
RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

CONTROLLING SHAREHOLDERS

Immediately after completion of the [REDACTED] and the [REDACTED] (without taking into account any Shares which may be allotted and issued by our Company pursuant to the exercise of the [REDACTED] and the exercise of any options which may be granted under the Share Option Scheme), [REDACTED] and [REDACTED] of the issued share capital of our Company will be owned by Sino Success (which is wholly-owned by Mr. Tong) and Busy Trade (which is owned as to 70.2% by Mr. Tang, 5.0% by Ms. Tang, 12.4% by Mr. CL Tang, and 12.4% by Mr. CM Tang, respectively). In view of the above, Sino Success, Mr. Tong, Busy Trade, Mr. Tang, Ms. Tang, Mr. CL Tang and Mr. CM Tang are a group of controlling shareholders of our Company under the GEM Listing Rules.

Save as disclosed above, there is no other person who will, immediately following completion of the [REDACTED] and the [REDACTED] (without taking into account any Shares which may be allotted and issued by our Company pursuant to the exercise of the [REDACTED] and the exercise of any options which may be granted under the Share Option Scheme), be entitled to exercise or control the exercise of 30% or more of the voting power at the general meetings of our Company.

On 25 March 2022, Mr. Tong and Busy Trade have entered into the Acting in Concert Confirmation to acknowledge and confirm, among others, that they are parties acting in concert in respect of UBoT Inc. (HK) during the Track Record Period up to and including the date of the Acting in Concert Confirmation. Pursuant to the Acting in Concert Confirmation, they further acknowledged, confirmed and agreed that for so long as (i) Busy Trade remains interested (either directly or indirectly) in the share capital of UBoT Inc. (HK); and (ii) Mr. Tong remains interested (either directly or indirectly) in the share capital of UBoT Inc. (HK) and/or the key management member of UBoT Inc. (HK), they shall continue to act in concert in respect of UBoT Inc. (HK).

To translate the Agreed Arrangements in UBoT Inc. (HK) into the control of our Company after the Reorganisation, on 15 September 2023, each of Mr. Tong, Sino Success, Busy Trade, Mr. Tang, Ms. Tang, Mr. CL Tang and Mr. CM Tang entered into the Listco Concert Deed in respect of the exercise of their respective powers as shareholders of our Company and to consolidate their control over our Group. The Listco Concert Deed contains similar terms relating to the Agreed Arrangements and the parties' understanding, agreement and arrangement to act in concert for the material operational, management and financial matters of our Group for so long as they remain (directly or indirectly) as the Controlling Shareholders.

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INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Our Directors are satisfied that our Group is capable of operating independently of our Controlling Shareholders and their respective close associates after the [REDACTED] on the basis of the following:

Management Independence

The day-to-day management and operation of the business of our Group will be the responsibility of all of our executive Directors and senior management personnels of our Company. The Board has nine Directors comprising four executive Directors, two non-executive Directors and three independent non-executive Directors. Mr. Tong, being our executive Director, chief executive officer and chairman of our Board, is also one of the ultimate Controlling Shareholders. Save for Mr. Tong, none of the other Directors nor other members of our senior management is a Controlling Shareholder.

We consider that the Board and senior management will function independently from our Controlling Shareholders because:

- (a) each of our Directors is aware of his/her fiduciary duties as a Director which require, among other things, that he/she acts for the benefit and in the best interests of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interest;
- (b) 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 close associates, unless otherwise permitted by the Articles of Association, the interested Director(s) will abstain from voting at the relevant board meeting of our Company in respect of such transaction and will not be counted in the quorum of the relevant meetings of the Board; and
- (c) all independent non-executive Directors, namely Mr. Chan Oi Fat, Ms. Ma Jay Suk Lin and Mr. Wong Lok Man, are sufficiently experienced and capable of monitoring the operations of our Group independently of our Controlling Shareholders.

Operational Independence

Our Group has established our own organisational structure made up of individual departments, each with specific area of responsibilities for daily operation of our Group. Our Group has not shared any operational resources, such as office premises, sales and marketing and general administration resources with our Controlling Shareholders and their associates. Our Group has also established a set of internal controls to facilitate the effective operation of our business.

