OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

As at the Latest Practicable Date, Shantou CHJ Investment was interested in approximately 28.55% of the issued share capital of our Company, which was ultimately owned as to approximately 51.5996% by Mr. Liao Muzhi, 9.1653% by Mr. Lin Junping, and 8.2042% by Mr. Liao Chuangbin, who were Concert Parties. In addition, each of Mr. Liao Chuangbin, Mr. Liao Muzhi and Mr. Lin Junping was directly interested in approximately 3.04%, 0.07% and 0.01% of the issued share capital of our Company, respectively as at the Latest Practicable Date. Mr. Liao Muzhi is the father of Mr. Liao Chuangbin, and the father-in law of Mr. Lin Junping. Mr. Zhong Mutian has not entered into any acting-in-concert arrangements with the Concert Parties, nor does he have any family relationships with them. Shantou CHJ Investment, being an investment holding company, is not a special purpose vehicle set up by Mr. Liao Muzhi and his family members for the sole purpose of controlling and holding their interests in the Company, and Mr. Zhong Mutian, same as the other ten Independent Third Party investors, is merely an early-stage investor of Shantou CHJ Investment. Over the years, Shantou CHJ Investment has also invested in other entities. As at the Latest Practicable Date, Shantou CHJ Investment has also invested in two private funds in the PRC, as one of their limited partners holding 8% and 12.6582%, respectively, of their partnership interests. Mr. Liao Muzhi, Mr. Lin Junping and Mr. Liao Chuangbin (i.e. the Concert Parties) have acknowledged and confirmed their acting-in concert relationship in the management and operation of our Group. Accordingly, the Concert Parties were interested in a total of approximately 31.67% of the total issued shares of our Company.

Immediately following the completion of the **[REDACTED]** and assuming that no new Shares were issued under the **[REDACTED]**, and no other changes were made to the issued share capital of our Company between the Latest Practicable Date and the **[REDACTED]**, Shantou CHJ Investment will hold approximately **[REDACTED]**% of the issued share capital of our Company. Further, each of Mr. Liao Chuangbin, Mr. Liao Muzhi and Mr. Lin Junping will directly hold approximately **[REDACTED]**%, **[REDACTED]**% and **[REDACTED]**% of the issued share capital of our Company, respectively. Accordingly, Shantou CHJ Investment, Mr. Liao Chuangbin, Mr. Liao Muzhi and Mr. Lin Junping will be our Single Largest Group of Shareholders immediately upon completion of the **[REDACTED]**.

COMPETITION

Our Business

We are a multi-brand jewellery company in the PRC. Other than jewellery brands, we also own and operate our handbags brand, FION, which provides collections of handbags, small leather goods such as wallets and handbag accessories. We conduct our sales with hybrid network of franchise and self-operated stores in the PRC. As at 31 December 2025, we also had overseas franchise/ self operated jewellery stores in Southeast Asia.

Delineation of Businesses

Shantou CHJ Investment is a limited liability company established under the laws of the PRC on 13 May 2005. Shantou CHJ Investment is an investment holding company. Given the clear business delineation between the principal business operations of our Group and that of Shantou CHJ Investment, our Directors are of the view that there is no business competition between our Group and Shantou CHJ Investment.

Shantou CHJ Investment, Mr. Liao Chuangbin, Mr. Liao Muzhi and Mr. Lin Junping confirmed respectively that as at the Latest Practicable Date, except through our Group, they and their close associates had no interest in a business that competes or is likely to compete, whether directly or indirectly, with our Group's business, which is subject to disclosure under Rule 8.10 of the Listing Rules.

Non-competition Undertaking

For the purpose of the listing of our A Shares on the Shenzhen Stock Exchange in 2010 and in order to avoid any potential competition between our Group and the companies held by each of Shantou CHJ Investment, Mr. Liao Chuangbin, Mr. Liao Muzhi and Mr. Lin Junping, (i) Shantou CHJ Investment, Mr. Liao Muzhi and Mr. Lin Junping had entered into a non-competition undertaking in favour of our Company on 15 October 2007; and (ii) Shantou CHJ Investment, Mr. Liao Chuangbin, Mr. Liao Muzhi and Mr. Lin Junping had entered into a non-competition undertaking in favour of our Company on 6 November 2018 (together, the "**Non-competition Undertakings**"). Pursuant to the Non-competition Undertakings, each of Shantou CHJ Investment, Mr. Liao Chuangbin, Mr. Liao Muzhi and Mr. Lin Junping has undertaken that:

(a) neither it/he nor any of its/his directly or indirectly controlled companies or entities will engage in any business that competes, directly or indirectly, with the business operations of our Group;

(b) neither it/he shall cause any enterprise directly or indirectly controlled by it/him to initiate any new business activities that would result in direct or indirect competition with our Group. In the event that any competitive circumstance arises, it/he shall immediately implement all necessary and lawful measures to eliminate or regulate such competition;

(c) it/he hereby covenants to: (i) fully comply with the provisions of the Articles of Association; (ii) exercise Shareholder rights and perform Shareholder obligations in a manner consistent with other Shareholders; and (iii) refrain from exploiting its/his Shareholder's position to obtain improper benefits or to the detriment of our Group or other Shareholders' legitimate interests.

(d) in the event of any breach of the foregoing undertakings, it/he shall be liable for all losses incurred by our Company as a result thereof and shall bear corresponding legal liabilities for any consequences arising from such breach.

INDEPENDENCE FROM OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

Management independence

Our business is managed and conducted by our Board and senior management. Upon completion of the **[REDACTED]**, our Board will consist of 11 Directors, comprising four executive Directors, three non-executive Directors and four independent non-executive Directors, and we also have two senior management members in addition to our Directors. Each of our Directors and senior management possesses relevant management, financial or industry-related experience to contribute to the management of our business. For further information on the qualifications and experience of our Directors and senior management, see "Directors and Senior Management" in this document.

Save for (i) Mr. Liao Chuangbin (our executive Director), who is also a director of Shantou CHJ Investment; (ii) Mr. Lin Junping (our executive Director), who is also a director of Shantou CHJ Investment; (iii) Mr. Liao Muzhi (our non-executive Director), who is also the chairman of the board of directors of Shantou CHJ Investment; and (iv) Mr. Zhong Mutian (our non-executive Director), who is also the general manager of Shantou CHJ Investment, none of our Directors or senior management hold any executive position in Shantou CHJ Investment and/or its close associates. Our Company and Shantou CHJ Investment and its close associates are managed by separate management teams. Hence, we have sufficient management team members, who are independent from Shantou CHJ Investment and/or its close associates and have adequate relevant experience to ensure the normal operation of the day-to-day business and management of our Group.

In addition, our Directors consider that our Board and senior management of our Company are capable of functioning independently of our Single Largest Group of Shareholders for the following reasons:

(a) save for Mr. Liao Chuangbin, an executive Director, Mr. Lin Junping, an executive Director, Mr. Liao Muzhi, a non-executive Director and Mr. Zhong Mutian, a non-executive Director, all of our Directors and senior management do not hold any position in Shantou CHJ Investment and/or its close associates, and are capable to contribute sufficient time and efforts to manage the daily operations of our Group. In addition, the management personnel of our Company have clear reporting lines, and ultimately the management team reports to the executive Directors, who are responsible for reporting to our Board. Our Board supervises and monitors the performance of our Company's management team generally through the regular reports made by our executive Directors to our Board to consider, deliberate and approve material matters which exceed the delegated authorities of management team, as well as the regular updates of operational and financial data and information that are provided to our Directors;

(b) we have appointed four independent non-executive Directors, comprising more than one-third of the total members of our Board, who have sufficient knowledge, experience and competence, so that there is a balanced composition of executive, non-executive Directors and independent non-executive Directors to ensure the independence of our Board in making decisions affecting our Company and to promote the interests of our Company and the Shareholders as a whole. In particular, the four independent non-executive Directors possess the relevant qualifications and industry experiences to safeguard the interests of the minority Shareholders of our Company by, among other things, reviewing and opining on connected transactions of our Company (if any), including those between our Company and our Single Largest Group of Shareholders and/or their close associates. See "Directors and Senior Management" for details of the biographies of the independent non-executive Directors;

(c) each Director is aware of his/her fiduciary duties as a director which require, among others, that he/she must act for the benefit and in the interest of our Company and not allow any conflict between their duties as a Director and his/her personal interests;

(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. In the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Company and our Directors or their respective close associates, the interested Director is obliged to declare and fully disclose such potential conflict of interest and shall abstain from voting at the relevant Board meetings of our Company in respect of such transactions and shall not be counted; and

(e) we have adopted other corporate governance measures to manage potential conflicts of interest, if any, between our Group and our Single Largest Group of Shareholders, which would enhance our independent management, as detailed in the sub-section headed "— Corporate governance measures" below.

Based on the above, our Directors believe that our business is managed independently from our Single Largest Group of Shareholders.

