OUR CONTROLLING SHAREHOLDERS

Immediately after the [**REDACTED**], Mr. Fung, Ms. Yeung and Ms. Fung will be able to control approximately [**REDACTED**] (assuming the [**REDACTED**] is not exercised and without taking into account any Shares that may be issued pursuant to any awards, or exercise of any options, that may be granted under the [**REDACTED**] Share Scheme) or [**REDACTED**] (assuming the [**REDACTED**] is fully exercised and without taking into account any Shares that may be issued pursuant to any awards, or exercise of any options, that may be granted under the [**REDACTED**] Share Scheme) voting rights in our Company through Hope Atlas (the directors of which are Mr. Fung and Ms. Yeung) and Hope Horizon (the director of which is Ms. Fung). For the purposes of the Listing Rules only, since Ms. Fung is the daughter of Mr. Fung and Ms. Yeung, they and their respective investment holding companies are regarded as a group of Controlling Shareholders. For the avoidance of doubt, each of (i) Mr. Fung and Ms. Yeung; and (ii) Ms. Fung has confirmed that they are not acting in concert and are not bound to vote together, and each of them is entitled to, and intends to, exercise their respective voting rights in the Company independently and at their own discretion. Accordingly, Mr. Fung, Ms. Yeung, Hope Atlas, Ms. Fung and Hope Horizon will be our Controlling Shareholders.

Eternal Radiance Family Trust (春暉家庭信託) is a reserved power trust established under BVI law, with Mr. Fung and Ms. Yeung as settlors and Tricor Equity Trustee Limited as professional trustee. Tricor Equity Trustee Limited owns and administers Eternal Radiance Company Limited, the trust vehicle holding the trust assets. None of Eternal Radiance Company Limited, Tricor Equity Trustee Limited, or Eternal Radiance Family Trust (春暉家庭信託) is considered a Controlling Shareholder, as control over the voting rights of the Shares held by Hope Atlas remains with Mr. Fung and Ms. Yeung under the trust terms. Similarly, Yuk Shing Company Limited, Tricor Equity Trustee Limited, and Yuk Shing Family Trust (玉承家庭信託) are not considered Controlling Shareholders, as control over the voting rights of the Shares held by Hope Horizon remains with Ms. Fung.

Competition

Each of our Controlling Shareholders confirms that as at the Latest Practicable Date, she/he/it 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, and requires disclosure under Rule 8.10 of the Listing Rules.

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 respective close associates after the [**REDACTED**].

Management Independence

Our Board comprises two executive Directors, one non-executive Director and three independent non-executive Directors. Mr. Fung, one of our Controlling Shareholders, is our non-executive Director and the Chairman of the Board. Ms. Fung, one of our Controlling Shareholders, is our executive Director. Mr. Fung is the father of Ms. Fung and the father-in-law of Mr. Cheung Sen Kwong, our executive Director and chief executive officer. Ms. Fung is the daughter of Mr. Fung and the spouse of Mr. Cheung Sen Kwong.

Each of our Directors is aware of her/his fiduciary duties as a director that require, among other things, that she or he acts for the benefit and in the interests of our Company and does not allow any conflict between her or his duties as our Director and her or his personal interests. 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) shall abstain from voting at the relevant Board meetings of our Company in respect of such transactions and shall not be counted towards the quorum.

Having considered the foregoing, our Directors are satisfied that they are able to perform their roles in our Company independently, and our Directors are of the view that we are capable of managing our business independently from our Controlling Shareholders and their respective close associates following the completion of the [**REDACTED**].

Operational Independence

We have sufficient capital, facilities and employees to operate our business independently from our Controlling Shareholders. We also have independent access to our customers and suppliers and an independent management team to operate our business. Save as disclosed below and to the best knowledge of our Directors, all our suppliers are Independent Third Parties. Our Directors are satisfied that we will be able to function and operate independently from our Controlling Shareholders and their close associates.

As at the Latest Practicable Date, we had a lease agreement with Tenglong Development (a company indirectly owned as to 50% by Mr. Fung and 50% by Ms. Yeung) to operate the relevant premises located in Shenzhen as our warehouse, and a lease agreement with Tranquil Management (a company owned as to 35% by Mr. Fung, 35% by Ms. Yeung and 30% by Ms. Fung) to operate the relevant premises located in Hong Kong for our warehouse and office uses. However, our Directors are of the view that we are still capable of operating independently from our Controlling Shareholders on the grounds that (i) such transactions have been entered into, and will continue to be, on normal commercial terms and in the ordinary course of business of our Company; and (ii) the relevant premises are not "purpose-built", and even if we cease to lease the relevant premises from Tenglong Development and/or Tranquil Management, we will still be able to readily identify other suitable premises for relocation using our own resources. For details of the leasing of the relevant premises, please refer to "*Connected Transactions*".

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.

As at 31 December 2025, we had outstanding notes payable of approximately RMB441.2 million that were secured by, among other things, personal guarantees provided by Mr. Fung and Ms. Yeung. For the purposes of demonstrating our financial independence from our Controlling Shareholders, we have communicated with the relevant lending banks and such personal guarantees will be released upon [**REDACTED**]. Save as disclosed foregoing, we had no outstanding loans, current account balances, financial assistance or financing in any other forms from our Controlling Shareholders and/or their respective close associates.

During the Track Record Period and up to the Latest Practicable Date, our Group had relied principally on cash generated from operations to carry on our business and this is expected to continue after the [**REDACTED**]. In view of our internal resources and the estimated [**REDACTED**] from the [**REDACTED**], our Directors believe that our Group will have sufficient capital for our financial needs and that our Group is financially independent from our Controlling Shareholders.

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 [**REDACTED**].

CORPORATE GOVERNANCE MEASURES

Our Directors recognise the importance of good corporate governance in protecting our Shareholders' interests. We have adopted the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and our Controlling Shareholders:

(a) under the Articles, where a Shareholders' meeting is to be held for considering proposed transactions in which any of our Controlling Shareholders or any of their associates has a material interest, the relevant Controlling Shareholders or their associate will not vote on the relevant resolutions;

(b) our Company has established internal control mechanisms to identify connected transactions. Upon the [**REDACTED**], if our Company enters into connected transactions with our Controlling Shareholders or any of their associates, our Company will comply with the applicable Listing Rules;

(c) our independent non-executive Directors will review, on an annual basis, whether there are any conflicts of interests between our Group and our Controlling Shareholders (the "**Annual Review**") 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, including all relevant financial, operational and market information and any other necessary information as required by the independent non-executive Directors for the Annual Review;

(e) our Company will disclose decisions on matters reviewed by our 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 advisers and legal advisers, the appointment of such independent professionals will be made at our Company's expenses; and

(g) we have appointed Rainbow Capital (HK) Limited as our compliance adviser 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.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest that may arise between our Group and our Controlling Shareholders, and to protect our minority Shareholders' interests after the [**REDACTED**].