BUSINESS HISTORY

We are an established subcontractor specialising in curtain wall works based in Guangdong Province, the PRC, with over 31 years of operating history. Our curtain wall works involve the design, processing, assembling and installation of customised curtain walls for construction projects in the PRC.

Our history can be traced back to 1994, when Shenzhen Yueyuan, our principal operating subsidiary, was established by Zhuhai Huiyin Investment Co., Ltd.* (珠海市匯銀投資有限公司) ("**Zhuhai Huiyin**") and Development Design Co ("**Development Design**") in Shenzhen, the PRC. Zhuhai Huiyin was held by Mr. RQ Liu and Mr. Liu Zhuming (劉柱明) (an acquaintance of Mr. RQ Liu and an independent third party), as to approximately 68.89% and 31.11%, respectively, at the material time, whilst Development Design and its ultimate beneficial owner were independent third parties. In 1997 and 2000, Shenzhen Yueyuan was approved by Shenzhen Construction Bureau (深圳市建設局) to engage in design and construction of curtain wall engineering and decoration and renovation engineering, respectively. Shenzhen Yueyuan expanded its business by establishing Yueyuan Aluminum and Yueyuan Curtain Wall in November 2013 and August 2017, respectively.

We have established good relationships with both our suppliers and customers. In order to meet different requirements of our customers, we have committed to making, and have made significant investments in the research and development of technologies in relation to curtain walls, such as the incorporation of photovoltaic features and the application of nano self-cleaning coating technique. For further details, please refer to the section headed "Business — Research and Development" in this document. As at the Latest Practicable Date, our Group had a total of 63 registered patents, 23 registered software copyrights and two registered trademarks.

Under the leadership of Mr. RQ Liu (a non-executive Director and the chairman of our Board) and Mr. CQ Liu (an executive Director and the chief executive officer of our Company), and the management under Mr. WJ Liu (an executive Director), Mr. Wang Yanjun (the engineering director of our Group) and Ms. Lu Suping (the financial director of our Group), we are well-positioned to capture the market growth and overcome the market competition. For details of the industry experience and knowledge of each of Mr. RQ Liu, Mr. CQ Liu, Mr. WJ Liu, Mr. Wang Yanjun and Ms. Lu Suping, please refer to the section headed "Directors and Senior Management" in this document.

BUSINESS MILESTONE

The following table illustrates the key milestones of the development of our Group:

1994	Shenzhen Yueyuan was established.
1997	Shenzhen Yueyuan was approved by Shenzhen Construction Bureau* (深圳市建設局) to engage in design and construction of curtain wall projects.
2000	Shenzhen Yueyuan was approved by Shenzhen Construction Bureau* (深圳市建設局) to engage in decoration and renovation projects.
2010	Shenzhen Yueyuan was first awarded the Engineering Design Qualification Certificate (工程設計資質證書) for Building Architectural Curtain Wall Engineering Design (Grade A) (建築幕牆工程設計專項甲級) and Light Steel Structure Engineering Design (Grade B) (輕型鋼結構工程設計專項乙級) by the Department of Housing and Urban Rural Development of Guangdong Province* (廣東省住房和城鄉建設廳).

2013 Yueyuan Aluminum was established by Shenzhen Yueyuan.

2015 Shenzhen Yueyuan was awarded the China Construction Engineering Luban Prize (National Quality Project) (中國建設工程魯班獎(國家優質工程)) through its participation in the construction (curtain wall) of Shuntian International Financial Center (順天國際金融中心).

2016 Shenzhen Yueyuan was first recognised as a High and New Technology Enterprise (高新技術企業) by Shenzhen Science and Technology Innovation Commission (深圳市科技創新委員會), Shenzhen Finance Commission* (深圳市財政委員會), Shenzhen Municipal Office, SAT* (深圳市國家稅務局) and Shenzhen Local Taxation Bureau* (深圳市地方稅務局).

Shenzhen Yueyuan was first awarded the Construction Industry Qualification Certificate (建築業企業資質證書) for Professional Contracting for Steel Structure Engineering (Grade II) (鋼結構工程專業承包二級) by the Housing and Construction Bureau of Shenzhen* (深圳市住房和建設局).

