

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

CONTROLLING SHAREHOLDERS OF OUR COMPANY

Immediately following the completion of the [REDACTED] and the [REDACTED] (assuming that the [REDACTED] is not exercised and without taking into account any options which may be granted under the Share Option Scheme), Mr. Dave Ng, through his holding company Lofty Profit, will hold and in general meetings be entitled to exercise voting rights attached to Shares representing [REDACTED] of the issued share capital of our Company. Mr. Dave Ng is the founder of our Group, an executive Director and our Chairman. As Mr. Dave Ng and Lofty Profit are directly or indirectly entitled to exercise or control the exercise of 30% or more of the voting power at general meetings of our Company immediately following the [REDACTED], each of Mr. Dave Ng and Lofty Profit shall be regarded as our Controlling Shareholders under the Listing Rules and pursuant to the guidance Letter HKEX-GL89-16 issued by the Stock Exchange.

Apart from our business of specialising in the provision of passive fire protection works in Hong Kong, our Controlling Shareholders and their close associates had operated/managed and are currently operating/managing other businesses (the "Excluded Businesses") through a number of companies controlled by them during the Track Record Period and as at the Latest Practicable Date and these companies will not form part of our Group after [REDACTED].

The table below sets forth the details of each of the companies operating the Excluded Businesses which our Controlling Shareholders and their close associates are interested in during the Track Record Period and as at the Latest Practicable Date and are excluded from our Group (collectively the "Excluded Companies"):

Name	Place of incorporation	Shareholder(s) as at the Latest Practicable Date	Director(s) as at the Latest Practicable Date	Principal business
<i>Excluded Companies with active operations</i>				
Golden Phoenix	Hong Kong	Lai Yui Fai Ben, an Independent Third Party (100%) ^{Note 1}	Lai Yui Fai Ben ^{Note 1}	Provision of electrical and mechanical engineering works
Goldin Innovation	Hong Kong	<ol style="list-style-type: none"> 1. Mr. Dave Ng (20%) 2. Fung Siu Man, an Independent Third Party (40%) 3. Au Chi Hang, an Independent Third Party (20%) 4. Kwok Kam Ying, an Independent Third Party (20%) 	<ol style="list-style-type: none"> 1. Mr. Dave Ng 2. Fung Siu Man 3. Au Chi Hang 4. Kwok Kam Ying 	General trading

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Name	Place of incorporation	Shareholder(s) as at the Latest Practicable Date	Director(s) as at the Latest Practicable Date	Principal business
Dongguan Tanda	PRC	<ol style="list-style-type: none"> 1. Goldin Innovation (99%) 2. Zhou Jiadong* (周家東), an Independent Third Party (1%) 	Fung Siu Man	Trading of metal components
Tanda International	Hong Kong	<ol style="list-style-type: none"> 1. Ng Ching Ho (70%)^{Note 2} 2. Cheung Wai, an Independent Third Party (30%) 	<ol style="list-style-type: none"> 1. Ng Ching Ho 2. Cheung Wai 	Trading of fire protection materials
Greatec Engineering	Hong Kong	<ol style="list-style-type: none"> 1. Mr. Johnny Ng (70%)^{Note 3} 2. Lau Yi Fai, an Independent Third Party (30%) 	<ol style="list-style-type: none"> 1. Mr. Johnny Ng 2. Lau Yi Fai 	Trading of fire protection materials
Warwick Building	Hong Kong	<ol style="list-style-type: none"> 1. Ng Ching Ho (50%)^{Note 2} 2. Woo Yat Wa, an Independent Third Party (50%) 	<ol style="list-style-type: none"> 1. Ng Ching Ho 2. Woo Yat Wa 	General trading
Wintech Century Company Limited (宏達世紀有限公司) ("Wintech Century")	Hong Kong	<ol style="list-style-type: none"> 1. Cheung Wai, an Independent Third Party (70%) 2. Mr. Dave Ng (30%) 	<ol style="list-style-type: none"> 1. Cheung Wai 2. Mr. Dave Ng 	Trading of fire rating products
Lloyd Asia Company Limited (萊特亞洲有限公司) ("Lloyd Asia")	Hong Kong	<ol style="list-style-type: none"> 1. Lloyd William Paul, an Independent Third Party (51%) 2. Mr. Dave Ng (34.3%) 3. Cheung Wai, an Independent Third Party (14.7%) 	<ol style="list-style-type: none"> 1. Lloyd William Paul 2. Mr. Dave Ng 	Trading of fire equipment

