

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OVERVIEW

Upon completion of the [REDACTED] and the [REDACTED] (without taking into account any of the Shares that may be allotted and issued upon exercise of the [REDACTED] and the options that may be granted under the Share Option Scheme), our Company will be held as to [REDACTED]% by Fong 1119 and [REDACTED]% by HFTT. Fong 1119 is an investment holding company incorporated in the BVI with limited liability and is wholly-owned by Mr. Fong, the chairman of our Board, our executive Director and chief executive officer of our Group. HFTT is an investment holding company incorporated in the BVI with limited liability and is wholly-owned by Well Smart which is in turn wholly-owned by Ms. Lam, our non-executive Director.

As (i) each of Fong 1119 and HFTT will be entitled to exercise 30% or more of the voting power at general meetings of our Company; (ii) Mr. Fong and Ms. Lam controls Fong 1119 and HFTT, respectively (and hence controls Fong 1119 and HFTT’s voting interests in our Company), each of Fong 1119, HFTT, Well Smart, Mr. Fong and Ms. Lam will be regarded as Controlling Shareholders upon the [REDACTED]. For more information relating to Mr. Fong and Ms. Lam, please refer to the paragraph headed “Directors and Senior Management – Directors” in this document.

EXCLUDED BUSINESS

Our Group is principally engaged in providing security services in Hong Kong. Mr. Fong, Well Smart and Ms. Lam, being our Controlling Shareholders, and their close associates, are currently operating other businesses through companies controlled by them and these companies do not form part of our Group.

The table below sets out details of each of the companies which our Controlling Shareholders and their close associates are interested in but are excluded from our Group as at the Latest Practicable Date (collectively, the “**Excluded Group**”):

Name of company/ entity	Place of incorporation	Shareholders	Directors	Principal business
Anchor Intelligence (Hong Kong) Limited	Hong Kong	1. Great Wall (Hong Kong) Technology Limited (50%) 2. Mr. Ip (30%) 3. Mr. Wong (20%)	1. Mr. Ip 2. Mr. Wong	No business operation
Anchor Robotics (Hong Kong) Limited	Hong Kong	Anchor Intelligence (Hong Kong) Limited (100%)	Mr. Fong	No business operation
Arrano Plant and Vehicle Services Limited	Hong Kong	1. Well Smart (50%) 2. Globalpass International Holdings Limited (50%)	1. Ms. Yip ⁽¹⁾ 2. Ms. Lam	Provision of transportation services

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Name of company/ entity	Place of incorporation	Shareholders	Directors	Principal business
Arrano Capital Limited	Hong Kong	1. Well Smart (50%) 2. Mr. Fong (50%)	1. Mr. Fong 2. Ms. Lam	Money lending business
G Capital (Hong Kong) Limited	Hong Kong	1. Great Hint Limited (30%) 2. Independent Third Party (70%)	1. Mr. Fong 2. Independent Third Party	No business operation
Globalpass International Holdings Limited	Hong Kong	Ms. Yip ⁽¹⁾ (100%)	Ms. Yip	Provision of transportation services
Great Hint Limited	Hong Kong	Mr. Fong (100%)	Mr. Fong	Construction, renovation and maintenance business
Great Wall (Hong Kong) Technology Limited	Hong Kong	Mr. Fong (100%)	Mr. Fong	No business operation
Great Wall (China) Company ⁽³⁾	Hong Kong ⁽³⁾	Mr. Fong (100%) ⁽³⁾	N/A ⁽³⁾	No business operation
LM350 Limited	Hong Kong	Master International Holdings Limited (100%)	Mr. Fong	No business operation
Master International Holdings Limited	Hong Kong	Mr. Fong (100%)	1. Mr. Fong 2. Ms. Yip	No business operation
Natura V6 Co. Limited	Hong Kong	Master International Holdings Limited (100%)	Mr. Fong	No business operation
Perfect Nations Limited	Hong Kong	1. Well Smart (50%) 2. Globalpass International Holdings Limited (50%)	1. Ms. Yip ⁽¹⁾ 2. Ms. Lam	Provision of transportation services
Shine Elegant Limited	BVI	Ms. Yip ⁽¹⁾ (100%)	Ms. Yip ⁽¹⁾	No business operation

