
RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

The immediate Controlling Shareholder of our Company is Asiaciti Enterprises, which is a company incorporated in the BVI with limited liability. Asiaciti Enterprises is owned as to 60% by Renowned Brand and 40% by East Profit. Renowned Brand and East Profit are wholly owned by Mr. Shum and Ms. Li, respectively. Immediately upon completion of the Capitalization Issue and the Global Offering, Mr. Shum and Ms. Li will own approximately 45% and 30%, respectively, of our issued share capital, taking no account into Shares which may be issued pursuant to the exercise of the Over-allotment Option or Shares which may be issued upon the exercise of options which may be granted under the Share Option Scheme. Accordingly, Mr. Shum, Ms. Li, Renowned Brand, East Profit and Asiaciti Enterprises will be our Controlling Shareholders. Our Controlling Shareholders are not interested in any business which is, whether directly or indirectly, in competition with our business.

INDEPENDENCE TO OUR CONTROLLING SHAREHOLDERS

Our Directors consider that we will be able to operate independently from our Controlling Shareholders and their respective associates (other than our Group) upon Listing for the following reasons:

- (i) as of the Latest Practicable Date, no executive Director had overlapping roles or responsibilities in any business operation other than our business;
- (ii) save as disclosed in the section entitled “Connected Transactions” in this prospectus, our Controlling Shareholders do not operate any business other than our business;
- (iii) as of the Latest Practicable Date, none of our Directors had an interest in any business which competes or is likely to compete, either directly or indirectly, with our business;
- (iv) as of the Latest Practicable Date, we had our own independent operation capabilities and independent access to customers and suppliers and we had not entered into any connected transactions with any connected person of our Group save as disclosed in the section entitled “Connected Transactions” in this prospectus. Details of the continuing connected transactions that will continue after Listing are set out in the section entitled “Connected Transactions” in this prospectus. Our Group’s continuing connected transactions will continue to be entered into on normal commercial terms and in our ordinary course of business; and
- (v) we are financially independent of our Controlling Shareholders and their associates. All loans, advances and balances due to and from our Controlling Shareholders and their respective associates will be fully settled and that all share pledges and guarantees provided by our Controlling Shareholders and their respective associates on our Group’s borrowing will be fully released before or upon Listing.

Our Directors are satisfied that we are capable of carrying on our business independently from our Controlling Shareholders and their respective associates (other than our Group) after Listing.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

NON-COMPETITION UNDERTAKINGS

In order to eliminate any existing or future competition with us, our Controlling Shareholders have undertaken to us in the Deed of Non-Competition that they will not, and will procure their associates (other than members of our Group) except (i) where our Controlling Shareholders hold less than 5% of the total issued share capital of any company (whose shares are listed on the Stock Exchange or any other stock exchange) which is engaged in any business that is or may be in competition with any business engaged by any member of our Group; or (ii) for the property lease disclosed in the section entitled “Connected Transactions” in this prospectus, (1) not to directly or indirectly, either on their own account, in conjunction with, on behalf of or through any person, body corporate, partnership, joint venture or other contractual arrangement and whether for profit or otherwise, participate, acquire or hold any right or interest, provide any support to, financial or otherwise, or otherwise be interested, involved or engaged in or concerned with any business that directly or indirectly competes with the Restricted Business (as defined below), or acquire or hold shares or interest (in each case whether as a shareholder, partner, agent or otherwise and whether for profit, reward or otherwise) in any companies or business that compete directly or indirectly with the Restricted Business (as defined below); and (2) not to engage, invest, participate or be interested (economically or otherwise) in any property development business involving the development of residential and commercial properties for sale; property management business involving the provision of property management services to our residential customers; and property leasing business involving the development, leasing and sub-leasing of commercial properties owned by us or Independent Third Parties (the “**Restricted Business**”).

The Deed of Non-Competition will lapse automatically if our Controlling Shareholders and their associates cease to hold, whether directly or indirectly, 30% or more of our Shares, or our Shares cease to be listed on the Stock Exchange.

The Deed of Non-Competition also provides that:

- our independent non-executive Directors shall review, at least on an annual basis, the compliance with the Deed of Non-Competition by our Controlling Shareholders;
- our Controlling Shareholders have undertaken to us that they will, and will procure their associates to use their best endeavors to, provide all information necessary for the annual review by the independent non-executive Directors for the enforcement of the Deed of Non-Competition;
- we will disclose the review by the independent non-executive Directors on the compliance with, and the enforcement of, the Deed of Non-Competition in our annual report or by way of announcement to the public in compliance with the requirements of the Listing Rules; and
- our Controlling Shareholders will make an annual declaration in our annual report on the compliance with the Deed of Non-Competition in accordance with the principle of voluntary disclosure in the corporate governance report.