Shenzhen Yueyuan was first awarded the Construction Industry Qualification Certificate (建築業企業資質證書) for Professional Contracting for Architectural Curtain Wall Engineering (Grade I) (建築幕牆工程專業承包一級) and Professional Contracting for Building Renovation and Decoration Engineering (Grade I) (建築裝修裝飾工程專業承包一級) by the Department of Housing and Urban Rural Development of Guangdong Province* (廣東省住房和城鄉建設廳).

Shenzhen Yueyuan was first awarded the Engineering Design Qualification Certificate (工程設計資質證書) for Building Decoration Engineering Design (Grade A) (建築裝飾工程設計專項甲級) by the Department of Housing and Urban Rural Development of Guangdong Province* (廣東省住房和城鄉建設廳).

Mr. WJ Liu joined our Group.

2017 Yueyuan Curtain Wall was established by Shenzhen Yueyuan.

2019 Shenzhen Yueyuan was awarded the title of Top 100 Curtain Wall Enterprises of 2018 (2018年度幕牆百強企業) by the China Building Decoration Association (中國建築裝飾協會).

2020 Shenzhen Yueyuan was awarded the China Construction Engineering Decoration Award (中國建築工程裝飾獎) through its participation in the construction (curtain wall) of Chongzuo Sports Center (崇左市體育中心).

2021 Shenzhen Yueyuan was awarded GB/T24001-2016/ISO 14001:2015 Environmental Management System Certificate (環境管理體系認證證書) issued by Shenzhen Universal Certification Centre Co., Ltd. (深圳市環通認證中心有限公司).

Shenzhen Yueyuan was awarded GB/T45001-2020/ISO 45001:2018 Occupational Health and Safety Management System Certificate (職業健康安全管理體系認證證書) issued by Shenzhen Universal Certification Centre Co., Ltd. (深圳市環通認證中心有限公司).

Shenzhen Yueyuan was awarded GB/T19001-2016/ISO 9001:2015 Quality Management System Certificate (質量管理體系認證證書) issued by Shenzhen Universal Certification Centre Co., Ltd. (深圳市環通認證中心有限公司).

CORPORATE STRUCTURE

Our Company has a number of subsidiaries established in the PRC and incorporated in the BVI and Hong Kong. Set out below is the brief corporate history of our Company and the major subsidiaries of our Group.

Our Company

Our Company was incorporated in the Cayman Islands under the Companies Act as an exempted company with limited liability on 28 August 2024 with an authorised share capital of HK$380,000 divided into 38,000,000 Shares of HK$0.01 each, with one fully-paid subscriber Share being allotted and issued to the initial subscriber, an independent third party. On 28 August 2024, the initial subscriber transferred the one Share to Diamond Soars at par, and 529,199 and 460,800 Shares were allotted and issued to Diamond Soars and Reliable Profit at par value, respectively. After the aforesaid allotment of Shares, the issued share capital of our Company was wholly-owned by Diamond Soars and Reliable Profit, as to approximately 53.45% and 46.55%, respectively.

On 11 October 2024, as part of the Reorganisation and the **[REDACTED]**, 10,000 Shares were allotted and issued to Perfect Peach as the consideration for the acquisition of the entire issued share capital of Strength Corporation from Perfect Peach at the direction of Diamond Soars and Reliable Profit. Upon completion of the allotment, our Company was held by Diamond Soars, Reliable Profit and Perfect Peach, as to 52.92%, 46.08% and 1%, respectively.

Our Group completed the Reorganisation on 16 October 2024 in preparation for the **[REDACTED]**, pursuant to which our Company became the ultimate investment holding company of our Group. Details of the Reorganisation are set out below in the paragraph headed "Corporate Reorganisation" in this section.

Our Company is the investment holding company of its subsidiaries.

Shenzhen Yueyuan

Shenzhen Yueyuan (formerly known as Shenzhen Yueyuan Compound Material & Decoration Co., Ltd.* (深圳粵源複合材料裝飾有限公司), Shenzhen Yueyuan Decoration Engineering Co. Ltd.* (深圳粵源裝飾工程有限公司) and Shenzhen Yueyuan Construction Incorporation* (深圳粵源建設股份有限公司) was established as a Sino-foreign joint venture limited liability company in the PRC on 25 October 1994 with an initial registered capital of RMB1.6 million, which was fully paid by Zhuhai Huiyin and Development Design, as to 60% and 40%, respectively.

