RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDER

OUR CONTROLLING SHAREHOLDER

As of the Latest Practicable Date, Mr. Lo is interested in and controls an aggregate of 78.2% of the issued share capital in our Company.

Upon completion of the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised, and without taking into account the Shares which may be issued upon the exercise of any options which have been granted under the **[REDACTED]** Share Option Scheme or may be granted under the **[REDACTED]** Share Option Scheme), Mr. Lo will be directly interested in and control an aggregate of **[REDACTED]** of the issued share capital in our Company.

Accordingly, Mr. Lo is our Controlling Shareholder. For the background of Mr. Lo, please refer to the section headed "Directors and Senior Management" in this document.

INTERESTS OF OUR CONTROLLING SHAREHOLDER IN OTHER BUSINESSES

Historically, Mr. Lo, our Controlling Shareholder, established a joint venture company, Urban Pottery, with an independent third party to explore overseas markets outside the United States. Urban Pottery acted as a distributor of our decorative gardening products primarily to Australia, and we supplied our products to Urban Pottery at normal commercial terms and arm's length pricing, determined with reference to prices offered to other independent customers for similar products. On December 15, 2025, Mr. Lo entered into a sale and purchase agreement with the other joint venture partner, an independent third party, pursuant to which Mr. Lo shall transfer his entire equity interest in Urban Pottery to the other joint venture partner. Upon the completion of the transfer on December 18, 2025, Urban Pottery has ceased to be associated with our Controlling Shareholder and our Group.

Following the transfer, we no longer supply products to Urban Pottery as an intermediary. For further details regarding the aforesaid arrangement, please refer to the section headed "Business — Historical Joint-Venture Arrangement" in this document. Our Controlling Shareholder [entered] into a deed of non-competition in favor of our Group that will take effect upon completion of the **[REDACTED]**, pursuant to which he will undertake not to, directly or indirectly, carry on, participate or engage in any business which is in competition with our business.

For further details, please refer to "— Deed of Non-competition" in this section.

Each of our Controlling Shareholder and Directors confirms that he/she, and his/her respective close associates do not have any interest in a business, apart from the business of our Company, which competes or is likely to compete, directly or indirectly, with our businesses, which would require disclosure under Rule 8.10 of the Hong Kong Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDER

Our Directors consider that we are capable of carrying out our business independently from our Controlling Shareholder and his respective close associates after the **[REDACTED]**, taking into account the following factors:

Management Independence

Our Board comprises three (3) executive Directors, and three (3) independent non-executive Directors. Although Mr. Lo is an executive Director and the Controlling Shareholder, our management and operational decisions are made by our Board and senior management, all of whom have substantial experience in the industry in which we are engaged and/or in their respective fields of expertise. Also, Mr. Lo has a track record of devoting sufficient time and energy to discharge his duties as our Director and senior management and he will continue to focus on our Group's business. When performing his duties as Director, he has been and will continue to be supported by the separate and senior management team of our Group. The balance of power and authority is ensured by the operation of the senior management and our Board. Please refer to the section headed "Directors and Senior Management" in this document for further details.

We consider that our Board and senior management will function independently from our Controlling Shareholder because of the following reasons:

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

(b) Three (3) out of our six (6) Directors are independent non-executive Directors who have extensive experience in different professions. They have been appointed pursuant to the requirements under the Listing Rules, and exceeds the requirements thereunder, to ensure that the decisions of the Board are made only after due consideration of independent and impartial opinions. We believe our independent non-executive Directors will bring independent judgment to the decision-making process of our Board;

(c) 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 required to declare the nature of such interest before voting at the relevant Board meetings 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, please refer to the section headed "Appendix IV — Summary of the Constitution of Our Company and the Company Laws of the Cayman Islands" in this document;

(d) our daily management and operations are carried out by a senior management team. Except Mr. Lo, our senior management team members are independent from the Controlling Shareholder, 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 interest of our Group; and

(e) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Controlling Shareholder which would support our independent management. Please refer to the paragraph headed "— Corporate Governance" in this section.

Operational Independence

We do not rely on our Controlling Shareholder and his close associates for our business development, staffing, logistics, administration, finance, internal audit, information technology, sales and marketing, or our company secretarial functions. We have our own departments specializing in these respective areas which have been in operation and are expected to continue to operate separately and independently from the Controlling Shareholder and his close associates. In addition, we have our own headcount of employees for our operations and management for human resources.

None of the historical related party transactions with connected persons as defined in the Listing Rules are expected to continue after the **[REDACTED]**.

