OUR CONTROLLING SHAREHOLDERS

Calculated on the basis of a total number of 191,293,385 A Shares in issue as of the Latest Practicable Date, the total issued share capital of our Company was directly held as to approximately 16.05% by Fujian Mimosa, approximately 11.85% by Zhangzhou Jinwanchen, approximately 10.04% by Mr. Wang Zening and approximately 0.07% by Ms. Wang Liqing. Fujian Mimosa was in turn held as to 80.00% by Mr. Wang Zening, as to 19.00% by Mr. Chen Wenzhu and as to 1.00% by Ms. Wang Liqing. Zhangzhou Jinwanchen was in turn held as to approximately 53.33% by Mr. Wang Zening, as to 37.67% by Ms. Wang Liqing and as to approximately 9.00% by various other minority shareholders in aggregate as of the Latest Practicable Date. Mr. Chen Wenzhu held no direct shareholding in the Company as of the Latest Practicable Date.

Additionally, pursuant to the 2024 Voting Proxy Agreement, Mr. Wang Zening is entitled to the voting rights attached to A Shares representing an aggregate of approximately 11.52% of the total issued share capital of our Company as at the Latest Practicable Date. Mr. Wang Zening has also entered into the 2025 Voting Proxy Agreement, under which he was entitled to the voting rights attached to 12,291,000 A Shares representing an aggregate of approximately 6.43% of the total share capital of our Company as at the Latest Practicable Date. Each of the proxy grantors under the 2024 Voting Proxy Agreement and the 2025 Proxy Agreement [will] provide a lock-up undertaking to the Company in substantially the same form as the non-disposal undertakings to be given by the Controlling Shareholders in accordance with Rule 10.07(1) of the Listing Rules. Details of the 2024 Voting Proxy Agreement and the 2025 Voting Proxy Agreement are disclosed in the sections headed "History, Development and Corporate Structure — Voting Proxy Agreements" and "History, Development and Corporate Structure — Significant Acquisitions and Disposals — Acquisition of the minority interest in Nanjing Wanyou".

Since Mr. Wang Zening, Ms. Wang Liqing and Mr. Chen Wenzhu hold their interests in the Company through a common investment vehicle, Fujian Mimosa; and Mr. Wang Zening and Ms. Wang Liqing also hold their interests in the Company through another common investment vehicle, Zhangzhou Jinwanchen, Mr. Wang Zening, Ms. Wang Liqing and Mr. Chen Wenzhu, Fujian Mimosa and Zhangzhou Jinwanchen constitute a group of Controlling Shareholders of our Company pursuant to chapter 1.1 C of the Guide for New Listing Applicants issued by the Hong Kong Stock Exchange. Together, they controlled an aggregate of 55.97% of voting rights in our Company as at the Latest Practicable Date, and will control an aggregate of [**REDACTED**]% of voting rights in our Company immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised, no new A Shares are issued under the Share Award Plans and there are no changes to the shareholding of our Company between the Latest Practicable Date and the [**REDACTED**]). Calculated on the basis of a total number of [**REDACTED**] Shares in issue following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised, no new A Shares are issued under the Share Award Plans and there are no changes to the shareholding of our Company between the Latest Practicable Date and the [**REDACTED**]), the total issued share capital of our Company will be held directly as to approximately [**REDACTED**]% by Fujian Mimosa, approximately [**REDACTED**]% by Zhangzhou Jinwanchen, approximately [**REDACTED**]% by Mr. Wang Zening and approximately [**REDACTED**]% by Ms. Wang Liqing.

DELINEATION OF BUSINESS

Our Business

Our Group is principally engaged in the operation of store-based retail sales of snacks, food and beverages and primarily operates our snack and beverage retail business under a franchise model. During the Track Record Period, our product mix covered twelve core categories: drinking water and liquid beverages, dairy products, meat snacks, puffed snacks, biscuits and pastries, nuts and roasted seeds, instant food, dried fruits and candied products, candies and chocolates, vegetarian delicacies, jelly and pudding snacks, and powdered and instant drinks.

Our Controlling Shareholders’ Business

Our Controlling Shareholder, apart from its interests in our Group, has also been principally engaged in the following businesses through its subsidiaries and close associates:

– *Fujian Eastern Group*: (i) Fujian Eastern Food Group Co., Ltd. (福建東方食品集團有限公司) (“**Fujian Eastern Food**”), (ii) Zhangzhou Mimosa Food Co., Ltd. (漳州含羞草食品有限公司), both principally engaged in the manufacturing and supply of snacks and food products (including dried fruit and nuts) to snack retail and wholesale businesses in China, and (iii) Nanjing Mimosa Food Co., Ltd. (南京含羞草食品有限公司), which had ceased business operation as of the Latest Practicable Date;