On 12 April 1996, Development Design and Hua Li Company Pty. Limited (澳大利亞華利私人實業公司) ("**Hua Li**") entered into an equity transfer agreement, pursuant to which Development Design agreed to transfer and Hua Li agreed to acquire 40% of the equity interests in Shenzhen Yueyuan at a consideration of RMB574,689.82, with reference to the then registered capital of Shenzhen Yueyuan paid by Development Design. Hua Li and its ultimate beneficial owner were independent third parties. On 24 October 1996, the registered capital of Shenzhen Yueyuan was increased from RMB1.6 million to RMB11.6 million, with the increase of capital of RMB6.0 million and RMB4.0 million contributed and fully paid by Zhuhai Huiyin and Hua Li, respectively. Upon completion of the increase of registered capital, Shenzhen Yueyuan was held by Zhuhai Huiyin and Hua Li, as to 60% and 40%, respectively.

On 28 August 2004, Hua Li and Mr. CQ Liu entered into an equity transfer agreement, pursuant to which Hua Li agreed to transfer and Mr. CQ Liu agreed to acquire 40% equity interests in Shenzhen Yueyuan at a consideration of RMB1. The consideration was determined upon arm's length negotiations between the parties with reference to, among other things, the operating conditions of Shenzhen Yueyuan at that time. Upon completion of the said equity transfer, Shenzhen Yueyuan was held by Zhuhai Huiyin and Mr. CQ Liu, as to 60% and 40%, respectively.

On 3 August 2007, the registered capital of Shenzhen Yueyuan was increased from RMB11.6 million to RMB16.9 million, with the increase of capital of RMB5.3 million contributed and fully paid by Mr. CQ Liu. Upon completion of the increase of registered capital, Shenzhen Yueyuan was held by Zhuhai Huiyin and Mr. CQ Liu, as to approximately 41.18% and 58.82%, respectively.

On 21 July 2009, the registered capital of Shenzhen Yueyuan was increased from RMB16.9 million to RMB30.0 million, with the increase of capital of RMB13.1 million contributed and fully paid by Mr. CQ Liu. Upon completion of the increase of registered capital, Shenzhen Yueyuan was held by Zhuhai Huiyin and Mr. CQ Liu, as to 23.2% and 76.8%, respectively.

On 7 July 2011, the registered capital of Shenzhen Yueyuan was increased from RMB30.0 million to RMB50.0 million, with the increase of capital of RMB20.0 million contributed and fully paid by Mr. RQ Liu. Upon completion of the increase of registered capital, Shenzhen Yueyuan was held by Zhuhai Huiyin, Mr. CQ Liu and Mr. RQ Liu, as to 13.92%, 46.08% and 40%, respectively.

On 2 December 2011, Zhuhai Huiyin and Mr. RQ Liu entered into an equity transfer agreement, pursuant to which Zhuhai Huiyin agreed to transfer and Mr. RQ Liu agreed to acquire 13.92% of the equity interests in Shenzhen Yueyuan at a consideration of RMB1. Since Zhuhai Huiyin was controlled by Mr. RQ Liu, the parties proceeded with the transfer at a nominal consideration. Upon completion of the equity transfer, Shenzhen Yueyuan was directly held by Mr. RQ Liu and Mr. CQ Liu, as to 53.92% and 46.08%, respectively.

In March 2012, Shenzhen Yueyuan was converted into a non-listing stock company as Shenzhen Yueyuan Construction Incorporation* (深圳粵源建設股份有限公司). In May 2017, Shenzhen Yueyuan was converted back from a non-listing stock company to a limited liability company, and its name was changed from "Shenzhen Yueyuan Construction Incorporation* (深圳粵源建設股份有限公司)" to "Shenzhen Yueyuan Construction Co. Ltd.* (深圳粵源建設有限責任公司)".

On 15 May 2019, the registered capital of Shenzhen Yueyuan was increased from RMB50.0 million to RMB100.0 million, with the increase of capital of approximately RMB27.0 million and RMB23.0 million contributed and fully paid by Mr. RQ Liu and Mr. CQ Liu, respectively. Upon completion of the increase of registered capital, Shenzhen Yueyuan continued to be held by Mr. RQ Liu and Mr. CQ Liu, as to 53.92% and 46.08%, respectively.