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Name of company/ entity	Place of incorporation	Shareholders	Directors	Principal business
TTT Limited	Hong Kong	1. Mr. Fong (40%) 2. Well Smart (30%) 3. Independent Third Parties (30%)	1. Mr. Fong 2. Well Smart 3. Independent Third Parties	No business operation
Link Holdings Limited (Stock Code: 8237)	Cayman Islands	1. Ace Kingdom Enterprises Corporation (58.34%) 2. Independent Third Parties (41.66%)	1. Mr. Wong ⁽²⁾ 2. Independent Third Parties	Hotel operation and distressed debt assets management business
Talent Gains Limited	BVI	1. Mr. Wong ⁽²⁾ (55%) 2. Independent Third Party (45%)	1. Mr. Wong ⁽²⁾ 2. Independent Third Party	No business operation
Ace Kingdom Enterprises Corporation	BVI	1. Boomerang Investment Limited (45%) 2. Independent Third Parties (55%)	Independent Third Parties	Holding company
Boomerang Investment Limited	Hong Kong	1. Mr. Wong ⁽²⁾ (40%) 2. Independent Third Parties (60%)	1. Mr. Wong ⁽²⁾ 2. Independent Third Parties	Manufacturing cakes and providing training courses and workshop
New Fei Optical (Hong Kong) Limited	Hong Kong	1. Mr. Wong ⁽²⁾ (20%) 2. Mr. Wong’s associate (25%) 3. Mr. Wong’s relatives (55%)	1. Mr. Wong ⁽²⁾ 2. Mr. Wong’s associate 3. Mr. Wong’s relatives	Trading of optical products
King Team Global Limited	BVI	Mr. Wong ⁽²⁾ (100%)	Mr. Wong ⁽²⁾	Holding company

Notes:

1. Ms. Yip is the spouse of Mr. Fong.
2. Mr. Wong is the spouse of Ms. Lam.
3. Great Wall (China) Company is a sole proprietorship business carried on by Mr. Fong as a sole proprietor in Hong Kong.

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Reasons for exclusion

As set out above, the business nature of our Group is different from the respective business of the companies in the Excluded Group and none of the companies in the Excluded Group engages in the provision of security services. Our Directors are of the view that there is a clear delineation between the Excluded Group and our Group, and the Excluded Group would not compete, or is not expected to compete, directly or indirectly with our Group’s business. The Excluded Group is not included in our Group as our Directors are of the view that the respective business of the companies in the Excluded Group does not form part of our core business and is not in line with our overall strategy to maintain and strengthen our market position as a security service provider in Hong Kong.

RULE 11.04 OF THE GEM LISTING RULES

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

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Our Directors believe 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 Company aims at establishing and maintaining a strong and independent board of directors to oversee our Group’s business. The main function of our Board includes the approval of our overall business plans and strategies, monitoring the implementation of these policies and strategies and the management of our Group.

Our Board consists of eight Directors, comprising four executive Directors, one non-executive Director and three independent non-executive Directors.

Each of our Directors is aware of his fiduciary duties as a Director which require, among other things, that he acts for the benefit and in the best interests of our Company and does not allow any conflict between his duties as a Director and his personal interest to exist. 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 meeting in respect of such transaction and shall not be counted in the quorum.

We have an independent management team, which is led by our executive Directors and senior management with substantial experience and expertise in our business, to implement our Group’s policies and strategies.

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Our Directors are satisfied that our executive Directors and senior management will be able to perform their roles in our Company independently, and our Directors are of the view that our Company is capable of managing its business independently from our Controlling Shareholders and their respective close associates after the [REDACTED].

Operational independence

Our Group has established our own organisational structure comprising individual departments, each with specific areas of responsibilities.

During the Track Record Period, our Group entered into certain transactions with the Controlling Shareholders and/or their close associates, including: (i) the provision of an interest-bearing loan to Arrano Capital Limited, a company of the Excluded Group which was principally engaged in money lending business, to support its short-term working capital needs, which has been fully settled as at the Latest Practicable Date; (ii) the procurement of shuttle bus services from Perfect Nations Limited for the Three-runway Contract; (iii) the provision of administrative support mainly comprising book keeping support, courier arrangements and other general administrative matters to Perfect Nations Limited; (iv) the provision of one-off security services to Great Hint Limited for concrete structural enhancement works at tunnels and viaducts at Yau Ma Mei MTR Station in July 2024; (v) the procurement of one-off consultancy service from Great Hint Limited in relation to the management and coordination of imported labour arrangements including but not limited to accommodation coordination; (vi) the one-off procurement of operation equipment from Great Hint Limited; and (vii) rental of yacht to Mr. Wong, Great Hint Limited and Globalpass International Holdings Limited at prevailing market rates when the yacht was not required for business development and networking. For details of the abovementioned transactions, please refer to note 31 of the Accountants’ Report as set out in Appendix I to this document.