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Name	Place of incorporation	Shareholder(s) as at the Latest Practicable Date	Director(s) as at the Latest Practicable Date	Principal business
<i>Excluded Companies which are inactive</i>				
Dongguan Gangjin ^{Note 4}	PRC	<ol style="list-style-type: none"> Mr. Dave Ng (80%) Shuai Peixiu* (帥培秀), an Independent Third Party (20%) 	<ol style="list-style-type: none"> Mr. Dave Ng Shuai Peixiu* (帥培秀) Yang Yi* (楊伊), Independent Third Party 	Inactive prior to deregistration
Easy Smart (Macau) ^{Note 5}	Macau	<ol style="list-style-type: none"> Mr. Dave Ng (90%) Mr. Johnny Ng (10%) 	<ol style="list-style-type: none"> Mr. Dave Ng Mr. Johnny Ng 	Inactive prior to dissolution
Shanghai Yijun ^{Note 6}	PRC	Zhang Yudi* (張玉娣), an Independent Third Party (100%)	Mr. Dave Ng	Inactive prior to revocation of business licence
Hope Way Metal	Hong Kong	<ol style="list-style-type: none"> Kwok Chu Kay (an Independent Third Party and an existing employee of our Group) (75%) ^{Note 7} Li Qiaozi, an Independent Third Party (12.5%) Li Rongfeng, an Independent Third Party (12.5%) 	<ol style="list-style-type: none"> Kwok Chu Kay ^{Note 7} Li Qiaozi Li Rongfeng 	Provision of water pipes related metal works prior to inactivity after 2019

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Notes:

1. During the Track Record Period and prior to the transfer by Mr. Dave Ng of his interests in Golden Phoenix to Lai Yui Fai Ben, Golden Phoenix was held as to 70% by Mr. Dave Ng and 30% by Lai Yui Fai Ben, an Independent Third Party. On 29 June 2020, Mr. Dave Ng transferred his 70% interests in Golden Phoenix to Lai Yui Fai Ben and resigned as a director of Golden Phoenix. For details of the transfer, please refer to the section headed "History, Reorganisation and corporate structure — Corporate structure" in this document.
2. Mr. Ng Ching Ho is the father of Mr. Dave Ng and Mr. Vincent Ng, he is therefore a connected person of our Company under the Listing Rules. Our Group had purchased fire protection materials from Tanda International and Warwick Building during the Track Record Period and the purchases will be continued upon the [REDACTED]. For details of the purchases, please refer to the section headed "Connected transactions" in this document. Further, Mr. Ng Ching Ho is the husband of Ms. Lim. Ms. Lim is a director of E-Build Technology and had been a director of Easy Smart Engineering until September 2021. Ms. Lim continues to serve our Group as our senior administrative manager and an employment agreement with Ms. Lim for the period up to 30 June 2025 has been made. For details of the employment agreement with Ms. Lim, please refer to the section headed "Connected transactions — Fully exempt continuing connected transactions — (ii) Employment agreement with Ms. Lim" in this document.
3. Mr. Johnny Ng is a brother of Mr. Dave Ng and Mr. Vincent Ng, he is therefore a connected person of our Company under the Listing Rules. Mr. Johnny Ng joined our Group since May 2003 and is a senior quantity surveyor manager of our Group. Notwithstanding his shareholdings and directorship in Greatec Engineering, our Group considers it suitable to enter into an employment agreement with Mr. Johnny Ng for continuing to employ him as our Group's senior quantity surveyor manager up to 30 June 2025. For details of the employment agreement with Mr. Johnny Ng, please refer to the section headed "Connected transactions — Fully exempt continuing connected transactions — (iii) Employment agreement with Mr. Johnny Ng" in this document.
4. Dongguan Gangjin was inactive prior to its deregistration on 16 March 2021.
5. Easy Smart (Macau) was inactive prior to its dissolution on 17 September 2021.
6. The business licence of Shanghai Yijun was revoked on 20 January 2019. Shanghai Yijun did not have any operation and remained inactive during the Track Record Period. For details of Shanghai Yijun, please refer to the section headed "Directors and senior management — Executive Directors — Mr. Ng Wing Woon Dave" in this document.
7. During the Track Record Period and prior to the transfers by Mr. Dave Ng and an Independent Third Party of their respective interests in Hope Way Metal to Kwok Chu Kay, Hope Way Metal was held as to 25% by Mr. Dave Ng, 25% by Kwok Chu Kay and the remaining 50% by three Independent Third Parties. On 21 December 2020, Mr. Dave Ng transferred his 25% interests in Hope Way Metal to Kwok Chu Kay and Mr. Dave Ng resigned as a director of Hope Way Metal. For details of the transfer, please refer to the section headed "History, Reorganisation and corporate structure — Corporate structure" in this document.
8. During the Track Record Period, Kwok Chu Kay, Johnny Ng and Ng Ching Ho were employees of our Group. As at the Latest Practicable Date, Kwok Chu Kay and Johnny Ng remain as employees of our Group. Ng Ching Ho resigned on 30 September 2021 and his last positions were as salesman and draftsman. Each of them received remuneration package from our Group taking into account their role, responsibilities, duties, workload, time devoted to our Group and the performance of our Group. For the years ended 30 June 2020, 2021 and 2022 and the four months ended 31 October 2022, the remuneration (including salaries, allowances, retirement benefit scheme contributions and bonuses) paid by us to Johnny Ng and Ng Ching Ho were as follows: (i) Johnny Ng — approximately HK\$476,000, HK\$482,000, HK\$503,000 and HK\$146,000, respectively; and (ii) Ng Ching Ho — approximately HK\$190,000, HK\$180,000, HK\$45,000 and nil, respectively.