On 19 October 2020, the registered capital of Shenzhen Yueyuan was increased from RMB100.0 million to RMB150.0 million, with the increase of capital of approximately RMB27.0 million and RMB23.0 million contributed and fully paid by Mr. RQ Liu and Mr. CQ Liu, respectively. Upon completion of the increase of registered capital, Shenzhen Yueyuan continued to be held by Mr. RQ Liu and Mr. CQ Liu, as to 53.92% and 46.08%, respectively.

On 3 June 2024, as part of the Reorganisation, Shenzhen Yueyuan, Mr. RQ Liu and Mr. CQ Liu entered into a capital reduction agreement, pursuant to which the registered capital of Shenzhen Yueyuan was reduced from RMB150.0 million to RMB5.0 million, with the reduced capital of RMB145.0 million credited to the capital reserve of Shenzhen Yueyuan. The capital reduction was registered in Shenzhen AMR on 23 July 2024. Upon completion of the reduction of registered capital, Shenzhen Yueyuan continued to be held by Mr. RQ Liu and Mr. CQ Liu, as to 53.92% and 46.08%, respectively.

On 13 August 2024, as part of the Reorganisation, Shenglong Holdings, Shenzhen Yueyuan, Mr. RQ Liu and Mr. CQ Liu entered into a capital increase agreement, pursuant to which the registered capital of Shenzhen Yueyuan was increased from RMB5.0 million to RMB100.0 million, with the increased registered capital of RMB95.0 million subscribed by Shenglong Holdings. The capital increment was registered in Shenzhen AMR on 20 August 2024. Upon completion of the increase of registered capital, Shenzhen Yueyuan was held by Shenglong Holdings, Mr. RQ Liu and Mr. CQ Liu, as to approximately 95.00%, 2.70% and 2.30%, respectively.

On 24 April 2026, Shenzhen Yueyuan resolved to reduce its registered capital from RMB100.0 million to RMB50.0 million.

Since then and up to the Latest Practicable Date, there had not been any change to the equity holding of Shenzhen Yueyuan. As at the Latest Practicable Date, Shenzhen Yueyuan was an indirect non-wholly-owned subsidiary of our Company.

Shenzhen Yueyuan is principally engaged in engineering construction.

Yueyuan Aluminum

Yueyuan Aluminum was established as a limited liability company in the PRC on 7 November 2013 with a registered capital of RMB1.0 million, which was fully paid by Shenzhen Yueyuan.

Since the establishment of Yueyuan Aluminum and up to the Latest Practicable Date, there had not been any change in its equity holding. As at the Latest Practicable Date, Yueyuan Aluminum was a direct wholly-owned subsidiary of Shenzhen Yueyuan.

The principal business activities of Yueyuan Aluminum are production of curtain wall panels and processing of aluminum alloy doors and windows.

Yueyuan Curtain Wall

Yueyuan Curtain Wall was established as a limited liability company in the PRC on 9 August 2017 with a registered capital of RMB1.0 million, which was fully paid by Shenzhen Yueyuan.

Since the establishment of Yueyuan Curtain Wall and up to the Latest Practicable Date, there had not been any change in its equity holding. As at the Latest Practicable Date, Yueyuan Curtain Wall was a direct wholly-owned subsidiary of Shenzhen Yueyuan.

The principal business activities of Yueyuan Curtain Wall are processing of glass curtain walls, metal doors and windows, aluminum plate components and light steel parts.

[REDACTED]

On 9 August 2024, Shenglong Enterprise Management was established in the PRC as a Sino-foreign joint venture limited liability company with a registered capital of RMB1.0 million, and was owned as to 52.92%, 46.08% and 1% by Mr. RQ Liu, Mr. CQ Liu and Strength Corporation, respectively. As of the date of establishment of Shenglong Enterprise Management, Strength Corporation was indirectly wholly-owned by Ms. Liu, the **[REDACTED]**. For details about the incorporation of Strength Corporation, please refer to the paragraph headed "Corporate Reorganisation — Step 2 — Incorporation of Perfect Peach and share transfer of Strength Corporation" below in this section. On 30 August 2024, Ms. Liu settled the consideration of RMB10,000 for the **[REDACTED]**.