Given that (i) such transactions were either one-off transactions or had been discontinued as at the Latest Practicable Date, (ii) such transactions were entered into after arm’s length negotiation and on normal commercial terms, (iii) the loan to Arrano Capital Limited has been fully settled as at the Latest Practicable Date, and (iv) the yacht rental arrangements were incidental in nature and ceased since its disposal in FY2025 our Directors are of the view that our Group does not rely on our Controlling Shareholders or their close associates, and has maintained independent access to our operational resources, such as suppliers, customers, marketing, sales and general administration resources with our Controlling Shareholders and/or their respective close associates.

In addition, our Group has also established several internal control procedures to facilitate the effective operation of our businesses and to ensure that all transactions with the suppliers are conducted on an arm’s length basis and under normal commercial terms and that our procurement decisions remain in the best interests of the Group.

Save as disclosed above, our Directors confirmed that our Group will not enter into any transaction with our Controlling Shareholders and their respective close associates after the [REDACTED] that will affect our operational independence. Based on the above, our Directors

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are of the view that there is no operational dependence on our Controlling Shareholders and their respective close associates.

Financial independence

Our Group has our own accounting systems, accounting and finance personnel, independent treasury function for cash receipts and payment and we make financial decisions according to our own business needs. Our accounting and finance personnel are responsible for financial reporting, liaising with our auditors, reviewing our cash position and negotiating and monitoring our bank loan facilities and drawdowns.

Personal guarantee provided by Mr. Fong, Mr. Wong and Ms. Lam

During the Track Record Period, (i) Mr. Fong and Ms. Lam, each being a Controlling Shareholder; and (ii) Mr. Wong, our executive Director and the spouse of Ms. Lam, provided personal guarantee to secure three bank loans provided by two financial institutions to our Group. Such loans will be fully repaid before [REDACTED] and the personal guarantee provided by Mr. Fong, Mr. Wong and Ms. Lam will also be released accordingly before [REDACTED].

Personal guarantee and indemnity provided by Mr. Fong and Mr. Wong

During the Track Record Period, Mr. Fong, our Controlling Shareholder, and Mr. Wong, our executive Director and spouse of Ms. Lam, our Controlling Shareholder, (i) provided personal guarantee in favour of the JV Partner to jointly and severally guarantee the performance and observance of obligations, terms, conditions, liabilities, undertakings and indemnities by our Group under the Entitlement Deed; and (ii) provided a counter-indemnity in favour of the JV Holdco, undertaking jointly and severally to indemnify and hold harmless the JV Holdco, among other things, against 70% of any and all liabilities arising from any claim by the HKIA Operator under or in connection with the Parent Company Guarantee (collectively, the “**Financial Support**”). For further details, please refer to the paragraph headed “Business – Our projects – The Three-runway Contract” in this document.

In respect of the deed of guarantee in favour of the JV Partner, the exposure is referable to the amount of valid liabilities, losses, damages, costs and expenses, if any, actually suffered or incurred by the JV Partner arising from any failure by the Group to perform its obligations, liabilities, undertakings and indemnities under the Entitlement Deed. In respect of the deed of counter-indemnity relating to the Parent Company Guarantee, the exposure of Mr. Fong and Mr. Wong is referable to 70% of any valid liabilities arising from any claim by the HKIA Operator under or in connection with the historical Parent Company Guarantee. Despite such personal guarantee and indemnity provided by Mr. Fong and Mr. Wong shall continue after the [REDACTED], given (i) our Group has acquired all the rights, benefits, obligations and liabilities from the JV Partner and has taken up the performance of the entire Three-runway Contract since January 2022; (ii) all of the JV Partner’s interest under the Three-runway Contract including all of its rights, obligations and liabilities under the contract had been novated to our Group on 30 April 2025, such personal guarantee and indemnity are only limited to the past performance of

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our Group under the Three-runway Contract prior to the novation on 30 April 2025, and that no guarantee or indemnity is or will be required from any of our Controlling Shareholders for our Group’s on-going performance under the Three-runway Contract since 30 April 2025.

