

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OUR CONTROLLING SHAREHOLDERS

Immediately upon the [REDACTED] (without taking into account of any Shares which may be allotted and issued pursuant to the exercise of any options that may be granted under the Share Options Scheme), [REDACTED] of the issued share capital of our Company will be owned by C Centrum, which is a company wholly-owned by Mr. YP Chan. In this regard, Mr. YP Chan, together with C Centrum, are our Controlling Shareholders within the meaning of the Listing Rules. For the background of Mr. YP Chan, please refer to the section headed “Directors and Senior Management” of this document.

Save as disclosed above, there is no other person who will, immediately following the completion of [REDACTED], be directly or indirectly interested in 30% or more of the Shares then in issue or have a direct or indirect equity interest in any member of our Group representing 30% or more of the equity in such entity.

NO COMPETING INTERESTS

Our Directors, including our independent non-executive Directors, are of the view that to the best of their knowledge and belief after making all reasonable enquiries, none of our Controlling Shareholders, Substantial 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 which would require disclosure pursuant to Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors consider that our Group is capable of carrying on our business independently of, and does not place undue reliance on, our Controlling Shareholders and their respective close associates (other than the members of our Group) upon the [REDACTED]:

Financial independence

We are financially independent of our Controlling Shareholders and their respective close associates (other than the members of our Group). We have sufficient capital and banking facilities (secured by our own corporate guarantee) to operate our business independently, and have adequate internal resources to support our daily operations. In addition, our Group has an independent financial system and makes financial decisions according to our own business needs. As at the Latest Practicable Date, our Controlling Shareholders and their respective close associates (other than the members of our Group) did not provide any financial assistance to our Group.

Operational independence

We have sufficient operational capacity in terms of capital, facilities, premises and employees to operate our business independently. We do not rely on our Controlling Shareholders or their close associates and have independent access to our suppliers and customers, which are Independent Third Parties.

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Our Group has established our own organisational structure made up of individual departments, each with specific area of responsibilities, to handle our day-to-day operations. We have not shared any operational resources, such as office premises, sales and marketing and general administration resources, and facilities and equipments with our Controlling Shareholders and their close associates (other than the members of our Group) during the Track Record Period. We have also established a set of internal controls to facilitate the effective operation of our business. We also have our own capabilities and personnel to perform all essential administrative functions, including financial and accounting management, invoicing and billing, human resources and information technology.

Our Group has obtained all the relevant material licenses and permits necessary for our business operations and is not dependent upon our Controlling Shareholders or their close associates (other than the members of our Group) for any such licenses and permits. Our Group also owns all relevant intellectual properties and research and development facilities that are necessary for our business operations.

We have not entered into any continuing connected transactions with our Controlling Shareholders or their respective close associates.

Based on the above, our Directors are satisfied that we have been operating independently from our Controlling Shareholders during the Track Record Period and will continue to operate independently.

Management independence

Although our Controlling Shareholders will maintain controlling interests in our Company upon completion of the [REDACTED], the day-to-day management and operations of our Group will be the responsibility of all our executive Directors and senior management of our Company. Our Board has five Directors comprising two executive Directors, and three independent non-executive Directors. Our senior management team consists of two members. Our Board and senior management of our Company operate independently of our Controlling Shareholders and they are in a position to fully discharge their duties to the Shareholders as a whole after the [REDACTED] without reference to our Controlling Shareholders. With three independent non-executive Directors out of a total of five 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.

Each of our Directors is aware of his or her fiduciary duties as a Director which require, among other things, that he/she acts for the benefit of and in the best interests of our Company and does not allow any conflict between his or her duties as a Director and his or her personal interest. 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 material 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 interested Director(s) shall fully disclose such matter to our Board and will abstain from voting at the relevant Board meetings of our Company in respect of such transactions and will not be counted in the quorum. Our Company 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.

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Our Company has an independent senior management team to carry out day-to-day operations and execute the business decisions of our Company, which is independent of our Controlling Shareholders. It has substantial experience in the industry we engaged in and has served our Company 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 our management independence. Our Directors are satisfied that our senior management team will be able to perform its roles in our Company independently.

Our Board’s main functions include the approval of our Company’s overall business plans and strategies, the monitoring of 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 acting on his or her own is supposed to have any decision-making power unless otherwise authorised by our Board.

Having considered the above factors, our Directors are satisfied that they are able to perform their roles in our Company independently, and our Directors are of the view that our Board and our senior management team are capable of managing our Group’s business independently from our Controlling Shareholders.

CORPORATE GOVERNANCE MEASURES

Our Company has adopted the following measures to strengthen its corporate governance practice and to safeguard the interests of the Shareholders:

- (a) the Articles provide that a Director shall not vote (nor be counted in the quorum) on any resolution of our Board approving any contract or arrangement or other proposal in which he/she or any of his/her close associates is materially interested;
- (b) our Company has established the Corporate Governance Committee with effect from 31 March 2022 to continue the review of the corporate governance policy and practices of our Group;
- (c) our independent non-executive Directors will be responsible for deciding whether or not to allow our Controlling Shareholders and/or their respective close associates to be involved or participate in a restricted business and if so, any condition to be imposed;
- (d) our independent non-executive Directors may appoint independent financial adviser and other professional advisers as they consider appropriate to advise them on any matter relating to connected transaction(s) at the cost of our Company; and
- (e) our Company will use our best endeavours to ensure that our Board includes a balanced composition of executive and independent non-executive Directors. We have appointed three independent non-executive Directors whom we believe possess sufficient experience and are not involved in any business or other relationship which could interfere in any material manner with the exercise of their independent judgment. For details of our independent non-executive Directors, please refer to the paragraph headed “Directors and senior management — Directors” of this document.

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Further, any transaction that is proposed between our Group and our Controlling Shareholders and/or their respective close associates will be required to comply with the requirements of the 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. With the corporate governance measures comprising the measures set out above, our Directors believe that the interest of our Shareholders will be protected.