On 11 October 2024, 10,000 Shares were allotted and issued to Perfect Peach as the consideration for the acquisition of the entire issued share capital of Strength Corporation from Perfect Peach at the direction of Diamond Soars and Reliable Profit. Upon completion of the allotment, our Company was held by Diamond Soars, Reliable Profit and Perfect Peach, as to 52.92%, 46.08% and 1%, respectively.

The following table sets forth other information of the **[REDACTED]**:

Name of [REDACTED]	:	Liu Shanli (劉山立)
Date of investment	:	9 August 2024
Amount of consideration paid	:	RMB10,000
Payment date of the consideration	:	30 August 2024
Basis of determining the consideration	:	with reference to the registered capital of Shenglong Enterprise Management
Number of Shares allotted	:	10,000
Number of Shares and percentage held upon the completion of the [REDACTED] and the [REDACTED] (assuming the [REDACTED] or any option that may be granted under the Share Option Scheme is not exercised)	:	**[REDACTED]** Shares, representing **[REDACTED]**% of the total issued share capital of our Company upon the completion of the **[REDACTED]** and the **[REDACTED]** (assuming the **[REDACTED]** or any option that may be granted under the Share Option Scheme is not exercised)

[REDACTED]

Special rights	:	N/A
[REDACTED]	:	as working capital of our Group
Lock-up period	:	N/A

[REDACTED]	:	Ms. Liu's shareholding in our Company will not be counted as part of the **[REDACTED]** for the purpose of Rule 11.23(7) of the GEM Listing Rules.
Strategic benefits to our Group	:	As a strategic foreign investor under the Reorganisation, with Ms. Liu's investment, Shenglong Enterprise Management was established in the PRC as a Sino-foreign joint venture limited liability company. Given that Ms. Liu is based and resides in the United States, she is willing to assist our Group in expanding its overseas markets by leveraging her connections and business network. Our Directors were of the view that Ms. Liu's contribution to our Group demonstrates Ms. Liu's confidence in the operations of our Group and serves as an endorsement of our Company's performance, strength and prospects.

Background of the [REDACTED]

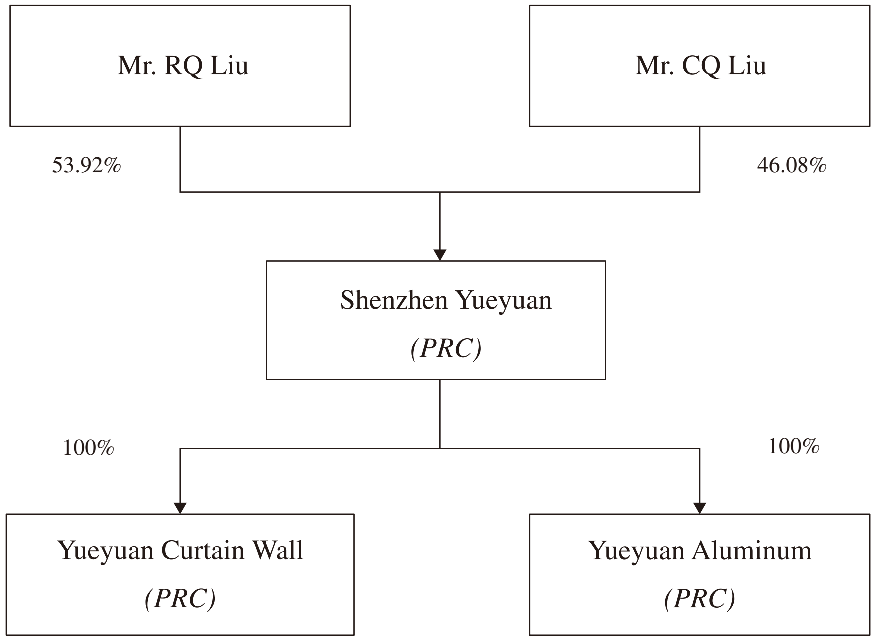
Ms. Liu is an American citizen and a vice president of the Communication Department at MTS 99 LLC. She is a daughter of Mr. CQ Liu, therefore an associate of Mr. CQ Liu and hence a connected person of our Company. Through the introduction by Mr. CQ Liu, Ms. Liu had a better understanding of the Group's business operations and decided to act as the **[REDACTED]** to invest in the Group. Ms. Liu's investment in the Group not only shows her support for her family, but also shows her endorsement of the Group's business performance within the Track Record Period and her confidence in the future business development of the Group, which will provide a considerable return on her investment in the Group. She directly holds the entire issued share capital in Perfect Peach, which is a company incorporated in the BVI with limited liability. Following the completion of the **[REDACTED]** and the **[REDACTED]** (assuming the **[REDACTED]** or any option that may be granted under the Share Option Scheme is not exercised), Ms. Liu will be interested in **[REDACTED]** Shares through Perfect Peach, representing approximately **[REDACTED]**% of the total number of Shares in issue.