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During the Track Record Period and up to the Latest Practicable Date, our Group has entered into certain related parties transactions/connected transactions with the associate of our Controlling Shareholder, Tang's Family, and such transactions will continue upon [REDACTED]. For details of the related parties transactions and continuing connected transactions, please refer to the paragraph headed "Financial Information – Related Party Transactions" and the section headed "Connected Transactions" in this document, respectively. Save for the lease of premises from the associate of Tang's Family, being our Controlling Shareholder, for our production facility (the further details of which are set out in the section headed "Connected Transactions"), our suppliers and customers are all independent from our Controlling Shareholders. Given that the tenancy agreements with the associate of our Controlling Shareholders were entered into after arm's length negotiation and on normal commercial terms and the rent payable by our Group under the tenancy agreements are with reference to the prevailing market rent, our Group will be able to find suitable property for our production facility if the tenancy agreements are terminated. We do not rely on our Controlling Shareholders or their associates and we have our independent access to our suppliers and our clients for the provision of services as well as an independent management team to handle our day-to-day operations.

Our Directors consider that our Group does not rely on our Controlling Shareholders or their associates, and can operate independently from our Controlling Shareholders and their respective close associates.

Financial Independence

Our Group has its own financial management system, internal control and accounting system, accounting and finance department, independent treasury function for cash receipts and payments, and the ability to operate independently from our Controlling Shareholders from a financial perspective.

During the Track Record Period, our Group had obtained borrowings secured by personal guarantees from and legal charge over property owned by our Controlling Shareholders and their respective associates. All the personal guarantee of bank loans and legal charge over property as security will be released on or before [REDACTED] and are to be replaced by the corporate guarantee given by our Company after [REDACTED].

Save as disclosed in this section and the section headed "Financial Information – Indebtedness – Bank Borrowings", our Directors confirm that as at the Latest Practicable Date, our Controlling Shareholders have not provided any other guarantee or loan to our Group, nor has any other party provided any guarantee in favour of our Group.

In view of our Group's internal resources and the estimated net proceeds from the [REDACTED], our Directors believe that our Group has sufficient capital for its financial needs without dependence on our Controlling Shareholders. Our Directors also believe that, upon [REDACTED], our Group is capable of obtaining financing from external sources independently without the need of any guarantee or security provided by our Controlling

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Shareholders and their respective close associates after the [REDACTED]. Accordingly, our Directors believe that our Group is able to maintain financial independence from our Controlling Shareholders and their respective close associates upon [REDACTED].

OTHER BUSINESSES OF OUR CONTROLLING SHAREHOLDERS

Apart from our Group, as at the Latest Practicable Date, none of our Controlling Shareholders and their respective close associates were conducting any businesses or holding controlling interest directly or indirectly in companies which are engaged in businesses in competition or is likely to be in competition with the businesses of our Group directly or indirectly, and would require disclosure pursuant to Rule 11.04 of the GEM Listing Rules.

In addition, each of our Controlling Shareholders has given certain non-competition undertakings in favour of our Group. Please see “Deed of Non-Competition” of this section for details.

DEED OF NON-COMPETITION

Each of our Controlling Shareholders and executive Directors (each a “**Covenantor**” and collectively, the “**Covenantors**”) shall have entered into the Deed of Non-competition in favour of our Company (for ourselves and as trustee for and on behalf of our subsidiaries) prior to the [REDACTED], under which each of the Covenantors has irrevocably and unconditionally, jointly and severally, warranted and undertaken to our Company (for ourselves and as trustee for and on behalf of our subsidiaries) that:

- (a) each of the Covenantors shall not, and shall procure each of his/her/its close associates and/or companies controlled by him/her/it, whether on his/her/its own account or in conjunction with or on behalf of any person, firm or company and whether directly or indirectly, not to, carry on a business which is, or be interested or involved or engaged in or acquire or hold any rights or interest or otherwise involved in (in each case whether as a shareholder, partner, agent or otherwise and whether for profit, reward or otherwise) any business which is similar to or competes or is likely to compete directly or indirectly with the business currently and from time to time engaged by our Group (including but not limited to back-end semiconductor transport media design, development, manufacture and sales of tray and tray related products and carrier tape as well as provision of MEMS and sensor packaging solutions, and businesses ancillary to any of the foregoing), in Hong Kong and any other country or jurisdiction to which our Group markets, supplies or otherwise provides such services and/or in which any member of our Group carries on business mentioned above from time to time (the “**Restricted Business**”). Each of the Covenantors has represented and warranted to our Group that neither he/she/it nor any of his/her/its close associates is currently interested, involved or engaging, directly or indirectly, in (whether as a shareholder, partner, agent or otherwise and whether for profit, reward or otherwise) the Restricted Business otherwise than through our Group;

