OUR CONTROLLING SHAREHOLDERS

Immediately following completion of the **[REDACTED]** and the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), AW Ocean will hold **[REDACTED]** of the issued Shares. AW Ocean is an investment holding company owned by Mr. Mo and Ms. Cheung as to 71% and 29%, respectively As such, Mr. Mo, Ms. Cheung and AW Ocean are considered as our Controlling Shareholders and a group of controlling shareholders of the Company, and will continue to hold a controlling interest in our Company upon completion of the **[REDACTED]** and the **[REDACTED]**. Details of the background of Mr. Mo and Ms. Cheung are set out in the section headed "Directors and Senior Management" in this document.

During the Track Record Period, save as disclosed in this document, we did not have any business dealings with the other companies associated with or controlled by our Controlling Shareholders and there was no overlapping business between our Group and our Controlling Shareholders.

As at the Latest Practicable Date, save for their respective interests in the Excluded Company as disclosed below, our Controlling Shareholders confirmed that, apart from the business operated by us, they and their respective close associates and/or companies controlled by them do not hold or conduct any business which competes, or is likely to compete, either directly or indirectly, with our business, and would require disclosure pursuant to Rule 8.10 of the Listing Rules.

THE EXCLUDED BUSINESS

Excluded Company

As at the Latest Practicable Date, each of Mr. Mo and Ms. Cheung had a material interest in a company outside of our Group, being ACME HEALTHTECH COMPANY LIMITED（雅克邁痛症健康科技集團有限公司）(formerly known as ACME HEALTHTECH COMPANY LIMITED（奧科御醫健康科技有限公司）and ACME Healthtech Company Limited) ("**ACME HEALTHTECH**" or "**Excluded Company**"), details of which are set out below.

The Excluded Company is a company incorporated in Hong Kong on 16 October 2024 and is principally engaged in the sales of instrument and device. As at the Latest Practicable Date, the Excluded Company is in the establishment phase and has not generated any revenue. As at the Latest Practicable Date, each of Mr. Mo and Ms. Cheung is interested in the Excluded Company as to 70% and 30%, respectively.

Delineation of Business between our Group and the Excluded Company

Based on the following factors, our Directors are of the view that there will be a clear delineation between the business of the Excluded Company and the business of our Group, and accordingly, our Directors are of the view that there will not be any material direct or indirect competition between the Excluded Company and our Group after the **[REDACTED]**:

(a) Distinct business nature and service focus

Our Group's core business is the provision of non-surgical, non-invasive and non-pharmacological pain management and function enhancement services to members of the general public, as well as the retail sale of over-the-counter topical use products and dietary supplement products. The nature of our Group's business is service- and retail-oriented and is centred on the delivery of therapeutic treatments and the sale of the over-the-counter topical use products, including cream, moisturiser and ointment, as well as dietary supplement products.

The Excluded Company, on the other hand, is principally engaged in the sales of instrument and device. The Excluded Company is not engaged in any provision of pain management and function enhancement services and sale of over-the-counter topical use products and dietary supplement products to the end users. Accordingly, the business nature and service focus of our Group is fundamentally different from those of the Excluded Company. .

(b) Different customer nature

Our Group's customers are individual customers of general public seeking non-surgical, non-invasive and non-pharmacological pain management and function enhancement services as well as over-the-counter topical use products and dietary supplement products sold by our Group. Customers of the Excluded Company will be focused on corporate customers. Accordingly, there is no overlap between the nature of customers of our Group and those of the Excluded Company during the Track Record Period.

(c) Independent facilities and offices

Our Group operates its non-surgical, non-invasive and non-pharmacological pain management and function enhancement services through its Service Centres. The Excluded Company conducts its business from its own separate premises. There is no sharing of facilities, equipment or premises between our Group and the Excluded Company.

(d) Independence of business operations

Our Group does not rely on the Excluded Company for its business operations and the Excluded Company does not rely on our Group for its business operations in any material respect. Our Group and the Excluded Company source their respective service providers and suppliers independently of each other.

