CONTROLLING SHAREHOLDERS

Mr. Dai and Ms. Zhang co-founded our Company in 2010 and have been working together to lead the overall operation and management of our Group since our establishment. Pursuant to the Acting-in-concert Agreement, Mr. Dai and Ms. Zhang agreed to, for a period of 36 months commencing from the date of agreement, communicate thoroughly to reach a consensus as to how to exercise their voting rights in our Company and act in concert by aligning their votes at the relevant Shareholders' meetings and directors' meeting. In the event that they could not reach a consensus as to how to exercise their voting rights, Ms. Zhang agreed to follow the directions of Mr. Dai. See "History, Development and Corporate Structure — Acting-in-concert Agreement" for more details. As of the Latest Practicable Date, (i) Mr. Dai, our executive Director, chairman of the Board and chief executive officer, is interested in and controls approximately 30.28% of the total issued Shares of our Company in his personal capacity, and approximately 1.53% of the total issued Shares of our Company in the capacity as the general partner of Hangzhou Jinghe; (ii) Ms. Zhang, an executive Director, is interested in and controls approximately 20.19% of the total issued Shares of our Company in her personal capacity; and (iii) Mr. Dai and Ms. Zhang are interested in and control, through Hangzhou Kingdom Imp & Exp and Zhejiang Jinghongda, approximately 40.38% of the total issued Shares of our Company. Therefore, Mr. Dai, Ms. Zhang, Hangzhou Kingdom Imp & Exp and Zhejiang Jinghongda and Hangzhou Jinghe were in aggregate entitled to exercise approximately 92.38% of the voting rights in our Company as of the Latest Practicable Date.

Immediately after completion of the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised), Mr. Dai and Ms. Zhang will both directly and indirectly (through Hangzhou Jinghe, Hangzhou Kingdom Imp & Exp and Zhejiang Jinghongda) in aggregate be entitled to exercise approximately [**REDACTED**]% of the voting rights in our Company. Accordingly, Mr. Dai, Ms. Zhang, Hangzhou Jinghe, Hangzhou Kingdom Imp & Exp and Zhejiang Jinghongda will be presumed as a group of Controlling Shareholders upon the completion of the [**REDACTED**].

INDEPENDENCE FROM THE CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are able to carry on our business independently of our Controlling Shareholders after the [**REDACTED**].

Management Independence

Our business is managed and conducted by our Board and senior management. Upon [**REDACTED**], our Board will consist of seven (7) Directors comprising three (3) executive Directors and four (4) independent non-executive Directors. For more information, see the section headed "Directors and Senior Management" in this document.

Our Directors consider that our Board and senior management will function independently of our Controlling Shareholders because:

(a) each Director is aware of his fiduciary duties as a director which require, among other things, that he acts for the benefit and in the interest of our Company and does not allow any conflict between his duties as a Director and his personal interests;

(b) our daily management and operations are carried out by a senior management team, all of whom have substantial experience in the industry in which our Company is engaged, and will therefore be able to make business decisions that are in the best interests of our Group;

(c) we have four (4) independent non-executive Directors and certain matters of our Company must always be referred to the independent non-executive Directors for review;

(d) 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) is/are required to promptly declare the nature of such interest to the Board of our Company in respect of such transactions. In addition, the interested Director shall not vote (nor be counted in the quorum) on any resolution of our Board approving any contract or arrangement or any other proposal in which he or she or any of his or her close associates (as defined in the Articles) is materially interested in except for certain circumstances as set out in the Articles. For details, see the section headed "Summary of Articles of Association" in Appendix V to this document; and

(e) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Controlling Shareholders which would support our independent management. Please see "— Corporate Governance Measures" in this section below for further information.

Based on the above, our Directors believe that our Board as a whole and together with our senior management team are able to perform the managerial role in our Group independently.