– *Mimosa Food Group*: (i) Mimosa (Jiangsu) Food Co., Ltd. (含羞草(江蘇)食品有限公司) (“**Mimosa Food**”), which is principally engaged in manufacturing and supply of snacks and food products (including dried fruit and nuts), and (ii) Jiangsu Mimosa Agriculture Co., Ltd. (江蘇含羞草農業有限公司), which is principally engaged in the supply of snacks and food products procured from Mimosa Food to retail and supermarket businesses in China; and

– *Other companies controlled by Directors and/or Controlling Shareholders or their close associates*: (i) Zhangzhou Mimosa Import and Export Co., Ltd. (漳州含羞草進出口貿易有限公司), which is principally engaged in the import and export of snack products (including concentrated juice, essence and other food accessories and food additives) with overseas snack retail and wholesale businesses as well as snack raw ingredients businesses, (ii) Jiangsu Wanchen Real Property Investment Co., Ltd. (江蘇萬宸置業投資有限公司), which is principally engaged in the property development and leasing, (iii) Jiangsu Snack Workshop Chain Food Co., Ltd. (江蘇零食工坊連鎖食品有限公司), which had ceased business operation as of the Latest Practicable Date, (iv) Yunnan Qinxianyang Food Co., Ltd. (雲南沁鮮揚食品有限公司), which is principally engaged in the manufacturing and supply of snack products (including dried fruit) to retail and supermarket businesses in China, (v) Zhangzhou Changtai District Wang Liqing Vegetables and Fruits Business (漳州市長泰區王麗卿蔬果經營部) (“**Zhangzhou Changtai**”), which had no business operation, (vi) Fujian Hailitian Food Co., Ltd. (福建海麗天食品有限公司) and Haizhilu (Fujian) Food Co., Ltd. (海之路(福建)食品有限公司) (together, “**Hailitian Group**”), where the former is principally engaged in the manufacturing and supply of snack products (including ingredients for milk tea such as taro balls and dried fruit) to retail and supermarket businesses in China, the latter is still in the construction phase and has not conducted any business operations to date, (vii) Nanjing Kaluoyi Gifts Co., Ltd. (南京卡羅依禮品有限公司) and Nanjing Huazao Plastics Co., Ltd. (南京華造塑業有限公司) (together, “**Nanjing Entities**”), both principally engaged in the manufacturing and supply of small merchandises and stationeries.

Except for (i) Zhangzhou Changtai, which is a trading entity solely owned by Ms. Wang Liqing, (ii) Hailitian Group, which is controlled by Mr. Cai Haiquan, the spouse of Ms. Wang Liqing, and (iii) Nanjing Entities, which are controlled by Mr. Chen Wenzhu and his spouse, Chen Yuqin, the Fujian Eastern Group, Mimosa Food Group and other companies controlled by Directors and/or Controlling Shareholders or their close associates are controlled, directly or indirectly, through Fujian Eastern Food and/or Mimosa Food, by Mr. Wang Jiankun and/or Ms. Lin Gaichun.

Clear Delineation of Business

The principal businesses of those companies mentioned above are clearly delineated and do not compete with the businesses of our Group, as illustrated as follows: (i) Fujian Eastern Group does not engage in store-based retail of snacks, food or beverage, (ii) Mimosa Food Group does not engage in store-based retail of snacks, food or beverage. It is an upstream supplier rather than a competitor of our Group, and (iii) for the other companies mentioned above (a) they are not engaged in store-based retail of snacks, food or beverage, or (b) their principal businesses are completely different from those of our Group, for instance, property development and leasing or manufacturing and supply of small merchandises and stationeries, or (c) they had ceased operation as at the Latest Practicable Date. To the best knowledge of our Directors, these companies do not have overlapping customers with our Group. As such, there is no direct or substantial competition between the abovementioned businesses of our Controlling Shareholders and/or Directors and those of our Group.

Given the clear delineation between the principal business of our Group and those of our Controlling Shareholders and/or Directors, our Board is satisfied that our business is and will continue to be independent of the businesses of our Controlling Shareholders and/or Directors.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are able to carry out our business independently from our Controlling Shareholders and their close associates upon and after the [**REDACTED**].

Management Independence

Our management and operational decisions are made by the Board in a collective manner. The Board comprises nine Directors, including three executive Directors, two non-executive Directors and four independent non-executive Directors.

Our Directors have relevant experience to ensure the proper functioning of the Board. We further believe that our Directors and members of the senior management are able to perform their roles in our Company in managing our business independently from our Controlling Shareholders and their close associates for the following reasons:

(a) all our executive Directors and senior managers have substantial experience in the industry as further described in the section headed "Directors and Senior Management", which will enable them to discharge their duties independently from the Controlling Shareholders;

(b) our independent non-executive Directors have extensive experience in different areas. We believe that they will be able to exercise their independent judgment and will be able to provide impartial opinions in the decision-making process of our Board to protect the interests of our Shareholders;

(c) each of our Directors is aware of his or her fiduciary duties as a director, which requires, among other things, that he or she acts for our Company's best interests and he or she must not allow any conflict between his or her duties as a Director and his or her personal interests; and

(d) our Company is an A-share listed company and has established internal control mechanisms to identify connected transactions to ensure that our Shareholders or Directors with conflicting interests in a proposed transaction will abstain from voting on the relevant resolutions. Where a Board meeting or Shareholders' meeting is held to consider a proposed transaction in which our Directors or Controlling Shareholders or any of their respective close associates have a material interest, the relevant Directors or our Controlling Shareholders and their close associates shall abstain from voting on the relevant resolutions and shall not be counted towards the quorum for the voting.