Our Directors consider that the Financial Support does not indicate financial dependence on the Controlling Shareholders due to the following reasons:

- (i) the Financial Support is a legacy contingent arrangement and is not a loan, credit facility or working capital support used by our Group to fund its current operations;
- (ii) following the Novation, our Group is responsible for the ongoing performance of the Three-runway Contract in its own capacity, while the bank which issued the performance bond indicated that the personal guarantee provided by the Controlling Shareholders could be replaced by corporate guarantee upon [REDACTED];
- (iii) based on the due diligence interview with the HKIA Operator, we understand that the previous HK\$5.0 million performance bond under the historical Arrano JV structure had expired by the end of 2025 and was no longer operative. Following the Novation, our Group arranged a new HK\$5.0 million performance bond in respect of the Three-runway Contract as required by the HKIA Operator. The HKIA Operator indicated that any claim in respect of the current performance security arrangement would be made against the current performance bond. Accordingly, the Directors consider that, in respect of the current performance security arrangement and our Group’s ongoing performance obligations under the Three-runway Contract after the Novation, the HKIA Operator would not be expected to seek recourse against the expired performance bond under the historical Arrano JV structure or against the JV Partner;
- (iv) to the best knowledge of our Directors after having made reasonable enquiries, there has been no enforcement, claim or demand under the Financial Support during the Track Record Period and up to the Latest Practicable Date;
- (v) following completion of the Novation on 30 April 2025, all of the JV Partner’s interest under the Three-runway Contract including all of its rights, obligations and liabilities thereunder had been novated to the Group, and that Arrano JV and/or the JV Partner were in effect replaced by the Group with respect to carrying out of the services under the Three-runway Contract. As the JV Partner would no longer be a party to the Three-runway Contract after the novation, it would be legally pointless for the HKIA Operator to raise a claim against the JV Holdco, and therefore the risk of any valid demand under the historical Parent Company Guarantee (and the corresponding counter-indemnity) in respect of the Group’s ongoing performance after the novation would be minimal; and
- (vi) the Directors consider that the Group has sufficient internal resources, operating cash flow and available banking facilities to meet any such exposure if it materialises, without relying on the Controlling Shareholders.

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Based on the above, while there is no fixed monetary cap under the Financial Support, the Directors consider that the exposure to the potential obligations and liabilities under the Entitlement Deed and the Parent Company Guarantee was minimal as at the Latest Practicable Date, and that the continuing existence of the Financial Support does not indicate financial dependence on the Controlling Shareholders and their respective close associates nor affect our Group's business sustainability or suitability for [REDACTED].

Save as disclosed above, our Directors confirmed that, as at the Latest Practicable Date, none of our Controlling Shareholders or their respective close associates had provided any loan, guarantee or pledge to our Group. Our Directors also confirmed that, as at the Latest Practicable Date, our Group did not provide any loan, guarantee or pledge to our Controlling Shareholders or their respective close associates.

Our Directors believe that, upon the [REDACTED], our Group will principally be relying on available internal financial resources and cash generated from our operations to carry out our business without the support of our Controlling Shareholders and their respective close associates.

NON-COMPETITION UNDERTAKING

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

1. Non-competition

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 the Stock Exchange; (ii) the date on which the Covenantors cease to be a Controlling Shareholder; or (iii) the date on which the Covenantors beneficially own or become interested jointly or severally in the entire issued share capital of our Company:

He/She/It will not, and will use his/her/its best endeavours to procure any Covenantor, his/her/its close associates (collectively, the "**Controlled Person(s)**") and any company(ies) directly or indirectly controlled by the Covenantor (the "**Controlled Company(ies)**") not to, either on his/her/its own or in conjunction with any person, body corporate, partnership, joint venture or other contractual agreement, directly or indirectly, for profit or not, among other things, carry on, participate in, hold, engage in, be interested in, acquire or operate (in each case whether as a shareholder, director, partner, agent, employee, or otherwise, and whether for profit, reward or otherwise), or provide any form of assistance to any person, firm or company (except members of our Group) to conduct any business or activity which, directly or indirectly, competes or may compete with the business carried on or contemplated to be carried on by our Company or any of our subsidiaries in Hong Kong and such other places as our Company or any of our subsidiaries may conduct or carry on business from time to time, including but not limited to the business of the provision of security-related services (the "**Restricted Business**").