Based on the foregoing, our Directors believe that we are able to operate independently of our Controlling Shareholder and his close associates.

Financial Independence

Our Group has established an independent finance department with its own internal control, accounting, funding, reporting and financial systems and a team of independent financial staff, as well as a sound and independent financial system and makes financial decisions according to our Group's own business needs. Our Group has adequate capital to operate our business independently, and has sufficient internal resources to support our daily operations.

During the Track Record Period, our Group had certain non-trade related amounts due from our Controlling Shareholder or a company controlled by him, as disclosed in Note 22 of the Accountants' Report set out in Appendix I to this document, all of which will be fully settled prior to the **[REDACTED]**.

During the Track Record Period, our Group had bank borrowings which were guaranteed by our Controlling Shareholder, as disclosed in Note 25 to the Accountants' Report set out in Appendix I to this document, which will be released prior to the **[REDACTED]**.

Our Group has sufficient capital to operate its business independently, and has adequate internal resources and a strong credit profile to support its daily operations. There will be no financial assistance, security and/or guarantee provided by the Controlling Shareholder or his close associates in favor of our Group or vice versa upon the **[REDACTED]**. We engaged an independent internal control consultant to assist us in putting in place controls in relation to transactions with connected persons and their associates to ensure that any advances to or from such persons are in compliance with the Listing Rules.

Having considered that our future operations are not expected to be financed by the Controlling Shareholder or his close associates, our Directors are of the view that our Group is financially independent from the Controlling Shareholder and his close associates.

DEED OF NON-COMPETITION

Our Controlling Shareholder [has undertaken] to us in the Deed of Non-competition that he will not, and will procure his close associates (other than members of our Group) not to directly or indirectly participate, acquire or hold any right or interest in or otherwise be involved in or undertake any business that directly or indirectly competes, or may compete, with our business (the "**Restricted Activity**"), or hold shares or interest in any companies or business that compete or may compete directly or indirectly with the business engaged by our Group from time to time except where our Controlling Shareholder and their close associates hold less than 10% of the total issued share capital of any company which is engaged in any business that is or may be in competition with any business engaged by any member of our Group and he does not possess the right to control the board of directors of such company.

Our Controlling Shareholder has also undertaken to us in the Deed of Non-competition that if he or his close associates (other than members of our Group) become aware of and wishes to undertake any business opportunity to own, invest in, participate in, develop, operate or engage in any Restricted Activity (the "**Business Opportunity**"), he shall, and shall procure his close associates (other than members of our Group) to first refer the Business Opportunity to our Company in writing. Any decision on whether to take up the Business Opportunity shall be decided by our Independent Non-executive Directors. Our Controlling Shareholder or any of his close associates (other than members of our Group) may only take up the Business Opportunity after our Company has issued a written confirmation signed by the Independent Non-executive Directors confirming that our Company has decided not to take up the Business Opportunity or our Company fails to respond within twenty (20) business days.

Pursuant to the Deed of Non-competition, the above restrictions and undertakings will cease to have effect on the earlier of the date on which (i) our Controlling Shareholder ceases to be our Controlling Shareholder under the Listing Rules; or (ii) our Shares cease to be listed on the Stock Exchange.

CORPORATE GOVERNANCE

Our Company will comply with the provisions of the Corporate Governance Code as set out in Appendix C1 of the Listing Rules (the "**Corporate Governance Code**"), which sets out principles of good corporate governance.

We have put in place sufficient corporate governance measures to manage the conflict of interest and potential competition from our Controlling Shareholder and safeguard the interest of our Shareholders, including:

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

(b) our Company has established internal control mechanism to identify connected transactions. After the **[REDACTED]**, our Company will comply with the requirements in connection with connected transactions under the Listing Rules;

(c) where our Directors reasonably request the advice of independent professionals, such as independent financial advisors, the appointment of such independent professional will be made at our Company's expense;

(d) we have appointed Mango Financial Limited as our Compliance Advisor 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;

(e) we have established the audit committee, remuneration and appraisal committee and nomination committee with written terms of reference in compliance with the Listing Rules and the Corporate Governance Code;

(f) our Controlling Shareholder will confirm the status of their non-competing interest on an annual basis and to provide all information necessary, including all relevant financial, operational and market information and any other necessary information as required by our Company; and

(g) our Company will disclose decisions (with basis), if any, on matters reviewed by the independent non-executive Directors either in its annual report or by way of announcements.

Our Directors consider that the above corporate governance measures are sufficient to manage any potential conflict of interests between the Controlling Shareholder and his respective close associates and our Group and to protect the interests of our Shareholders, in particular, the minority Shareholders.