Compliance with [REDACTED] Guidance

On the basis that (i) the consideration for the **[REDACTED]** had been irrevocably settled more than 28 clear days before the date of the first submission of the **[REDACTED]** for the **[REDACTED]** and (ii) no special rights were granted to the **[REDACTED]**, the Sole Sponsor is of the view that the **[REDACTED]** is in compliance with Chapter 4.2 of the Guide for New **[REDACTED]** Applicants.

CORPORATE REORGANISATION

The following chart sets forth the shareholding and corporate structure of our Group immediately prior to the Reorganisation:



In preparation for the **[REDACTED]**, our Group underwent the Reorganisation. The Reorganisation involves the following steps:

Step 1 — Reduction in registered capital of Shenzhen Yueyuan

On 3 June 2024, Shenzhen Yueyuan, Mr. RQ Liu and Mr. CQ Liu entered into a capital reduction agreement, pursuant to which the registered capital of Shenzhen Yueyuan was reduced from RMB150.0 million to RMB5.0 million, with the reduced capital of RMB145.0 million credited to the capital reserve of Shenzhen Yueyuan. The capital reduction was registered in Shenzhen AMR on 23 July 2024.

Step 2 — Incorporation of Perfect Peach and share transfer of Strength Corporation

On 11 June 2024, Perfect Peach, an investment holding company, was incorporated in the BVI and one fully paid share of US$1.0 was issued and allotted to Ms. Liu, our **[REDACTED]**, on 18 June 2024.

On 18 January 2024, Strength Corporation, an investment holding company, was incorporated in Hong Kong and on the same date, one fully paid share of HK$1.0 was issued and allotted to the initial subscriber, an independent third party, which was then transferred to Perfect Peach for a consideration of HK$1.0 on 30 June 2024. Upon completion, Strength Corporation was indirectly wholly-owned by Ms. Liu, our **[REDACTED]**, through Perfect Peach.