(e) Financial independence

Our Group has its own independent financial and accounting systems and makes financial decisions based solely on our Group's own business needs. Our Group does not rely on the Excluded Company for any financing, and the Excluded Company does not rely on our Group for any financing. There are no outstanding financial arrangements, loans or guarantees between our Group and the Excluded Company.

Reason for the Exclusion of the Excluded Company from our Group

Our Directors are of the view that it would not be appropriate to include the Excluded Company in our Group, based on the following reasons:

(a) As disclosed above, the Excluded Company is principally engaged in the sales of instrument and device, which is fundamentally different in nature from the principal business of our Group, being the provision of non-surgical, non-invasive and non-pharmacological pain management and function enhancement services and the sale of over-the-counter topical use products and dietary supplement products. Having taken into account the delineation of business between our principal business and the business of the Excluded Company, our Directors are of the view that the business of the Excluded Company does not form part of our principal business and will not, whether directly or indirectly, compete with the business of our Group after the **[REDACTED]**;

(b) The principal business of our Group and the Excluded Company have different business models, business strategies and risk profiles. Our Group's strategy is to focus on the provision and expansion of non-surgical, non-invasive and non-pharmacological pain management and function enhancement services and the sale of over-the-counter products to members of the general public. The Excluded Company's activities, being the sales of instrument and device, are not in line with our Group's overall business models, business strategy and development direction. Our Group does not rely on the Excluded Company for any of the products or equipment used in the provision of our non-surgical, non-invasive and non-pharmacological pain management services in any material respect; and

(c) Our Directors are of the view that the exclusion of the Excluded Company from our Group will give clear focus to **[REDACTED]** on our Group's principal business.

Given the above, as at the Latest Practicable Date, there was no intention by the Controlling Shareholders to inject the Excluded Company into our Group in the future.

DEED OF NON-COMPETITION

In preparation for the **[REDACTED]**, each of our Controlling Shareholders has entered into the Deed of Non-competition in favour of our Company (for itself and as trustee for its subsidiaries), pursuant to which he/it has severally unconditionally and irrevocably undertaken to our Company (for itself and as trustee for its subsidiaries) that at any time during the term of the Deed of Non-competition, he/it:

(a) shall not, and shall use his/its reasonable endeavours to procure his/its close associates, directly or indirectly, (except through any member of our Group) shall not:

  (i) directly or indirectly, be interested, involved or engaged in or acquire or hold any right or interest (in each case whether as a shareholder, partner, agent or otherwise, and whether for profit, reward or otherwise) in any business which competes or likely to compete directly or indirectly with (1) the provision of non-surgical, non-invasive and non-pharmacological pain management and functional enhancement therapies; and (2) the sale of over-the-counter topical use and dietary supplement products (the "**Restricted Business**");

  (ii) directly or indirectly, solicit our Group's customers or service providers or suppliers to compete directly or indirectly, with the Restricted Business or our Group's employees for employment by him/it or his/its close associates (excluding our Group);

(b) when he/it and/or any of his/its close associates (except through any member of our Group) is offered any new business opportunity directly or indirectly to engage or become interested in a Restricted Business (the "**Business Opportunity**"), he/it shall, and shall use his/its reasonable endeavours to procure that his/its close associates, whether directly or indirectly, shall, refer such Business Opportunity to our Company in the following manner:

  (i) refer the Business Opportunity to our Company by giving written notice ("**Offer Notice**") to our Company of such Business Opportunity within 14 days of identifying the target company (if relevant) and the nature of the Business Opportunity and all relevant information available to the relevant Controlling Shareholder which our Company reasonably requests for our Company to make an informed decision whether to pursue such Business Opportunity;

  (ii) upon receiving the Offer Notice, our Company shall seek approval from the Board or a board committee (in each case comprising only independent non-executive Directors) which has no interest in the Business Opportunity (the "**Independent Board**") as to whether to pursue or decline the Business Opportunity (any Director who has actual or potential interest in the Business Opportunity shall abstain from attending (unless their attendance is specifically requested by the Independent Board) and voting at, and shall not be counted in the quorum for, any meeting convened to consider such Business Opportunity);