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As set out in the table above, Kwok Chu Kay, Johnny Ng and Ng Ching Ho were each the shareholders and directors of certain Excluded Companies as at the Latest Practicable Date. As confirmed by each of Kwok Chu Kay, Johnny Ng and Ng Ching Ho, they were passive investors and did not hold any other positions or have any day to day responsibilities in the Excluded Companies and therefore did not receive any remuneration from the Excluded Companies although they were entitled to dividends in the relevant Excluded Companies.

DELINEATION OF BUSINESS

The operations of our Group are independent of and separate from the Excluded Companies. Our Directors are of the view that there is clear delineation between the Excluded Businesses and our business. The businesses of the Excluded Companies are not injected into our Group as our Directors are of the view that such businesses, which are distinctly different from our core business, neither form part of our core business nor in line with our strategies and objectives of maintaining our established position in the industry as a subcontractor for passive fire protection solutions in Hong Kong for reasons as illustrated below:

Different business natures — The business nature of Excluded Companies is distinguishable from our Company's business nature. During the Track Record Period, the Excluded Companies were either (i) inactive before the deregistration or revocation of business licence; (ii) providing electrical and mechanical engineering works, or water pipes related metal works, or (iii) engaging in general trading of materials, parts and components, fire rating products and fire equipment. The engineering works in the Excluded Businesses refer to specific work tasks which did not involve in passive fire protection works and could be completed separately, whereas the trading business of the Excluded Businesses did not involve in construction and are ancillary and incidental to our passive fire protection works. Although (i) Greatec Engineering has registered as a registered subcontractor with the Construction Industry Council under the trade codes and trade specialties of shutters/doors fabrication and installation — fire rated door, painting — others (fire rated painting), other finishing trades and components — other (fire protection plaster) and other finishing trades and components — others (fire rated partition); and (ii) Tanda International has registered as a registered subcontractor under the trade codes of shutters/doors fabrication and installation and metal work, the other Excluded Companies were not registered subcontractors or specialist trade contractors on the registers of registered subcontractors or specialist trade contractors with the Construction Industry Council. Notwithstanding the registrations of Greatec Engineering and Tanda International as aforesaid, Greatec Engineering and Tanda International were principally engaging in trading of fire protection materials, such as, fire dampers and fire rated boards, during the Track Record Period and as at the Latest Practicable Date that was different from that of our Group.

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On the other hand, our business nature is focusing on providing passive fire protection works in Hong Kong and our works involve design, selection, procurement and installation of appropriate materials and components in buildings to reduce or prevent the spread and effects of fire, heat or smoke without requiring detection or activation upon detection. During the Track Record Period, our principal business activity did not involve (i) developing and engaging in other types of engineering works and/or (ii) trading in any material, components, products and equipment, and we do not have any intention to include such businesses as part of our principal business activities in the future.

Different target customers — The target customers of our Group and the Excluded Companies are different. The target customers of our Group are typically main contractors and subcontractors which are in need of our provision of passive fire protection works in the construction sites. In contrast, the target customers of the Excluded Companies are typically private and small medium enterprises or subcontractors which are in need of a supplier of certain materials or the provision of other types of construction and engineering works in the construction sites. Although some of the Excluded Companies may be involved in the same projects or have the same customers as our Group during the Track Record Period, their role and involvement were as suppliers of fire protection materials, metal parts and components and other construction materials to our Group or other contractors as part of their construction works whilst our Group is a subcontractor focused on provision of passive fire protection works. The following table sets out the differences in the principal services provided by our Group and the Excluded Companies to such overlapping customers during the Track Record Period:

Principal services provided by our Group to overlapping customers	Principal services provided by the Excluded Companies to overlapping customers
Provision of passive fire protection works including installation of fire rated boards, fire rated windows, fire rated doors and fire partitions; application of fire resistant paints, fire resistant coatings and fire resistant plasters; installation of fire dampers, smoke dampers and smoke curtains	For Goldin Innovation, Lloyd Asia, Wintech Century, Greatec Engineering, Tanda International, Warwick Building and Dongguan Tanda: supply of smoke/fire dampers, cat ladders, rockwool, intumescent paints, railings and metal parts and components, etc. For Golden Phoenix: supply and installation of plywood blockhead and access panels and supply of acoustic partitions and insulation pads, etc.

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Other than our purchase from our related parties as detailed in the section headed "Connected transactions" in this document, our Group also had some suppliers and subcontractors which overlapped with the suppliers and subcontractors of the Excluded Companies during the Track Record Period. Our sales to overlapping customers represent approximately 76.0% of our revenue during the Track Record Period, and our transaction amounts with the overlapping suppliers and subcontractors represent approximately 25.6% of our costs of services (excluding direct labour costs) during the Track Record Period.

To the best of the knowledge, information and belief of our Directors, there were five overlapping projects during the Track Record Period, between our Group and the Excluded Companies, namely (i) Project 3760, a commercial project involving a commercial center at Tsim Sha Tsui; (ii) Project 4155, a commercial project involving a commercial development in Kwun Tong; (iii) Project 4253, a residential project involving residential buildings at Lohas Park; (iv) Project 4966, a public infrastructure and facilities project involving office tower development at an airport in Hong Kong; and (v) Project 4646, a residential project involving a residential development at Ap Lei Chau. These five overlapping projects involved our provision of passive fire protection works and supplying of insulation pads by Golden Phoenix in such projects. Our revenue derived from such projects accounted for less than 5% of our total revenue during the Track Record Period, and the revenue derived from such projects accounted for less than 5% of Golden Phoenix's total revenue during the Track Record Period. Save for Project 4646, in which both our Group and Golden Phoenix provided services to one common customer in that overlapping project, namely Customer T, and our revenue derived from Customer T in that overlapping project was insignificant and less than HK\$10,000 during the Track Record Period, our Group's customers in the other four overlapping projects were different from the customers of Golden Phoenix in those projects. It is noted that among those other four customers of Golden Phoenix for the four overlapping projects, one of them, namely Customer Group U, is also our customer in another project during the Track Record Period, and another one, namely Subcontractor C, was one of our five largest subcontractors for other projects during the Track Record Period. We did not engage Customer Group U or Subcontractor C for the relevant overlapping projects and did not receive materials from Customer Group U or Subcontractor C for such projects.

Different form of revenue — The Excluded Companies have different forms of revenue from our Group. Excluding companies which are currently inactive, the Excluded Companies mainly generate their revenue through provision of electrical and mechanical works, water pipes related metal works or sale of materials, products and equipment. However, we mainly generate our revenue from our provision of passive fire protection works.

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Difference in control — The composition of the shareholders and the boards of directors of the Excluded Companies with active operations are generally different from that of our Group. Most of such Excluded Companies have different shareholders and directors who are associates of Mr. Dave Ng or Independent Third Parties, whereas our Group was entirely controlled by our Controlling Shareholders and our Board as at the Latest Practicable Date. Though Mr. Dave Ng was a common shareholder and a common director with his positions at Goldin Innovation, Wintech Century and Lloyd Asia as at the Latest Practicable Date, he was merely a minority shareholder and one of the directors and thus, does not have majority control over the voting rights at general meetings, nor over the boards of directors of these three companies. In addition, for Warwick Building, although one of its shareholders and directors is Mr. Ng Ching Ho, being Mr. Dave Ng's associate, Mr. Ng Ching Ho does not have majority control over the voting rights at general meetings, nor over its board.

Operational and financial independence — The Excluded Companies are independently run by the staff of the Excluded Companies. The Excluded Companies also operate independently from our Group without relying on our Group's internal control, financial, accounting, treasury management, procurement, sales and marketing, administration and compliance systems and functions, despite Mr. Dave Ng is a minority shareholder and a director of Goldin Innovation, Wintech Century and Lloyd Asia. During the Track Record Period, we do not have any outstanding collateral or guarantees provided by us for the borrowings of the Excluded Companies. Despite certain advances to Tanda International and Warwick Building during the Track Record Period as disclosed in the section headed "Financial information" in this document, outstanding balances with Warwick Building had been fully settled as of 30 June 2021 and all outstanding balances with Tanda International have been settled in cash in October 2021.