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- (b) if any of the Covenantors and/or any of his/her/its close associates is offered or becomes aware of any project or new business opportunity ("**New Business Opportunity**") that relates to the Restricted Business, whether directly or indirectly, he/she/it shall: (i) promptly, in any event not later than seven days, notify our Company in writing of such opportunity and provide such information as is reasonably required by our Company in order to enable our Company to make an informed assessment of such New Business Opportunity; and (ii) use his/her/its best endeavours to procure that such New Business Opportunity is offered to our Company on terms no less favourable than the terms on which such New Business Opportunity is offered to him/her/it and/or his/her/its close associates; and
- (c) if our Group has not given written notice of our desire to invest in such New Business Opportunity or has given written notice denying the New Business Opportunity within 30 Business Days (the "**30-day Offering Period**") of receipt of notice from the Covenantor(s), the Covenantor(s) and/or his/her/its close associates shall be permitted to invest in or participate in the New Business Opportunity on his/her/its own accord. The Covenantors also agree to extend the 30 Business Days to a maximum of 60 Business Days if our Company requires so by giving a written notice to the Covenantors within the 30-day Offering Period.

In addition, upon the [REDACTED], each of the Covenantors has also undertaken:

- (i) in favour of our Company to provide our Company and our Directors from time to time (including our independent non-executive Directors) with all information necessary, including but not limited to monthly turnover records and any other relevant documents considered necessary by our independent non-executive Directors, for the annual review by our independent non-executive Directors with regard to compliance of the terms of the Deed of Non-competition and the enforcement of the non-competition undertakings in the Deed of Non-competition;
- (ii) to provide to our Company, (if necessary) after the end of each financial year of our Company, a declaration made by each of the Covenantors which shall state whether or not the Covenantors have during that financial year complied with the terms of the Deed of Non-competition, and if not, particulars of any non-compliance, which declaration (or any part thereof) may be reproduced, incorporated, extracted and/or referred to in the annual report of our Company for the relevant financial year, such annual declaration shall be consistent with the principles of making voluntary disclosures in the corporate governance report; and
- (iii) to our Group to allow our Directors (including our independent non-executive Directors), their respective representatives and the auditors to have sufficient access to the records of the Covenantors and his/her/its close associates to ensure their compliance with the terms and conditions under the Deed of Non-competition.

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Further, each of the Covenantors has undertaken that during the period in which he remains as a Director and the 12 months immediately following the date on which he ceases to be a Director, and during the period in which he/she/it and/or his/her/its close associates, individually or taken as a whole, remains as a Controlling Shareholder:

- (i) he/she/it will not invest or participate in any project or business opportunity that competes or may compete, directly or indirectly, with the business activities engaged by our Group from time to time unless pursuant to the provisions stipulated in the Deed of Non-competition;
- (ii) he/she/it will not solicit any existing or then existing employee of our Group for employment by him/her/it or his/her/its close associates (excluding our Group);
- (iii) he/she/it will not without the consent from our Company, make use of any information pertaining to the business of our Group which may have come to his/her/its knowledge in his/her/its capacity as our Controlling Shareholder for any purposes; and
- (iv) he/she/it will procure his/her/its close associates (excluding our Group) not to invest or participate in any project or business opportunity mentioned above unless pursuant to the provisions stipulated in the Deed of Non-competition.

The above undertakings are subject to the exception that any of the Covenantors and their respective close associates (excluding our Group) are entitled to invest, participate and be engaged in any Restricted Business or any project or business opportunity, regardless of value, which has been offered or made available to our Group, provided also that information about the principal terms thereof has been disclosed to our Company and our Directors, and our Company shall have, after review and approval by our Directors (including our independent non-executive Directors without the attendance by any Director with beneficial interest in such project or business opportunity, in which resolutions have been duly passed by the majority of our independent non-executive Directors), confirmed our rejection to be involved or engaged, or to participate, in the relevant Restricted Business and provided also that the principal terms on which that the Covenantor and/or his/her/its close associates invest, participate or engage in the Restricted Business are substantially the same as or not more favourable than those disclosed to our Company. Subject to the above, if the Covenantors and/or their respective close associates decide to be involved, engaged, or participate in the relevant Restricted Business, whether directly or indirectly, the terms of such involvement, engagement or participation must be disclosed to our Company and our Directors as soon as practicable.

