OVERVIEW

As of the Latest Practicable Date, our Company was held as to (i) 19.32% by Biggering Holdings, and (ii) 1.03% by Happy Union, which were ultimately controlled by the Wu Family (comprising Ms. CHEN May Fong, Mr. WU Chuan Pin, Mr. WU Chuanlin, Ms. WU Chiao-shan, Ms. DENG Wenlan, Ms. CHU Yu-chieh, and Mr. HU Shao-tang), representing a total of 20.35% of the voting power at general meetings of our Company. Biggering Holdings was directly held as to 100% by the Wu Family. Happy Union was directly held as to 75.82% by Mr. WU Chuan Pin and 24.18% by Ms. Mok Yuet Ngor, Candy, an Independent Third Party. Mr. WU Li-Gann, Ms. CHEN May Fong, Mr. WU Chuan Pin, Mr. WU Chuanlin and Ms. WU Chiao-shan formed an oral acting-in-concert arrangement from the date of incorporation of our Company, and Ms. DENG Wenlan, Ms. CHU Yu-chieh and Mr. HU Shao-tang subsequently became parties to such acting-in-concert arrangement by virtue of their marital relationships with the members of the Wu Family. Such acting-in-concert arrangement shall remain in effect unless and until all members of the Wu Family agree to terminate it, subject to compliance with applicable laws and regulations. Pursuant to such arrangement, all members of the Wu Family have agreed to jointly exercise the voting rights and other shareholders' rights attached to the Shares in our Company held through Biggering Holdings and Happy Union. There is no casting vote mechanism under such arrangement. The acting-in-concert arrangement arose from the close familial relationships among members of the Wu Family and their joint shareholding interests in our Company. Biggering Holdings and Happy Union are both primarily engaged in investment holding. For details, see "History and Corporate Structure — Corporate Structure" in this document.

Immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised and no additional Shares are issued pursuant to our 2024 Share Option Incentive Plan), the Wu Family, through Biggering Holdings and Happy Union, will be entitled to exercise a total of [**REDACTED**]% of the voting power at general meetings of our Company. Upon [**REDACTED**], the Wu Family, Biggering Holdings and Happy Union will together constitute our Single Largest Group of Shareholders.

INTEREST IN COMPETING BUSINESS

Apart from the interests in the Company, our Single Largest Group of Shareholders, individually or collectively, control and invest in companies which principally engage in (i) investment business, (ii) property development and management, and (iii) other businesses, such as sales of packaging materials, corporate consulting, agriculture and trading. The principal businesses of such investments are separate and clearly delineated from the principal businesses of our Group.

Each member of our Single Largest Group of Shareholders confirms that he/she/it had no interest in any business apart from the business of our Group which competes or is likely to compete, either directly or indirectly, with the business of our Group.

NON-COMPETITION UNDERTAKINGS

Each member of the Wu Family (comprising Ms. CHEN May Fong, Mr. WU Chuan Pin, Mr. WU Chuanlin, Ms. WU Chiao-shan, Ms. DENG Wenlan, Ms. CHU Yu-chieh, and Mr. HU Shao-tang) and Biggering Holdings has provided non-competition undertakings in favor of our Company dated March 10, 2009, pursuant to which they have undertaken that, among others:

(i) none of the companies or other organizations controlled by them engage in products or businesses that are the same as or similar to the principal products or businesses currently operated by our Company;

(ii) the companies or other organizations controlled by them shall not, whether within or outside of China, invest in, acquire, or merge with any company or other economic organization whose principal business is the same as or similar to that of our Company;

(iii) if our Company engages in new business areas in the future, the companies or other organizations controlled by them shall not, whether within or outside of China, engage, either through shareholding control or through minority shareholding with substantive control, in business activities that are the same as or similar to our Company's new business areas, including investing in, acquiring, or merging with companies or other economic organizations whose principal business is the same as or similar to that of our Company; and

(iv) the members of the Wu Family undertake not to seek any improper benefits by virtue of their position as the actual controllers of our Company.

INDEPENDENCE FROM OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are capable of carrying on our business independently of our Single Largest Group of Shareholders and their respective close associates upon [**REDACTED**].

Management Independence

Our Board comprises eleven Directors, including five executive Directors, two non-executive Directors and four independent non-executive Directors. Our management and operational decisions are made collectively by our Board and senior management, most of whom have served our Group for a significant period and have substantial and extensive relevant industry experience and expertise as set out in "Directors and Senior Management". Each of Ms. CHEN May Fong and Mr. WU Chuan Pin is a director of Biggering Holdings. Mr. WU Chuan Pin is a director of Happy Union. Biggering Holdings and Happy Union are both investment holding vehicles and their directors are primarily responsible for overseeing the management of their investments in our Company. Save for Ms. CHEN May Fong and Mr. WU Chuan Pin, none of our Directors or members of the senior management holds any directorship or executive position in our Single Largest Group of Shareholders or their close associates.

