

CONNECTED TRANSACTIONS

OVERVIEW

During the Track Record Period, we entered into certain transactions with our connected persons pursuant to the GEM Listing Rules upon the GEM Listing and the Main Board Listing Rules upon the [REDACTED]. After the [REDACTED], we will continue to carry out the following transactions with these parties and such transactions will constitute continuing connected transactions of our Company under Chapter 14A of the Main Board Listing Rules.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

Master Services Agreement

Certain Ma Companies, namely Yan Yan Motors, Express Top Industries Limited, Golden Way Public Light Bus (Scheduled) Service Company Limited, Sheung Shui Public Light Bus (Scheduled) Service Company Limited, Better Coin Industrial Limited, Koon Wing Motors Limited, Success Transportation Limited, Brilliant Way Public Light Bus (Scheduled) Service Company Limited, Yan Yan Ho Motors Limited, Eco Tree Hotel Limited and Deluxe Tower Limited, have been engaging our Group for the (i) provision of security services, and/or (ii) facility management services for their own real estates and public light bus facilities in Hong Kong during the Track Record Period and up to the date hereof.

Each of such Ma Companies is ultimately owned and controlled by the Ma Family, certain members of whom are executive Directors and/or Controlling Shareholders. Accordingly, each member of the Ma Family is a connected person of our Group under Rule 20.07 of the GEM Listing Rules upon the GEM Listing and Rule 14A.07 of the Main Board Listing Rules upon the [REDACTED]. Hence, the transactions under the Master Services Agreement constitute continuing connected transactions of our Company upon the GEM Listing and the [REDACTED], respectively.

On 28 May 2018, we entered into the Master Services Agreement with the Ma Family (for itself and on behalf of its affiliates) pursuant to which we agreed to provide security and facility management services to the Ma Companies. The Master Services Agreement is effective from the date of the Master Services Agreement and expiring on 31 March 2022, subject to the terms and conditions of the Master Services Agreement. The service fees receivable by our Group from the Ma Companies under the Master Services Agreement was determined after arm's length negotiations between the parties and on a cost-plus basis with no material difference as compared to our Group's other Independent Third Party customers, and with reference to a number of factors, including the then prevailing market price for similar services offered in the market, the then terms shall in any event be no more favourable to the Ma Companies than that offered by our Group to any of our other Independent Third Party customers, the number of workers expected to be deployed for each project, the potential impact of change in statutory minimum wage pursuant to the Minimum Wage Ordinance from time to time, management fees, expected repair and maintenance costs to be incurred and inflation. The aggregate annual cap stated in the Master Services Agreement was approximately HK\$22.0 million, HK\$25.0 million and HK\$28.0 million for FY2020, FY2021 and FY2022, respectively. During the three financial years ended 31 March

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2021, the aggregate annual transaction amounts with the Ma Companies were approximately HK\$17.7 million, HK\$20.4 million and HK\$21.0 million, respectively, which were within the annual caps as set out by the Master Services Agreement.

The Master Services Agreement will expire on 31 March 2022. Upon expiry, we will renew the Master Services Agreement in accordance with the applicable requirements under the Main Board Listing Rules.

Implications under the GEM Listing Rules and the Main Board Listing Rules

Given that the applicable percentage ratios for the Non-exempt Continuing Connected Transactions calculated with reference to Rule 19.07 of the GEM Listing Rules and Rule 14.07 of the Main Board Listing Rules are expected to exceed 5%, the Non-exempt Continuing Connected Transactions have been and will be subject to the reporting, announcement, circular, annual review and independent shareholders' approval requirements under the GEM Listing Rules upon the GEM Listing and the Main Board Listing Rules upon the [REDACTED].

WAIVER FROM THE STOCK EXCHANGE

Pursuant to Rule 20.103 of the GEM Listing Rules, for the GEM Listing, we have applied to the Stock Exchange for, and the Stock Exchange has granted to us a waiver from strict compliance with the announcement, circular, and independent shareholders' approval requirements relating to the Non-exempt Continuing Connected Transactions, subject to (i) each of the annual caps stated above is not exceeded; and (ii) apart from the abovementioned announcement, circular and independent shareholders' approval requirements of which a waiver is sought, our Company has complied and will comply with the relevant requirements under Chapter 20 of the GEM Listing Rules upon the GEM Listing and the [REDACTED].

CONFIRMATION FROM OUR DIRECTORS

Our Directors (including our independent non-executive Directors) are of the view that all the Non-exempt Continuing Connected Transactions have been entered into in the ordinary and usual course of business of our Group, are on normal commercial terms (as defined under Chapter 20 of the GEM Listing Rules and Chapter 14A of the Main Board Listing Rules), fair and reasonable and in the interests of our Shareholders as a whole. The aggregate annual caps for the Non-exempt Continuing Connected Transactions are fair and reasonable and are in the interests of our Shareholders as a whole.

CONFIRMATION FROM OUR SOLE SPONSOR

The Sole Sponsor is of the view that the Non-exempt Continuing Connected Transactions (i) have been entered into in the ordinary and usual course of business of our Company and (ii) are based on normal commercial terms, fair and reasonable and in the interests of our Company and our Shareholders as a whole.