

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OUR CONTROLLING SHAREHOLDERS

Immediately upon the [REDACTED], IWS BVI will continue to own approximately [REDACTED] of the issued share capital voting rights in our Company. Mr. KS Ma, Mr. KM Ma and Mr. Vince Ma through their respective wholly-owned subsidiaries, namely Morewood, Mandarin, Cambridge, own the entire 100% issued share capital of IWS BVI. Each of Mr. Ma Ah Muk, Mr. KS Ma, Mr. KM Ma and Mr. Vince Ma, has been a director of our Group and been acting in concert with each other to exercise control in implementing the management and operations of our Group since 2008. As Mr. Ma Ah Muk, Mr. KS Ma, Mr. KM Ma, Mr. Vince Ma, Morewood, Mandarin and Cambridge, together through IWS BVI, will continue to be entitled to control approximately [REDACTED] of the issued share capital of our Company immediately upon the [REDACTED], Mr. Ma Ah Muk, Mr. KS Ma, Mr. KM Ma and Mr. Vince Ma and their respective close associates other than our Group are regarded as a group of Controlling Shareholders.

Acting in concert arrangements

Each of Mr. Ma Ah Muk, Mr. KS Ma, Mr. KM Ma and Mr. Vince Ma, our Controlling Shareholders, has been acting in concert with each other in all material aspects in the management and/or exercise of voting rights in our Group. Because we were a group of private entities in the past, these arrangements were not formalised into writing and each of Mr. Ma Ah Muk, Mr. KS Ma, Mr. KM Ma and Mr. Vince Ma agreed on these arrangements based on their personal and/or family relationships. On 28 May 2018, in preparation for the GEM Listing, Mr. Ma Ah Muk, Mr. KS Ma, Mr. KM Ma and Mr. Vince Ma executed the Deed of AIC Confirmation, whereby they have confirmed their acting in concert arrangements since the acquisition or incorporation of the relevant member of our Group, as well as their intention to continue to act in the above manner to consolidate their control over our Group until and unless the Deed of AIC Confirmation is terminated in writing. The Deed of AIC Confirmation covers members of our Group and contains the salient terms as set out below.

Mr. Ma Ah Muk, Mr. KS Ma, Mr. KM Ma and Mr. Vince Ma have undertaken that, unless Mr. Ma Ah Muk, Mr. KS Ma, Mr. KM Ma and Mr. Vince Ma unanimously agree in writing to amend or terminate the Deed of AIC Confirmation:

- (a) for as long as they hold any direct or indirect interest in our Group, they shall continue to act in concert in the daily operations of our Group, and when exercising voting rights and making major decisions relating to our Group;
- (b) they shall continue to act in concert and exercise the right to propose, nominate, vote and decide in a unitary manner with respect to any important decisions relating to the business, operations, financial matters and development that require approval in shareholders' meetings and board meetings of our Group under the applicable articles of association or equivalent constitutional document and the GEM Listing Rules;
- (c) they shall reach a consensus prior to discussing and approving any matters in the shareholders' meetings or board meetings of our Group and exercise their voting rights according to such consensus;

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- (d) they shall not entrust any of their equity interests in our Group directly or indirectly in any manner (including by way of trust) to any party; and
- (e) without the prior consent of each other, they shall not transfer or assign their rights and obligations under the Deed of AIC Confirmation.

On [●] 2021, Mr. Ma Ah Muk, Mr. KS Ma, Mr. KM Ma and Mr. Vince Ma have executed the Supplemental Deed of AIC Confirmation, in which their undertaking to continue to act in concert and exercise the right to propose, nominate, vote and decide in a unitary manner shall also be extended to cover any important decisions relating to the business, operations, financial matters and development that require approval in shareholders’ meetings and board meetings of our Group as required under the Main Board Listing Rules, with other salient terms of the Deed of AIC Confirmation remain unchanged.

As at the date of this [REDACTED] document, the Deed of AIC Confirmation and the Supplemental Deed of AIC Confirmation have not been terminated.

INDEPENDENCE FROM CONTROLLING SHAREHOLDERS

Save for the continuing connected transactions as disclosed in section headed “Connected Transactions” in this [REDACTED] document, our Directors do not expect that there will be any other significant transactions between our Group and the Ma Family, being our Controlling Shareholders. The Ma Family owns, controls and invests in, directly and indirectly, a number of companies engaged in a wide spectrum of businesses, including but not limited to, public light bus, property investment, finance and lending, property and casualty insurance and food and beverage, etc. which do not compete, or are not likely to compete, either directly or indirectly, with our business. Our Directors consider that our Group is capable of carrying on its business independently from the Controlling Shareholders and their associates for the following reasons:

No Competition and clear delineation of business

Our Directors, including our independent non-executive Directors, are of the view that to the best of their knowledge and belief after making reasonable enquiries, none of our Controlling Shareholders, our Directors or their respective close associates have interests in businesses which compete, or are likely to compete, either directly or indirectly, with our business under Rule 8.10 of the Main Board Listing Rules.

