
RELATIONSHIP WITH THE CONTROLLING SHAREHOLDERS

OUR CONTROLLING SHAREHOLDERS

Immediately after completion of the Global Offering, Mr. James Leslie Marshall, our non-executive Director and deputy chairman, will be interested in and control 33.95% of our issued Shares in aggregate. Mr. Marshall holds his interest in the Company through Good Taste Limited, a limited liability company incorporated in Bermuda and wholly-owned by Ocean Investments Limited, a limited liability company incorporated in Bermuda the entire interest of which is in turn wholly-owned and managed by a corporate trustee for the benefit of a discretionary (irrevocable) family trust in which, Mr. Marshall is the protector, a named person in its discretionary class of beneficiaries and one of the directors of the trustee. Mr. Marshall as the protector of the trust has various powers and rights pursuant to the terms of the relevant trust deed including, without limitation, the power to appoint or remove the trustee as well as the right to direct the trustee to exercise the voting or other rights attached to any securities of Ocean Investments Limited, the 100% parent of Good Taste Limited. Mr. Marshall is therefore taken to exercise or control the exercise of the voting rights of the Shares held by Good Taste Limited. For the purposes of the Listing Rules, Mr. Marshall, Ocean Investments Limited and Good Taste Limited will therefore be the Controlling Shareholders of our Company after the Listing.

INDEPENDENCE FROM CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are capable of carrying on our business independently from our Controlling Shareholders and their close associates after the Listing.

Management independence

Our business is managed and conducted by our Board and senior management. Upon Listing, our Board will consist of one executive Director, five non-executive Directors and three independent non-executive Directors. For more information, please see “Directors and senior management”.

Our Directors consider that our Board and senior management will function independently from our Controlling Shareholders because:

- (a) each Director is aware of his fiduciary duties as a director which require, among other things, that he acts for the benefit and in the interest of our Company and does not allow any conflict between his duties as a Director and his personal interests;
- (b) our daily management and operations are carried out by a senior management team, all of whom have substantial experience in the industry in which our Company is engaged, and will therefore be able to make business decisions that are in the best interests of our Group;

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- (c) we have three independent non-executive Directors and certain matters of our Company must always be referred to the independent non-executive Directors for review;
- (d) 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 associates, the interested Director(s) is required to declare the nature of such interest before voting at the relevant Board meetings of our Company in respect of such transactions; and
- (e) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Controlling Shareholders which would support our independent management. Please see “– Corporate governance measures” for further information.

Based on the above, our Directors believe that our Board as a whole and together with our senior management team are able to perform their respective managerial roles and run the business of our Group independently from our Controlling Shareholders.

Operational independence

Our Group is not operationally dependent on the Controlling Shareholders. Our Group (through our subsidiaries) holds all material licenses and owns all relevant intellectual properties and research and development facilities necessary to carry on our business. We have sufficient capital, facilities, equipment and employees to operate our business independently from our Controlling Shareholders. We also have independent access to our customers and an independent management team to operate our business.

Based on the above, our Directors believe that our business is operationally independent of our Controlling Shareholder.

Financial independence

We have independent internal control and accounting systems. We also have an independent finance department responsible for discharging the treasury function. We are capable of obtaining financing from third parties, if necessary, without reliance on our Controlling Shareholders.

No loans or guarantees provided by, or granted to, our Controlling Shareholders or their respective associates will be outstanding as of the Listing Date.

Based on the above, our Directors are of the view that they and our senior management are capable of carrying on our business independently of, and do not place undue reliance, on our Controlling Shareholders and their respective close associates after the Listing.

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DISCLOSURE UNDER RULE 8.10 OF THE LISTING RULES

Our Controlling Shareholders confirm that as of the Latest Practicable Date, they did not have any interest in a business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business that would require disclosure under Rule 8.10 of the Listing Rules.

CORPORATE GOVERNANCE MEASURES

Our Directors recognize the importance of good corporate governance in protecting our Shareholders' interests. We have adopted the following corporate governance measures to resolve actual or potential conflict of interests between our Group and our Controlling Shareholders:

- (a) under the Articles, where a Shareholders' meeting is held to consider proposed transactions in which our Controlling Shareholders or any of their associates has a material interest, our Controlling Shareholder(s) will not vote on the relevant resolutions;
- (b) our Company has established internal control mechanisms to identify connected transactions, and we will comply with the applicable Listing Rules if we enter into connected transactions with our Controlling Shareholders or any of their associates after Listing;
- (c) the independent non-executive Directors will review, on an annual basis, whether there is any conflict of interests between our Group and our Controlling Shareholders and provide impartial and professional advice to protect the interests of our minority Shareholders;
- (d) our Controlling Shareholders will undertake to provide all information necessary or requested by the independent non-executive Directors for their annual review, including all relevant financial, operational and market information;
- (e) our Company will disclose decisions on matters reviewed by the independent non-executive Directors either in its annual reports or by way of announcements as required by the Listing Rules;
- (f) where our Directors reasonably request the advice of independent professionals, such as financial advisors, the appointment of such independent professionals will be made at our Company's expenses;
- (g) we have appointed Somerley Capital Limited as our compliance advisor to provide advice and guidance to us in respect of compliance with the applicable laws and regulations, as well as the Listing Rules, including various requirements relating to corporate governance; and

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- (h) we have established our audit and risk committee, remuneration committee and nomination committee with written terms of reference in compliance with the Listing Rules and the Corporate Governance Code and Corporate Governance Report in Appendix 14 to the Listing Rules. All of the members of our audit and risk committee are non-executive directors, and the majority of the members, including the chairman, are independent non-executive Directors.

Based on the above, our Directors believe that sufficient corporate governance measures have been put in place to manage conflicts of interest between our Group and our Controlling Shareholders, and to protect minority Shareholders' interests after the Listing.