Operational Independence

We operate independently of our Controlling Shareholders. Our Company (through our subsidiaries) holds all material licences and owns all material intellectual property rights and facilities necessary to carry on our business. We have sufficient capital, facilities, equipment and employees to operate our business independently of our Controlling Shareholders. While we had minimal purchases of certain raw materials from Hangzhou Kingdom Imp & Exp during the Track Record Period (For details, see note 34 to the Accountants' Report in Appendix I to this document), such purchases ceased on December 31, 2025 and Hangzhou Kingdom Imp & Exp has ceased such trading business since December 31, 2025. Since December 31, 2025, other than the leasing of a property to our Group as disclosed below, Hangzhou Kingdom Imp & Exp does not carry on any other business. We also have independent access to our clients and suppliers, as well as an independent management team and an established organisational structure to operate our business independently.

Leasing of Property from one of our Controlling Shareholders (the "Lease")

We have been leasing one property from Hangzhou Kingdom Imp & Exp, one of our Controlling Shareholders, for use as office premises for business operations, including administrative and sales functions during the Track Record Period under a property lease agreement dated January 1, 2024 with a lease term of three (3) years to December 31, 2026. Subject to compliance with all applicable rules and regulations, we expect to continue leasing such property following completion of the [**REDACTED**] primarily for operational convenience and efficiency, in order to avoid unnecessary disruption associated with relocation and the additional time and costs involved in securing alternative premises. The Lease is recognized in our statement of financial position as right-of-use assets in accordance with IFRS 16 (Leases), constitutes a one-off connected transaction of our Company upon [**REDACTED**] and is classified as a one-off acquisition of capital assets under the Listing Rules.

Our Directors are of the view that the Lease will not affect our operational independence, on the basis of the following:

(a) the risk that the ongoing Lease will be terminated and that the Company will be forced to relocate is low, given that the Lease was entered into after arm's length negotiations between the parties and on normal commercial terms with reference to prevailing market rates for comparable properties in the same locality, and as such Hangzhou Kingdom Imp & Exp does not have the commercial incentive to terminate the Lease arbitrarily;

(b) our Group owns all material facilities necessary to carry on our business, and the premises under the Lease are not critical to our business operations as a whole; and

(c) in the event that the Lease is terminated or not renewed, we believe that alternative premises of similar size and quality and with comparable rental rates are readily available in the vicinity, and we would be able to secure alternative premises without material difficulty.

Based on the above, our Directors believe that we are capable of operating our business independently of our Controlling Shareholders notwithstanding the Lease.

Financial Independence

Our Group has an independent financial reporting system and makes financial decisions according to our Group's own business needs. We have internal control and accounting systems and an independent finance department for discharging the treasury function. More importantly, we have been and are capable of obtaining equity and debt financing from third parties.

There are no outstanding loans or guarantees provided by, or granted to, our Controlling Shareholders or their respective associates as of the Latest Practicable Date.

Based on the above, our Directors are of the view that our Directors and senior management are capable of carrying on our business independently of, and do not place undue reliance on, our Controlling Shareholders after the [**REDACTED**].

COMPETITION ISSUE UNDER RULE 8.10 OF THE LISTING RULES

Save and except for the interests of our Controlling Shareholders in our Company and its subsidiaries, our Controlling Shareholders and Directors confirm that as of the Latest Practicable Date, they 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, which would require disclosure under Rule 8.10 of the Listing Rules.

CORPORATE GOVERNANCE MEASURES

Our Company will comply with the provisions of the Corporate Governance Code, which sets out principles of good corporate governance.

Our Directors recognize the importance of good corporate governance in protection of our Shareholders' interests. We would adopt the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and the Controlling Shareholders:

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

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

(c) the independent non-executive Directors will review, on an annual basis, whether there is any conflict 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 (with basis) on matters reviewed by the independent non-executive Directors either in its annual report or by way of announcements;

(f) 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

(g) we have appointed Somerley Capital Limited as our compliance advisor to provide advice and guidance to us in respect of compliance with 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 between our Group and our Controlling Shareholders, and to protect minority Shareholders' interests after the [**REDACTED**].