Without prejudice to the above, the undertakings do not apply to (a) any interests in the shares of any members of our Group; or (b) interests in the shares or other securities in any company which has an involvement in the Restricted Business, provided that such shares or securities are listed on a recognised stock exchange, and the total number of the shares held by the Covenantors and/or their respective close associates (excluding our Group) in aggregate does not exceed 10% of the issued shares of that class of the company in question and the relevant Covenantor and/or his/her/its respective close associates (excluding our Group) are not entitled to appoint a majority of the directors of that company and at any time there should exist at least

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another shareholder of that company whose shareholdings in that company should be more than the total number of shares held by the Covenantors and their respective close associates in aggregate.

The non-competition undertaking will take effect from the [REDACTED] and will cease to have any effect upon the earlier of the date on which (i) the Shares cease to be listed and traded on GEM or other recognised stock exchange; or (ii) the later of (1) the date falling on the last day of the 12 months immediately following the date on which the Covenantor ceases to be a Director, or (2) the Covenantors and his/her/its close associates, individually or taken as a whole, cease to own, in aggregate, 30% or more of the then total number of Shares in issue directly or indirectly or cease to be deemed as our Controlling Shareholder and do not have power to control the Board or there is at least one other independent shareholder other than the Covenantors and/or his/her/its respective close associates holding more Shares than the Covenantors and his/her/its respective close associates taken together.

CORPORATE GOVERNANCE MEASURES

In order to strengthen the corporate governance and to effectively monitor the observance under the Deed of Non-competition in respect of the potential conflict of interests between our Group and the Covenantors, upon the [REDACTED]:

- (1) our independent non-executive Directors will review, on an annual basis, compliance with the Deed of Non-competition given by our Controlling Shareholders;
- (2) our Company will disclose the compliance of such non-competition undertaking by each of our Controlling Shareholders and the details and basis of the decisions on the matters reviewed by our independent non-executive Directors in relation to the compliance and enforcement of arrangement of the Deed of Non-competition (including the New Business Opportunity) in the annual reports or by way of announcements;
- (3) our Controlling Shareholders have undertaken to us that they will provide (i) an annual written confirmation in respect of their compliance with the terms of the Deed of Non-competition, (ii) consent (from each of our Controlling Shareholders) to refer to the said confirmation in our annual reports, and (iii) all information as may reasonably be requested by us and/or our independent non-executive Directors for our review and enforcement of the Deed of Non-competition;
- (4) our independent non-executive Directors will be responsible for deciding, in the absence of any executive Director (except as invited by our independent non-executive Directors to assist them or provide any relevant information, but in no circumstances shall our executive Director(s), who participate in such meeting, be counted towards the quorum or allowed to vote in such meeting), whether or not to take up, or whether or not to allow any Covenantor(s) or his/her/its close associate(s) to participate in, a New Business Opportunity referred to us under the terms of the Deed of Non-competition from time to time and if so, any conditions to be imposed;

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- (5) our Board will ensure reporting any event relating to potential conflict of interests to our independent non-executive Directors as soon as practicable when it realises or suspects any event relating to potential conflict of interests may occur during the daily operations;
- (6) following the reporting of any event relating to potential conflict of interests, the Board will hold a management meeting to review and evaluate the implications and risk exposures of such event and the compliance of the GEM Listing Rules in order to monitor any irregular business activities and alert the Board, including our independent non-executive Directors, to take any precautionous actions;
- (7) in the event that there is any potential conflict of interest relating to the business of our Group between our Group and our Controlling Shareholders, the interested Directors, or as the case may be, our Controlling Shareholders would, according to the Articles of Association or the GEM Listing Rules, be required to declare his/her/its interests and, where required, abstain from voting in the relevant board meeting and/or general meeting on the transaction and not count as quorum where required;
- (8) our independent non-executive Directors may appoint independent financial advisers and other professional advisers as they consider appropriate to advise them on any matter relating to the non-competition undertaking or connected transaction(s) at the cost of our Company; and
- (9) our Company has appointed Yue Xiu Capital Limited as the compliance adviser which shall provide our Company with professional advice and guidance in respect of compliance with the GEM Listing Rules and applicable laws.

Further, any transaction that is proposed between our Group and our Controlling Shareholders and their respective close associates will be required to comply with the requirements of the GEM Listing Rules, including, where appropriate, the reporting, annual review, announcement and independent shareholders' approval requirements.

None of the members of our Group has experienced any dispute with its shareholders or among the shareholders themselves and our Directors believe that each member of our Group has maintained positive relationship with its shareholders. With the corporate governance measures including the measures set out above, our Directors believe that the interest of the Shareholders will be protected.