(iii) the Independent Board shall consider the financial impact of pursuing the Business Opportunity offered, whether the nature of the Business Opportunity is consistent with our Group's strategies and development plans and the general market conditions of our business. If appropriate, the Independent Board may appoint independent financial advisors and legal advisors to assist in the decision-making process in relation to such Business Opportunity;

(iv) the Independent Board shall, within 14 days of receipt of the written notice referred above, inform the relevant Controlling Shareholder in writing on behalf of our Company its decision whether to pursue or decline the Business Opportunity;

(v) the Controlling Shareholder and/or any of his/its close associates shall be entitled but not obliged to pursue such Business Opportunity if he/it has received a notice from the Independent Board declining such Business Opportunity or if the Independent Board failed to respond within such 14 days' period mentioned above; and

(vi) if there is any material change in the nature, terms or conditions of such Business Opportunity pursued by the Controlling Shareholder, he or it shall refer such revised Business Opportunity to our Company as if it were a new Business Opportunity;

(c) keep the Board informed of any matter of potential conflicts of interests between each of the Controlling Shareholders (including his/its close associates (except through any member of our Group)) and our Group, in particular a transaction between any of the Controlling Shareholders (including his/its close associates (except through any member of our Group)) and our Group and (if applicable) abstain from voting at general meeting of our Company in case of any actual conflict of interests, provided that the relevant Controlling Shareholders and/or his/its close associates (except through any member of our Group) may vote at general meeting of our Company if the articles of association of our Company and the applicable laws and regulations otherwise permit the relevant Controlling Shareholders to vote after having disclosed such conflicts of interests to the Board.

Undertaking (a) as set out above shall not apply to the holding of or interests in shares or other securities by the relevant Controlling Shareholders and/or his/its respective close associates in any company which conducts or is engaged in any Restricted Business, provided that, in the case of such shares or securities, they are **[REDACTED]** on a **[REDACTED]** and either:

(a) the relevant Restricted Business (and assets relating thereto) accounts for less than 5% of the relevant Controlling Shareholder and his/its respective close associates' consolidated turnover or consolidated assets, as shown in that relevant Controlling Shareholder and his/its respective close associates' latest audited accounts; or

(b) the total number of the shares held by the relevant Controlling Shareholder and its or his close associates or in which they are together interested does not amount to more than 5% of the issued shares of that class of that company, provided that such Controlling Shareholder and its or his close associates, whether acting singly or jointly, are not entitled to appoint a majority of directors of that company.

Pursuant to the Deed of Non-competition, each of our Controlling Shareholders has severally undertaken that he/it shall and shall use his/its reasonable endeavours to procure his/its close associates to provide as soon as practicable upon our Company's request to our Directors:

(a) a written declaration on an annual basis in respect of compliance by him/it and/or his/its close associates with the terms of the Deed of Non-competition, and if not, particulars of any non-compliance;

(b) all information necessary for our independent non-executive Directors to conduct compliance review of the Deed of Non-competition and the enforcement of all undertaking, representations and warranties contained in the Deed of Non-competition; and

(c) their respective consent to the inclusion of such confirmation or particulars of non-compliance (where applicable) in our Company's annual report or by way of an announcement, and all such other information as may be reasonably requested by our Company for review.

The Deed of Non-competition and the rights and obligations thereunder are subject to and conditional upon the **[REDACTED]** becoming unconditional.

A particular Controlling Shareholder shall cease to be bound by the Deed of Non-competition on:

(a) the date on which such Controlling Shareholder and his/its close associates cease to be a controlling shareholder of our Company; or

(b) the date on which the Shares cease to be **[REDACTED]** on the **[REDACTED]**,

whichever is the earlier.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Our Directors do not expect that there will be any significant transactions between our Group and our Controlling Shareholders upon or shortly after the **[REDACTED]**. We are capable of carrying on our business independently from and do not place undue reliance on our Controlling Shareholders, taking into consideration the following factors:

Management independence

Our Board comprises two executive Directors and three independent non-executive Directors. Mr. Mo and Ms. Cheung are our executive Directors and each of them is a Controlling Shareholder. Having considered the following factors, our Directors consider that our management is capable of operating independently free from the Controlling Shareholders after the **[REDACTED]**:

(a) each of our Directors is aware of his/her fiduciary duties as a Director which require, among other things, that he/she acts for the benefit and in the best interests of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interest;

(b) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between us and our Directors or their respective close associates, the interested Director(s) shall abstain from voting at the relevant board meetings of our Company in respect of such transactions and shall not be counted in the quorum unless otherwise permitted by the Articles;

(c) we have established internal control procedures independent from our Controlling Shareholders to facilitate the effective operation of our business activities;

(d) all the certificates and qualifications which are material to the operation of our Group are held by our subsidiaries and our staff;

(e) save as disclosed in the section headed "Directors and Senior Management" in this document, our senior management member (Mr. Yeung, our chief financial officer), together with our management team in different departments are independent from our Controlling Shareholders, and are responsible for daily operations in relation to finance, sales and marketing, operations, information technology and human resources functions; and

(f) our independent non-executive Directors have sufficient knowledge, experience and competence, and will bring independent judgment to the decision-making process of our Board, taking into account the advice of our senior management.

Financial independence

As at 31 March 2026, Mr. Mo and Ms. Cheung provided personal guarantees (the "**Controlling Shareholders' Guarantees**") in respect of (i) a bank guarantee line limited to HK$16 million and a business card programme with a credit limit of HK$1 million and (ii) the due and punctual payment by VG Zenith of the rent and its observance of the terms of the tenancy agreement in respect of the lease of Sha Tin Service Centre (for details of the lease, see the section headed "Business - Properties" in this document). Our Directors confirm that the Controlling Shareholders' Guarantees are expected to be released or replaced by corporate guarantee of the Group subject to the **[REDACTED]**.

As at 31 March 2026, our Group had an outstanding amount due from Mr. Mo and Ms. Cheung as the Controlling Shareholders in the amount of approximately HK$43.2 million which is of a non-trade nature, details of which are set out in note 20(a) to the Accountants' Report in Appendix I to this document. Our Directors confirm that all the outstanding balance due from Mr. Mo and Ms. Cheung will be settled partially by cash and partially offset by dividend prior to or upon the **[REDACTED]**.

Our Directors are of the view that we are able to maintain financial independence from our Controlling Shareholders and their close associates after the **[REDACTED]** for the following reasons:

(1) Our Company has established its own finance department with a team of independent financial staff responsible for discharging treasury, accounting, reporting, group credit, and internal control functions independent from our Controlling Shareholders and their close associates, as well as a sound and independent financial system, and makes independent financial decisions according to our own business needs.

(2) Our Company maintains bank accounts independently and does not share any bank account with our Controlling Shareholders. Our Company makes tax registration and pays tax independently with its own funds. As such, our Company's financial functions, such as cash and accounting management, invoices and bills, operate independently of our Controlling Shareholders and their close associates.

(3) In view of our Group's internal resources and the estimated **[REDACTED]** from the **[REDACTED]**, our Directors believe that our Group will have sufficient capital for its financial needs without dependence on our Controlling Shareholders. Our Directors also believe that, after the **[REDACTED]**, our Group is capable of obtaining financing from external sources independently without the support of our Controlling Shareholders.

Operational independence

We are capable of making business decisions independently. On the basis of the following factors, our Directors believe that we will continue to operate independently from our Controlling Shareholders and their close associates:

(a) we do not rely on our Controlling shareholders and their close associates for our sales and marketing, human resources, operations, finance, information technology or company secretarial functions. We have our own departments specializing in these respective areas which have been in operation and are expected to continue to operate separately and independently from our Controlling Shareholders and their close associates;

(b) we have established a set of internal control measures to facilitate the effective operations of our business;

(c) we have independent access to service providers, suppliers and customers and have an independent management team to handle our daily operations; and

(d) we are in possession of all relevant certificates, facilities and intellectual property rights which are material to carry on and operate our principal businesses and we have sufficient operational capacity in terms of capital and employees to operate independently.