Ongoing and future connected transactions — During the Track Record Period, our Group has certain transactions with certain Excluded Companies for the purchase of passive fire protection materials and metal parts and components. These transactions will be continued upon the [REDACTED] and will become continuing connected transactions under the Listing Rules. All of these connected transactions will continue to be conducted on normal commercial terms, based on arm's length negotiations and comparable to those with Independent Third Parties, and will be capable of being satisfactorily monitored by the management of our Group. For details of the continuing connected transactions, please refer to the section headed "Connected transactions" in this document.

Based on the foregoing, our Directors consider that there is clear delineation of the Excluded Businesses and our Group and that the extent of the competition is not extreme and does not have a material impact on our Group's business. The Excluded Companies were not injected into our Group and, as at the Latest Practicable Date, there was no intention to inject the Excluded Companies into our Group in the future.

To ensure that competition will not exist in the future, each of our Controlling Shareholders has entered into the Deed of Non-Competition in favour of our Company to the effect that each of them will not, and will procure each of their respective close associates not to, directly or indirectly participate in, or hold any rights or interest, or otherwise be involved in any business which may be in competition with our business. For details, please refer to the paragraph headed "Non-competition undertakings" in this section below.

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INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Save and except the Related Party Transactions, the partially exempt and fully exempted connected transactions as disclosed in the section headed "Connected transactions" in this document, 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].

Having considered the following factors, our Directors believe that our Group is capable of carrying on our Group's business after the [REDACTED] independently from our Controlling Shareholders and their close associates and/or companies controlled by them and at arm's length from the Excluded Businesses:

(i) Financial independence

Our Group has an independent financial system and makes financial decisions according to our own business needs. To the best of the knowledge, information and belief of our Directors, there is/was no sharing of banking facilities among each of the Excluded Companies, our Company and our subsidiaries, their shareholders, directors, employees or any of their respective associates. Our Group has sufficient capital to operate our business independently and has adequate internal resources and credit profile to support our daily operations.

During the Track Record Period, our Group has certain amounts due from related companies and amounts due to related parties related to our Controlling Shareholders. Please refer to the sections headed "Financial information — Amounts due from/(to) a Director, a non-controlling shareholder of a subsidiary and related companies" as well as note 20 (Amount(s) due from/to related companies/a Director/a non-controlling shareholder of a subsidiary/a fellow subsidiary) of the Accountants' Report set out in Appendix I to this document for further details. All outstanding balance was settled as at 30 June 2022.

As at 30 June 2020 and 2022 and 31 October 2022, we had no bank borrowings. Our bank borrowings amounted to approximately HK\$9.7 million as at 30 June 2021 and such bank borrowings were secured by, among others, a personal guarantee executed by Mr. Dave Ng. Our bank borrowings were fully repaid during the year ended 30 June 2022 and the aforesaid personal guarantee provided by Mr. Dave Ng was released on 5 August 2022. In December 2022, a bank overdraft facility was granted to our Group amounting to HK\$5.0 million which was secured by, among others, a personal guarantee executed by Mr. Dave Ng. The said personal guarantee will be released and replaced by corporate guarantee provided by our Company upon [REDACTED]. Please refer to the section headed "Financial information — Indebtedness — Bank borrowings" in this document and note 24 (Bank borrowings) to the Accountants' Report set out in Appendix I to this document for further details.

In view of our Group's internal resources from our working capital and the estimated net [REDACTED] from the [REDACTED], our Directors believe that our Group will have sufficient capital for its financial needs without dependence on our Controlling Shareholders. Save as disclosed above, for the Track Record Period, our Group has relied principally on our equity capital and cash generated from operations and bank borrowings to carry on our businesses and this is expected to continue after the [REDACTED]. Our Directors also believe that our Group is capable of obtaining financing from external sources independently without the support of our Controlling Shareholders after the [REDACTED].

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Based on the above, our Directors are of the view that our Group will be financially independent from our Controlling Shareholders after the [REDACTED].