Operational independence

Our Company will continue to operate independently from our Single Largest Group of Shareholders after the **[REDACTED]**. Our Company makes and implements operational decisions independently of our Single Largest Group of Shareholders and has our own organisational structure with independent departments, each with specific areas of responsibility. Furthermore, we have independent production and sales capabilities and technology relating to our Group's business and do not rely on the operations of our Single Largest Group of Shareholders. Our Company also maintains a set of comprehensive internal control measures to facilitate the effective operation of our business. Our Company has independent channels to access our customers and is not dependent on the Single Largest Group of Shareholders with respect to suppliers for our business operations. Our Company has its own employees to operate the business and can independently manage its human resources. We have obtained relevant licences, approvals and permits from relevant regulatory authorities which are material to our operations.

Based on the above, our Directors believe that our business is operationally independent of our Single Largest Group of Shareholders.

Financial independence

We have adopted our own independent internal control and financial management systems and we also have an independent accounting and finance department responsible for discharging relevant financial and treasury function with relevant finance personnel. We make financial decisions and determine our use of funds according to our own business needs. We have adequate internal resources and a strong credit profile to support our daily operation. Moreover, our Board has established the Audit Committee to provide independent oversight to, among others, our accounting and financial reporting processes.

We open and manage our bank accounts independently, and have not shared any bank account with Shantou CHJ Investment, Mr. Liao Chuangbin, Mr. Liao Muzhi and Mr. Lin Junping. We are also capable of obtaining financing from third parties, if necessary, without reliance on Single Largest Group of Shareholders. We do not expect to rely on our Single Largest Group of Shareholders or any of their close associates for financing after the **[REDACTED]** as we expect that our working capital will be primarily funded by cash generated from our business operation, and to a lesser extent, external indebtedness.

No loan or guarantee has been provided by, or granted to, Shantou CHJ Investment, Mr. Liao Chuangbin, Mr. Liao Muzhi, Mr. Lin Junping or their respective associates during the Track Record Period and as at the Latest Practicable Date.

In light of the above, our Directors are of the view that we are able to maintain financial independence from our Single Largest Group of Shareholders.

CORPORATE GOVERNANCE MEASURES

Our Directors recognise the importance of good corporate governance in protecting our Shareholders' interests. Our Company will comply with the provisions of the Corporate Governance Code and Corporate Governance Report set out in Appendix C1 to the Listing Rules, which set out principles of good corporate governance in relation to, among other matters, directors, the chairperson and chief executive officer, board composition, the appointment, re-election and removal of directors, their responsibilities and remuneration and communications with Shareholders. We have adopted/will adopt the following corporate governance measures to resolve actual or potential conflict of interests between our Group and the Single Largest Group of Shareholders:

(a) under the Articles, where a Shareholders' meeting is held to consider proposed transactions in which Shantou CHJ Investment, Mr. Liao Chuangbin, Mr. Liao Muzhi, and/or Mr. Lin Junping are, under the Listing Rules, required to abstain, they shall abstain from voting and their votes shall not be counted in respect of such transactions;

(b) our Company has established internal control mechanisms to identify connected transactions. Upon **[REDACTED]**, if our Company enters into connected transactions with Shantou CHJ Investment, Mr. Liao Chuangbin, Mr. Liao Muzhi, Mr. Lin Junping or any of their respective associates, our Company will comply with the applicable requirements under the Listing Rules;

(c) our Board consists of a balanced composition of executive, non-executive and independent non-executive Directors, with not less than one-third of independent non-executive Directors 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, details of whom are set out in the section headed "Directors and Senior Management", individually and collectively possess the requisite knowledge and experience to perform their roles. They will review whether there is any conflict of interests between our Group and our Single Largest Group of Shareholders and provide impartial and professional advice to protect the interest of our minority Shareholders;

(d) our independent non-executive Directors will continuously review the compliance of the Non-Competition Undertakings provided by the Single Largest Group of Shareholders;

(e) in the event that our independent non-executive Directors are requested to review any conflict of interests circumstances between our Group, on one hand, and Shantou CHJ Investment, Mr. Liao Chuangbin, Mr. Liao Muzhi, Mr. Lin Junping and/or our Directors, on the other hand, Shantou CHJ Investment, Mr. Liao Chuangbin, Mr. Liao Muzhi, Mr. Lin Junping and/or our Directors shall provide our independent non-executive Directors with all necessary information for consideration. Where our independent non-executive Directors reasonably request the advice of independent professionals, such as financial advisers, to help them make the judgement, the appointment of such independent professionals will be made at the expense of our Company; and

(f) we have appointed Innovax Capital 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.