economy.

Merle A. Hinrichs *Chairman & Chief Executive Officer*
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We look forward to your positive recommendations on how we can cooperate for the benefit of Hong Kong.

To make progress for the Fall sourcing season, we should meet this month.

Sincerely,



Merle A. Hinrichs
Chairman & CEO

- c.c. Hon Vincent Fang Kang, SBS, JP (Chairman, Panel on Commerce and Industry, Legislative Council)
- Ms Yue Tin Po, Chief Council Secretary, LEGCO
- All LEGCO members of Panel on Commerce and Industry, Legislative Council, via LEGCO C&I Panel Secretary
- LEGCO members and deputation attended the C&I Panel meeting on April 20, 2010 (agenda item V: Development of the Exhibition Industry in Hong Kong) via LEGCO C&I Panel Secretary
- Mrs Rita Lau, JP (Secretary for Commerce and Economic Development)