Our Directors consider that our Board and senior management will function independently of our Single Largest Group of Shareholders for the following reasons:

(i) each Director is aware of his or her fiduciary duties as a Director which require, among other things, that such Director acts for the best interests of our Company and our Shareholders as a whole and does not allow any conflict between his or her duties as a Director and his or her personal interests;

(ii) our Company 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 pursuant to the relevant requirements under our Articles of Association and/or the Listing Rules;

(iii) 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(s) is required to declare the nature of such interest before voting at the relevant Board meetings of our Company in respect of such transactions;

(iv) all of the remaining Directors are independent from our Single Largest Group of Shareholders, and decisions of the Board require the approval of a majority vote from the Board; and

(v) 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 to ensure that the decisions of our Board are made after due consideration of independent and impartial opinions and in the best interests of our Company and our Shareholders as a whole.

Based on the above, our Directors are of the view that our Board and senior management as a whole are capable to perform their roles in our Company independently and manage our business independently of our Single Largest Group of Shareholders and their respective close associates after [**REDACTED**].

Operational Independence

We are not operationally dependent on our Single Largest Group of Shareholders. We have established our own organizational structure, with each department assigned to specific areas of responsibilities which have been in operation and are expected to continue to operate independently of our Single Largest Group of Shareholders and their respective close associates. We have independent access to suppliers and customers. We are also in possession of relevant assets, licenses, trademarks and other intellectual property and research and development facilities necessary to carry on and operate our business, and we have sufficient operational capacity in terms of capital and employees to operate independently.

We have entered into certain transactions with our Single Largest Group of Shareholders, which are set out in the section headed "Connected Transactions" in this document and Note 38 to the Accountant's Report set out in Appendix I to this document. Such transactions were conducted in the ordinary and usual course of business and on normal commercial terms. The transaction amounts involved were not, and are not expected to be, material to our Group or significant to our principal business operations. In addition, our Group is able to obtain similar products and services from Independent Third Parties on comparable commercial terms. Accordingly, our Directors believe that such transactions do not indicate any undue reliance by our Company on the Single Largest Group of Shareholders and are beneficial to our Company and our Shareholders as a whole.

Based on the above, our Directors are satisfied that we will be able to operate independently of our Single Largest Group of Shareholders and their respective close associates after [**REDACTED**].

Financial Independence

We have the ability to operate independently of our Single Largest Group of Shareholders and their respective close associates from a financial perspective. We have an independent financial system and make financial decisions according to our own business needs. We have our independent financial department with a team of independent financial staff responsible for discharging the treasury function, and an audit committee to oversee our accounting and financial reporting processes. We make tax registration and pay tax independently with our own funds. As such, our financial functions, such as cash and accounting management, invoices and bills, operate independently of our Single Largest Group of Shareholders and their respective close associates.

We do not rely on our Single Largest Group of Shareholders or their close associates to provide financial assistance to our Group. We have independent access to third party financing and our Directors believe that, if necessary, we are capable of obtaining financing from external sources without reliance on our Single Largest Group of Shareholders or their respective close associates. As of the Latest Practicable Date, none of our Single Largest Group of Shareholders or their respective close associates had provided any loans, borrowings or guarantees to our Group.

Based on the above, our Directors are satisfied that we will be able to maintain financial independence from our Single Largest Group of Shareholders and their respective close associates after [**REDACTED**].

CORPORATE GOVERNANCE MEASURES

In order to further safeguard the interests of our Shareholders, we will adopt the following corporate governance measures to manage any potential conflicts of interest with our Single Largest Group of Shareholders and their respective close associates:

(i) As part of our preparation for the [**REDACTED**], we have amended our Articles of Association to comply with the Listing Rules which will become effective upon [**REDACTED**]. In particular, our Articles of Association provides that, unless otherwise provided, a Director shall abstain from voting on any resolution approving any contract, transaction or arrangement in which such Director or any of his/her close associates has a material interest, nor shall such Director be counted in the quorum present at the Board meeting;

(ii) a Director with material interests shall make full disclosure in respect of matters that conflict or potentially conflict with our interest and absent himself/herself from the Board meetings on matters in which such Director or any of his/her close associates have a material interest;

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

(iv) We are committed that our Board shall include a balanced composition of executive Directors and non-executive Directors (including independent non-executive Directors). We have appointed four independent non-executive Directors, and we believe our independent non-executive Directors possess sufficient experiences and are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment and will be able to provide an impartial, external opinion to protect the interests of our Shareholders as a whole. For details of our independent non-executive Directors, see "Directors and Senior Management — Directors — Independent Non-Executive Directors" in this document; and

(v) We have appointed Somerley Capital Limited as our compliance advisor, which will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules including various requirements relating to directors' duties and corporate governance.