Management independence

Our Board comprises five executive Directors and three independent non-executive Directors. Our senior management team consists of four members. Our Directors consider that our Board and our senior management team are able to function independently from our Controlling Shareholders and their respective close associates because:

- (a) each Director is aware of his/her fiduciary duties as a Director which require, amongst others, 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;

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- (b) in the event that any Director or any of his/her close associates has a material interest in any transaction or arrangement or there is an actual or potential conflict of interest arising out of any transaction or arrangement to be entered into between our Group and any of our Directors or their respective associates, the Director(s) shall fully disclose such matters to the Board and abstain from voting at the relevant meeting of the Board in respect of such transactions and shall not be counted in the quorum. Our Group has also adopted certain corporate governance measures for conflict situation, details of which are set out in the paragraph headed "Corporate governance measures" in this section;
- (c) with three independent non-executive Directors out of a total of eight Directors in our Board, there will be independent voice within our Board to counter-balance any situation involving a conflict of interest and to protect the interests of our independent Shareholders;
- (d) connected transactions between our Group and companies controlled by our Controlling Shareholders are subject to the rules and regulations under the Main Board Listing Rules including the rules relating to annual reporting, review, announcement, circular and independent shareholders' approval (where applicable);
- (e) our Group has an independent senior management team to carry out day to day operations and execute the business decisions of our Group, which is independent of our Controlling Shareholders. It has substantial experience in the industry we engaged in and has served our Group for a period of time during which it has demonstrated its capability of discharging its duties independently from our Controlling Shareholders. Our Directors do not foresee any issue or obstacle which may affect management independence. Our Directors are satisfied that the senior management team will be able to perform its roles in our Company independently; and
- (f) our Board's main functions include the approval of our Group's overall business plans and strategies, monitoring the implementation of such business plans, strategies and policies, and the management of our Company. Our Board acts collectively by majority decisions in accordance with the Articles and the applicable laws, and no single Director is supposed to have any decision-making power unless otherwise authorised by our Board.

Operational independence

We have established our own organisational structure comprising individual departments, each with specific areas and responsibilities. We have also established a set of internal control mechanisms to facilitate the effective operations of our business.

We have sufficient capital, equipment and employees to operate our business independently. We have our own operational and administrative resources and we do not share such resources with our Controlling Shareholders or other companies controlled by our Controlling Shareholders.

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Save for (i) the leases of car parks and a motor vehicle and the purchases of vehicle insurances which constitute exempt continuing connected transactions by us from certain Ma Companies; and (ii) the provision of security and facility management services by us to certain Ma Companies which constitute non-exempt continuing connected transactions as disclosed in the section headed "Connected Transactions" in this [REDACTED] document, we have not entered into other continuing connected transactions with our Controlling Shareholders or their respective close associates.

Financial independence

Our Directors are of the view that our Group is financially independent of our Controlling Shareholders and any of their respective close associates. We have an independent financial system and make financial decisions according to our own business needs. As at the Latest Practicable Date, our Controlling Shareholders and their respective close associates did not provide any financial assistance to our Group.

CORPORATE GOVERNANCE MEASURES

Each of our Controlling Shareholders has confirmed that he/it fully comprehends his/its obligations to act in the best interests of our Company and our Shareholders as a whole.

To strengthen its corporate governance practice and to safeguard the interests of our Shareholders, our Company will implement the following measures:

- (a) the Articles provide that a Director shall declare the nature of his/her interest in any contract or proposed contract and shall not vote nor be counted in the quorum with respect to any resolution of our Board approving any such contract or arrangement or other proposal in which he/she or any of his/her close associates is materially interested unless expressly permitted by the Articles; and
- (b) our Company has appointed compliance adviser, who will provide advice and guidance to our Company in respect of compliance with the applicable laws and the Main Board Listing Rules including various requirements relating to directors' duties and internal controls.

Further, any transaction that is proposed between our Group and our Controlling Shareholders and their respective close associates will be required to comply with the requirements of the Main Board Listing Rules, including, where appropriate, the reporting, annual review, announcement and independent shareholders' approval requirements.

None of the members of our Group has experienced any dispute with its Shareholders or among its Shareholders themselves and our Directors believe that each member of our Group has maintained positive relationship with its Shareholders.

Our Directors consider that the above corporate governance measures are sufficient to manage any potential conflict of interests between our Controlling Shareholders and their respective close associates and our Group and to safeguard the interests of our Shareholders.