(ii) Operational independence

We have established our own organisational structure made of individual departments, each with specific areas of responsibilities. We have full rights, hold and enjoy the benefit of all relevant licences and permits for the operation of our business. Our executive Directors confirmed that our Group did not share our operational resources, such as marketing, sales and general administration resources with our Controlling Shareholders and/or their close associates as well as the Excluded Companies during the Track Record Period, save that (1) Kwok Chu Kay, Mr. Johnny Ng, Ng Ching Ho and Mr. Dave Ng, each being an employee of our Group during the Track Record Period, are also directors of some of the Excluded Companies during the Track Record Period and up to the Latest Practicable Date, details of which are set out in the table under the paragraph headed "Controlling Shareholders of our Company" in this section above; and (2) historically Golden Phoenix and Hope Way Metal named one of our leased properties during the Track Record Period as their registered address but they neither paid nor bore any rental or fee as they had used it for administrative filing purposes given that they had other addresses which served as their actual business premises, and thus had no actual use of our leased property other than for administrative filing purposes. As at the Latest Practicable Date, our Group no longer shared any property with any of the Excluded Companies. Some of the Excluded Companies shared resources for better resource management and given their common shareholders and/or directors such as using the same properties among themselves as their registered address or shared staff such as Fung Siu Man who is a director of both Goldin Innovation and its subsidiary Dongguan Tanda.

To the best of the knowledge, information and belief of our Directors, during the Track Record Period and up to the Latest Practicable Date, the Excluded Companies shared the following resources among themselves:

- (i) Goldin Innovation and its subsidiary, Dongguan Tanda shared a staff, Fung Siu Man. Given that he is employed by Dongguan Tanda, it paid his remuneration and Dongguan Tanda did not charge Goldin Innovation related staff costs for the shared staff.
- (ii) Tanda International, Lloyd Asia and Wintech Century shared a staff, being the son of Cheung Wai (a common shareholder among these three companies). Given that he is employed by Wintech Century, it paid his remuneration and Wintech Century did not charge Tanda International and Lloyd Asia related staff costs for the shared staff.
- (iii) Lloyd Asia rented a premise at Mok Cheong Street, To Kwa Wan, Kowloon and used it as its registered address and actual business premises. It also shared this premise without charge with: (a) Wintech Century for use as its registered address and actual business premise during the Track Record Period and up to the Latest Practicable Date; (b) Tanda International for use as the actual business premises of its branch office from 26 July 2019 and up to the Latest

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Practicable Date; and (c) Golden Phoenix and Hope Way Metal for temporary use as their respective registered address from 6 August 2021 to 6 October 2021.

- (iv) Tanda International (from before the commencement of the Track Record Period and up to 12 March 2020) and Goldin Innovation (from 13 March 2020 and up to the Latest Practicable Date) rented a premise at Lei Muk Road, Kwai Chung, New Territories and used it as their respective registered address and actual business premises during the Track Record Period and up to the Latest Practicable Date. It also shared this premise without charge with: (a) Goldin Innovation (as shared by Tanda International as tenant) for use as its registered address and actual business premises during the Track Record Period and up to the Latest Practicable Date; (b) Tanda International (as shared by Goldin Innovation as tenant) for use as its registered address and actual business premises during the Track Record Period and up to the Latest Practicable Date; and (c) Warwick Building for use as its registered address and actual business premises since 6 August 2021 and up to the Latest Practicable Date.

Golden Phoenix and Hope Way Metal also shared certain premises during the Track Record Period and up to the Latest Practicable Date but this was due to their respective engagement of the same service provider for annual registered address and mailbox services and thus shared the same premise as their respective registered address (a) at Wing Hong Street, Lai Chi Kok, Kowloon from 7 October 2021 to 3 January 2022; and (b) after the service provider changed address, at Cheung Yue Street, Lai Chi Kok, Kowloon since 4 January 2022 and up to the Latest Practicable Date.

Save as disclosed aforesaid, to the best of the knowledge, information and belief of our Directors as at the Latest Practicable Date, there is/was no sharing of resources, plant and equipment, manpower and banking facilities among each of the Excluded Companies, our Company and our subsidiaries, their shareholders, directors, employees or any of their respective associates.

Further, we have also established a set of internal controls to facilitate the effective operation of its business. To the best of the knowledge, information and belief of our Directors, our customers are all independent from our Controlling Shareholders and we do not rely on our Controlling Shareholders or their close associates and have independent access to our customers and suppliers. Our Directors are of the view that we are able to operate independently from our Controlling Shareholders after the [REDACTED]. Save as disclosed in the section headed "Connected transactions" in this document, our Group has not entered into any connected transaction with any of our Controlling Shareholders that will continue after the [REDACTED].

(iii) Management independence

We have an independent management team, comprising our executive Directors and senior management who have substantial experience and expertise in our business, to implement our Group's policies and strategies. Our management team is able to implement our Group's policies and strategies and performs its roles in our Company independently.