The Deed of Non-Competition does not apply if the Controlled Person(s) and Controlled Company(ies) in aggregate own any interest not exceeding five per cent. of the issued shares in

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any company conducting any Restricted Business (the "**Relevant Company**"), and the Relevant Company is listed on any recognised stock exchange (as defined under the SFO), notwithstanding that the business conducted by the Relevant Company constitutes or might constitute competition with the business of our Company or any of our subsidiaries, provided always that (i) the shareholding of any one holder (and his/her/its close associate, if applicable) in the Relevant Company is more than that of the Controlled Person(s) and the Controlled Company(ies) in aggregate at any time; (ii) the total number of the relevant Covenantors' representatives on the board of directors of the Relevant Company is not significantly disproportionate with respect to his/her/its shareholding in the Relevant Company; and (iii) the Covenantors and/or their respective close associates, whether acting singly or jointly, are not entitled to appoint a majority of the directors of the Relevant Company or otherwise participate in or be involved in the management of the Relevant Company.

2. New business opportunity

Each of the Covenantor jointly, severally, unconditionally and irrevocably undertakes to our Company (for ourselves and as trustee for and on behalf of each of our subsidiaries) that in the event that any Covenantor, any Controlled Person and/or any Controlled Company is given/offered or becomes aware of any business investment or commercial opportunity which directly or indirectly engages in or owns a Restricted Business (the "**New Business Opportunity**"):

- (a) he/she/it shall procure the relevant Controlled Person(s) or Controlled Company(ies) to, within 10 days notify our Company of such New Business Opportunity in writing and refer the same to our Company for consideration, and shall provide all information reasonably necessary to our Company in order to enable us to make an informed assessment of such opportunity; and
- (b) he/she/it shall not, and shall procure that his/her/its Controlled Person(s) or Controlled Company(ies) not to, pursue, invest or participate in any project or New Business Opportunity, unless such project or New Business Opportunity shall have been rejected by our Company and the principal terms of which the Covenantor or his/her/its Controlled Person(s) or Controlled Company(ies) invest or participate in are no more favourable than those made available 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.

Pursuant to the Deed of Non-Competition, any Director who has an actual or potential material interest in the New Business Opportunity shall abstain from attending (unless their attendance is specifically requested by the remaining non-interested Directors) and voting at, and shall not be counted towards the quorum for, any meeting or part of a meeting convened to consider such New Business Opportunity.

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Subject to the paragraph above, our Board (including our independent non-executive Directors) will be responsible for reviewing and considering whether or not to take up a New Business Opportunity referred by a Covenantor or Controlled Company or whether or not the New Business Opportunity constitutes competition with the Restricted Business and such decisions will be made by our Board (including our independent non-executive Directors). The factors that will be taken into consideration by our Board in making the decision include whether it is in line with the overall interests of our Shareholders.

3. Corporate governance measures

In order to ensure the performance of the above non-competition undertakings, each of the Covenantors jointly and severally, unconditionally and irrevocably undertakes that he/she/it will:

- (a) in case of any actual or potential conflict of interest, abstain from attending and voting at any meeting or part of any meeting convened to consider any New Business Opportunity (unless their attendance is specifically requested by our non-interested Directors), and shall not be counted towards the quorum for such meeting;
- (b) as required by our Company, provide all information necessary for our Directors (including 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;
- (c) allow our Directors, representatives and auditors to have sufficient access to his/her/its records and/or his/her/its close associates to ensure his/her/its compliance with the terms and conditions under the Deed of Non-Competition;
- (d) 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 and, where applicable, the reason(s) why any New Business Opportunity referred to our Company by our Controlling Shareholders was not taken up;
- (e) ensure that our independent non-executive Directors shall 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
- (f) that during the period when the Deed of Non-Competition is in force, fully and effectually indemnify and keep indemnified our Company and any member of our Group against any losses, liabilities, damages, costs, fees and expenses suffered by our Company or any member of our Group (where relevant) as a result of or in connection with any breach on the part of such Covenantor of any statement, warrant or undertaking made under the Deed of Non-Competition provided that the indemnity shall be without prejudice to any other rights or remedies of our Company and/or any member of our Group in relation to any such breach.

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The Deed of Non-Competition and the rights and obligations thereunder are conditional upon (a) the Stock Exchange granting the [REDACTED] of, and the permission to [REDACTED] in, the Shares, as described in this document; (b) the [REDACTED] and [REDACTED] in the Shares on GEM taking place; and (c) the obligations of the [REDACTED] under the [REDACTED] becoming unconditional (including, if relevant as a result of the waiver of any condition(s) by the [REDACTED]) and that the [REDACTED] not being terminated in accordance with their respective terms or otherwise.

The Covenantors [have given] non-competition undertakings in favour of our Company, and none of them have interests in any Restricted Business.