Operational Independence

Our Company has full rights to make all decisions regarding, and to carry out, our own business operations independently. We hold and enjoy the benefit of all relevant permits and licenses necessary to carry out our business in all material respects. Our Group has sufficient assets, capital, equipment, technology and employees to operate its business independently from our Controlling Shareholders. We have independent access to our customers and suppliers and an independent management team to handle our day-to-day operations. We have also established a set of internal control measures to facilitate the effective operation of our business.

During the Track Record Period, our Group entered into certain transactions with certain associates of our Controlling Shareholders, including (i) procurement of food products from the Mimosa Food Group by our Group (defined and discussed in the section headed "Continuing Connected Transactions"); (ii) provision of goods and products between Nanjing Wanxing Group (defined and discussed in the section headed "Continuing Connected Transactions") the other members of our Group; and (iii) grant of software licenses by the other members of our Group to Nanjing Wanxing Group which would constitute non-exempt and partially-exempt continuing connected transactions under Chapter 14A of the Hong Kong Listing Rules after [**REDACTED**]. For more details, see the section headed "Continuing Connected Transactions". Considering that the amounts of the relevant transactions are not significant to our Group, our Directors believe that such transactions will not have any impact on the operational independence of our Group.

Based on the above, our Directors are satisfied that we have been operating independently from our Controlling Shareholders and/or their close associates during the Track Record Period and will continue to operate independently of the business of our Controlling Shareholders upon [**REDACTED**].

Financial Independence

Our Group has its own internal control, accounting, funding, reporting and financial management system as well as accounting and finance department. Moreover, our Group opens and manages bank accounts independently, and has never shared any bank account with Controlling Shareholders. Our Group has independent taxation registration according to the relevant laws, and makes tax payments independently according to the applicable PRC taxation laws and regulations. Our Group has never made any tax payment jointly with Controlling Shareholders or any other entities controlled by them.

As of the Latest Practicable Date, our Group does not rely on our Controlling Shareholders and/or their close associates for any provision of financial assistance. Our Directors confirm that as at the Latest Practicable Date, there are no outstanding loan, guarantees or pledges from any of the Controlling Shareholders or their close associates to our Group or vice versa.

Based on the above, our Directors are of the view that we are able to maintain financial independence from our Controlling Shareholders and its close associates.

RULE 8.10 OF THE HONG KONG LISTING RULES

As of the Latest Practicable Date, none of our Controlling Shareholders or Directors had any interest in any business which competes or is likely to compete, either directly or indirectly, with our Company's business which would require disclosure under Rule 8.10 of the Hong Kong Listing Rules.

CORPORATE GOVERNANCE MEASURES

Our Directors believe that there are adequate corporate governance measures in place to manage the potential conflict of interests between our Controlling Shareholders and our Group and to safeguard the interests of our Shareholders taken as a whole for the following reasons:

- where a Shareholders' meeting is to be held for considering proposed transactions in which our Controlling Shareholders or their close associates have a material interest, our Controlling Shareholders will not vote on the resolutions and shall not be counted in the quorum in the voting;

- our Group has established internal control mechanisms to identify connected transactions. Upon the [**REDACTED**], if any transaction is proposed between our Group and our Controlling Shareholders and their close associates, we will comply with the requirements of the Articles of Association and the Hong Kong Listing Rules, including, where appropriate, the reporting, annual review by the independent non-executive Directors, announcement and independent Shareholders' approval;

- our Board consists of a balanced composition of executive Directors, non-executive Directors and independent non-executive Directors, with independent non-executive Directors representing not less than one-third of our Board to ensure that our Board is able to effectively exercise independent judgment in its decision-making process and provide independent advice to our Shareholders. Our independent non-executive Directors individually and collectively possess the requisite knowledge and experience to perform their duties. They will review 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;

- 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; and

- we have appointed Somerley Capital Limited as our Compliance Advisor, who will provide advice and guidance to us in respect of compliance with the applicable laws and the Hong Kong Listing Rules including various requirements relating to directors' duties and corporate governance, and inform us on a timely basis of any amendment or supplement to the Hong Kong Listing Rules or applicable laws and regulations in Hong Kong.

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 Company and our Controlling Shareholders, and to protect our minority Shareholders' interests after the [**REDACTED**].