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We aim at establishing and maintaining a strong and independent Board to oversee our Group's business. Our Board consists of five Directors, comprising two executive Directors, and three independent non-executive Directors. Notwithstanding this, our management and operational decisions are made by our executive Directors and senior management, most of whom have served our Group for a long time, and have substantial experience in the industry in which we are engaged. Although certain employees of our Group or associates of Mr. Dave Ng may have positions at the Excluded Companies as mentioned in the paragraph headed "Controlling Shareholders of our Company" in this section, (i) none of our Directors or senior management holds any directorship or senior management role in the Excluded Companies save for Mr. Dave Ng who is one of the directors of Goldin Innovation, Wintech Century and Lloyd Asia; and (ii) there is/was no overlapping directors, key management personnel and shareholders between the Excluded Companies and our Group except the minority shareholding and directorship of Mr. Dave Ng in Goldin Innovation, Wintech Century and Lloyd Asia. Despite Mr. Dave Ng was one of the directors of Goldin Innovation, Wintech Century and Lloyd Asia, he does not expect to devote substantial time in their management going forward save for attending from time to time their board meetings. It is expected that he will spend substantially all of his working time in the operations of our Group after [REDACTED]. In the event that Mr. Dave Ng is required to abstain himself from any board meeting on any matter which may give rise to a potential conflict of interest with Goldin Innovation, Wintech Century and Lloyd Asia, our remaining Directors will have sufficient expertise and experience to fully consider on such matter. The three independent non-executive Directors have extensive experience in different areas or professions. The main function of the Board includes the approval of our overall business plans and strategies, monitoring the implementation of these policies and strategies and the management of our Company. The balance of power and authority is ensured by the operation of our Board and the senior management.

In addition, our Company will have one common director with Lofty Profit, namely Mr. Dave Ng. Despite the common directorship, our Directors believe that management independence between our Company and Lofty Profit will be maintained as Lofty Profit is an investment holding company, the only significant business interest of which is our Group. Furthermore, 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. 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 meetings of the Board in respect of such transactions and shall not be counted in the quorum. In addition, the senior management team of our Group is independent from our Controlling Shareholders. The three independent non-executive Directors will also bring independent judgement to the decision-making process of the Board. We have also adopted certain corporate governance measures for conflict situations. Please refer to the paragraph headed "Corporate governance measures" below in this section for further details.

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Most members of the senior management of our Group have, for all or substantially all of the Track Record Period, undertaken senior management supervisory responsibilities in the business of our Group. The responsibilities of the senior management team of our Group include dealing with operational and financial matters, making general capital expenditure decisions and the daily implementation of the business strategy of our Group. This ensures the independence of the daily management and operations of our Group. Further details of our senior management are set out in the section headed "Directors and senior management" in this document.

Based on the above, our Directors are satisfied that our Board as a whole together with our senior management team are able to perform the managerial role independently.

(iv) Independence of major customers, suppliers and subcontractors

In relation to the business relationships between our Group and certain Excluded Companies during the Track Record Period and which will continue after [REDACTED], please refer to the section headed "Connected transactions" in this document. Apart from certain Excluded Companies which are/were suppliers of our Group, there were certain other customers, suppliers and subcontractors of each of the Excluded Companies during the Track Record Period which overlapped with the customers, suppliers and subcontractors of our Group and other Excluded Companies during the Track Record Period. Despite the above, our Directors are of the view that our Group does not unduly rely on our Controlling Shareholders and/or their respective associates and/or the Excluded Companies in respect of our relationship with major customers, suppliers and subcontractors.

To the best of the knowledge, information and belief of our Directors, save and except the business relationships in the usual and ordinary course of business and as disclosed in this Document, none of our Group's customers, suppliers and subcontractors (including their shareholders, directors, senior management or any of their respective associates) during the Track Record Period have any other past or present relationship (including, but not limited to, family, financing, employment or otherwise) with any of our Controlling Shareholders, Directors, senior management of our Group or any of their respective associates.

NO COMPETING INTERESTS

Apart from our Group's business and save for the Excluded Businesses, our Controlling Shareholders and our Directors do not have any interest in a business which competes or is likely to compete, directly or indirectly, with our Group's business and would require disclosure under Rule 8.10 of the Listing Rules.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

NON-COMPETITION UNDERTAKINGS

In order to avoid any possible future competition among our Group, each of our Controlling Shareholders entered into the Deed of Non-competition on [●] in favour of our Company (for itself and as trustee for and on behalf of an subsidiaries). Pursuant to the Deed of Non-competition, during the period that the Deed of Non-competition remains effective, each of our Controlling Shareholders irrevocably and unconditionally undertakes to our Company (for itself and as trustee for and on behalf of our subsidiaries) that he/it shall not, and shall procure his/its close associates (other than members of our Group) not to, directly or indirectly engage, participate or hold any right or interest in or render any services to or otherwise be involved in any business in competition with or likely to be in competition with the existing business activity of any member of our Group or any business activity to be conducted by any member of our Group from time to time after the [REDACTED], save for the holding of not more than 5% shareholding interests (individually or with his/its close associates) in any company listed on a recognised stock exchange and at any time the relevant listed company shall have at least one shareholder (individually or with his/her/its close associates, if applicable) whose shareholding interests in the relevant listed company is higher than that of the relevant Controlling Shareholders (individually or with his/its close associates).