Except for the Licensed IP for which we were granted license by the Licensors pursuant to the Licensing Agreement, we are registered owner of all other intellectual property rights which we believe are material to our Group's operations. Pursuant to the Licensing Agreement, we are authorised to use the Licensed IP on a royalty-free basis for a period of ten years from the **[REDACTED]**. For details of the Licensing Agreement, please refer to the section headed "Continuing Connected Transaction – Fully-exempt Continuing Connected Transaction". Our Directors believe that the risk of the Licensors terminating the Licensing Agreement is remote as (i) none of the Licensors have the right to terminate the Licensing Agreement unilaterally for convenience by serving prior written notice to VG Zenith; and (ii) the Licensors only have limited termination rights under the Licensing Agreement, for example, VG Zenith becomes insolvent or is under receivership (or any step or action taken in connection with the above analogous proceedings) or ceases to carry on all or substantial part of its business. In addition, our Directors consider that the Licensed IP granted to us under the Licensing Agreement are not material to the business and financial performance of the Group as at the Latest Practicable Date.

Each of the Licensors confirms that he/she/it did not have any intention to terminate the Licensing Agreement as at the Latest Practicable Date, and will not recklessly do so in the future.

Our Directors confirm that, save as disclosed above, there will not be any other continuing connected transactions with our Controlling Shareholders immediately after the **[REDACTED]**.

Based on the above, our Directors are of the view that our Group can operate independently of our Controlling Shareholders and their close associates upon **[REDACTED]**.

CORPORATE GOVERNANCE MEASURES

Our Company will comply with the provisions of the Corporate Governance Code set out in Appendix C1 to the Listing Rules (the "**CG Code**"), which sets out principles of good corporate governance. We recognise the importance of good corporate governance in the protection of our Shareholders' interests. We have adopted or will adopt the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and our Controlling Shareholders:

(a) our independent non-executive Directors shall review, at least on an annual basis, the compliance with and enforcement of the terms of the Deed of Non-competition by our Controlling Shareholders;

(b) we will disclose the review by our independent non-executive Directors on the compliance with, and the enforcement of, the Deed of Non-competition in our annual report or by way of announcement to the public in compliance with the requirements of the Listing Rules;

(c) we will disclose the decisions on matters reviewed by the Independent Board (including the reasons for not taking up the Business Opportunity referred to our Company) either through our interim and annual reports or by way of announcements to the public;

(d) in preparation for the **[REDACTED]**, our Company has conditionally adopted our Articles of Association to comply with the Listing Rules. In particular, our Articles of Association provide that, except for certain exceptions permitted under the Articles, a Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or any other proposal in which such Director or any of his/her close associates is materially interested;

(e) we are committed that our Board should include a balanced composition of executive and independent non-executive Directors. We have appointed three independent non-executive Directors and we believe our independent non-executive Directors possess sufficient experience and they are free of any business and/or other relationship which could interfere in any material manner with the exercise of their independent judgment and will be able to provide an impartial and external opinion to protect the interests of our public Shareholders. For details of our independent non-executive Directors, please refer to the section headed "Directors and Senior Management – Board of Directors" in this document;

(f) we have appointed VBG Capital Limited as our compliance advisor, which will provide advice and guidance to us with respect to compliance with the applicable laws and the Listing Rules, including but not limited to various requirements relating to Directors' duties and internal controls;

(g) the management structure of our Group includes an audit committee, a remuneration committee and a nomination committee, the terms of reference of each of which will require them to be alert to prospective conflict of interest and to formulate their proposals accordingly; and

(h) our Directors, including our independent non-executive Directors, will be able to seek independent professional advice from external parties in appropriate circumstances at our Company's costs.

Save as disclosed in this document, our Company is expected to comply with the provisions of the CG Code which sets out principles of good corporate governance in relation to, among others, Directors, chief executive, Board composition, the appointment, re-election and removal of Directors, their responsibilities and remuneration and communication with our Shareholders. Our Company will state in our interim and annual reports whether we have complied with such code, and will provide details of, and reasons for, any deviation from it in the corporate governance reports attached to our annual reports.