Each of our Controlling Shareholders further undertakes that if he/it or his/its close associates (other than any member of our Group) is offered or becomes aware of any business opportunity which may compete with the existing business activity of any member of our Group or any business activity to be conducted by any member of our Group from time to time after the [REDACTED], he/it shall (and he/it shall procure his/its close associates to) notify our Group in writing and our Group shall have a right of first refusal to take up such business opportunity. Our Group shall, within 30 days after receipt of the written notice (or such longer period if our Group is required to complete any approval procedures as set out under the Listing Rules from time to time), notify our Controlling Shareholder(s) whether our Group will exercise the right of first refusal.

Our Group shall only exercise the right of first refusal upon the approval of all our independent non-executive Directors (who do not have any interest in such opportunities). Each of our Controlling Shareholders and the other conflicting Directors (if any) shall abstain from participating in and voting at and shall not be counted in the quorum at all meetings of our Board where there is a conflict of interest or potential conflict of interest including but not limited to the relevant meeting of our independent non-executive Directors for considering whether or not to exercise the right of first refusal.

The Deed of Non-competition is conditional upon the [REDACTED] Committee granting the approval for the [REDACTED] of, and permission to deal in, our Shares; and the conditions precedent under the [REDACTED] having been fulfilled (or where applicable waived) and the [REDACTED] not being terminated in accordance with their respective terms.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

If any of such conditions is not fulfilled on or before the date agreed between the [REDACTED] and our Company or the [REDACTED] and our Company have agreed to terminate the [REDACTED] thereafter, the Deed of Non-competition shall become null and void and cease to have any effect whatsoever and no party shall have any claim against the other under the Deed of Non-competition.

The Deed of Non-competition shall terminate when (i) a Controlling Shareholder whether individually or taken together with his or its close associates, ceases to be interested in 30% (or such other amount as may from time to time be specified in the Listing Rules as being the threshold for determining a controlling shareholder of a company) or more of the entire issued share capital of our Company; or (ii) our Shares shall cease to be [REDACTED] and [REDACTED] on the Stock Exchange (except for temporary suspension of trading of our Shares on the Stock Exchange due to any reason).

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 its Shareholders as a whole. To avoid potential conflicts of interest, our Group will implement the following measures:

- (i) our independent non-executive Directors will review, on an annual basis, the Deed of Non-competition to ensure compliance with the non-competition undertaking by our Controlling Shareholders and all the decisions taken in relation to whether to pursue the new opportunity under the Deed of Non-competition;
- (ii) our Controlling Shareholders undertake to provide all information requested by our Company which is necessary for the annual review by our independent non-executive Directors and the enforcement of the Deed of Non-competition;
- (iii) our Company will disclose decision and its basis on matters reviewed by our independent non-executive Directors relating to compliance and enforcement of the Deed of Non-competition in the annual reports of our Company or by way of announcement to the public;
- (iv) our Controlling Shareholders have undertaken to provide an annual confirmation to our Company confirming that each of our Controlling Shareholders and his/its close associates have not breached the terms of the undertakings contained in the Deed of Non-competition;
- (v) 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 Controlling Shareholders (or their respective associates), the interested Directors shall abstain from voting at the relevant Board meeting and shall not be counted in the quorum;

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

- (vi) our Board is committed to the view that our Board should include a balanced composition of executive and non-executive Directors (including independent non-executive Directors) so that there is a strong independent element on our Board which can effectively exercise independent judgement. Our Company has appointed three independent non-executive Directors. Our Directors believe that our independent non-executive Directors are of sufficient calibre, are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgement and will be able to provide impartial and professional advice to protect the interests of the minority Shareholders. Details of our independent non-executive Directors are set out in the section headed "Directors and senior management" in this document; and

- (vii) our Company has appointed Grande Capital Limited as the compliance adviser, which will provide advice and guidance to our Company in respect of compliance with the applicable laws and the Listing Rules including various requirements relating to directors' duties and internal controls. Please refer to the section headed "Directors and senior management — Compliance adviser" in this document for further details in relation to the appointment of the compliance adviser.