Step 3 — Formation of Shenglong Enterprise Management and Shenglong Holdings

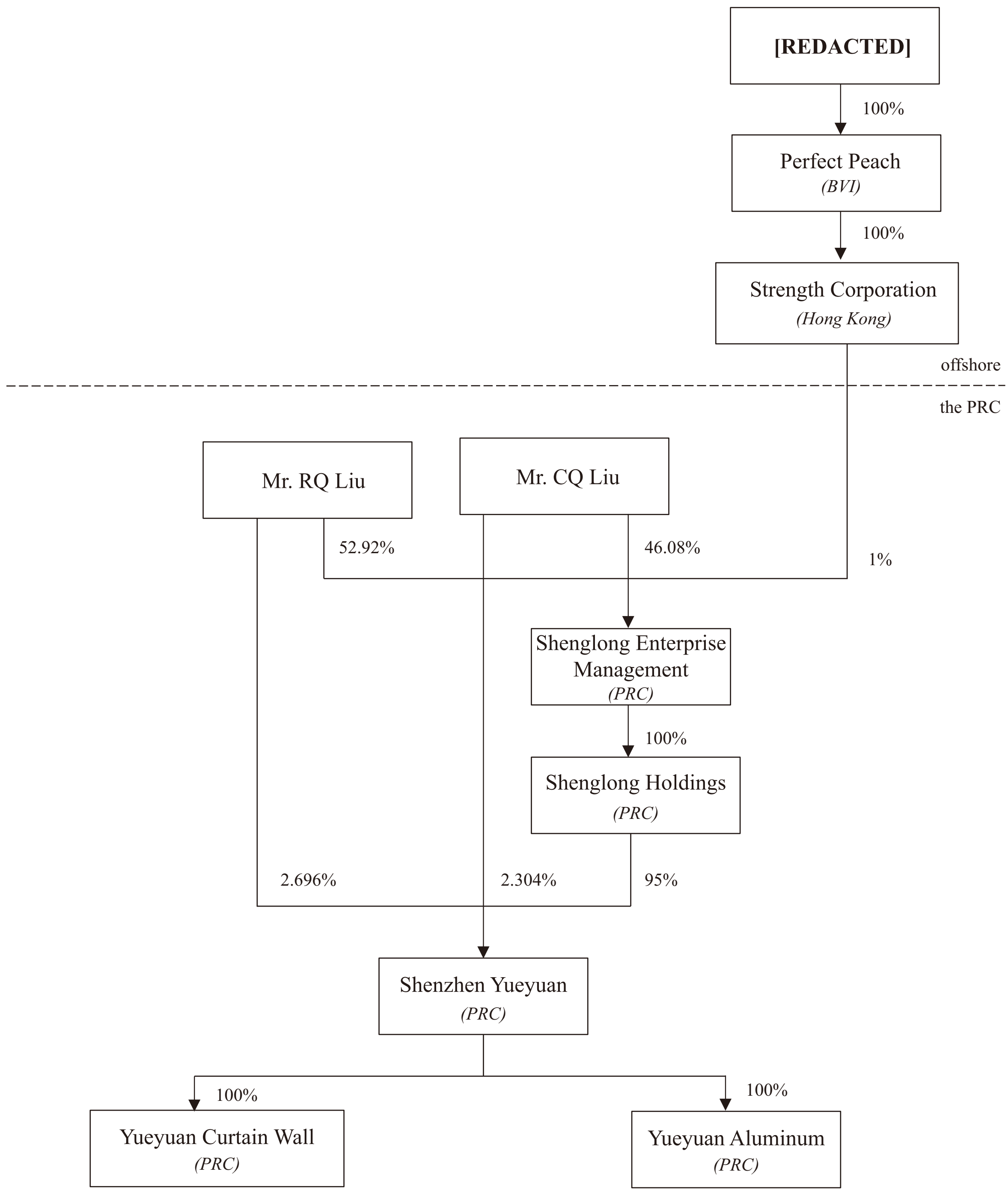
On 9 August 2024, Shenglong Enterprise Management was established in the PRC as a Sino-foreign joint venture limited liability company with a registered capital of RMB1.0 million, and was owned as to 52.92%, 46.08% and 1% by Mr. RQ Liu, Mr. CQ Liu and Strength Corporation, respectively. Strength Corporation was a Hong Kong company indirectly wholly-owned by the **[REDACTED]**. With the **[REDACTED]**, Shenglong Enterprise Management was strategically set up as a foreign-invested enterprise.

On 12 August 2024, Shenglong Holdings was established in the PRC as a limited liability company with a registered capital of RMB1.0 million and was wholly-owned by Shenglong Enterprise Management.

Step 4 — Capital increase in Shenzhen Yueyuan by Shenglong Holdings

On 13 August 2024, Shenglong Holdings entered into a capital increase agreement with Shenzhen Yueyuan, Mr. RQ Liu and Mr. CQ Liu, pursuant to which the registered capital of Shenzhen Yueyuan was increased from RMB5.0 million to RMB100.0 million, and the increased registered capital of RMB95.0 million was subscribed by Shenglong Holdings. The capital increase was registered in Shenzhen AMR on 20 August 2024.

Immediately upon completion of the capital increment, Shenzhen Yueyuan was owned as to 2.696%, 2.304% and 95% by Mr. RQ Liu, Mr. CQ Liu and Shenglong Holdings, respectively. The following diagram shows the corporate structure after the capital increment:



Step 5 — Setup of Diamond Soars and Reliable Profit

On 29 July 2024, Diamond Soars, an investment holding company, was incorporated in the BVI and one fully paid share of US$1.0 was issued and allotted to Mr. RQ Liu on 12 August 2024.

On 29 July 2024, Reliable Profit, an investment holding company, was incorporated in the BVI and one fully paid share of US$1.0 was issued and allotted to Mr. CQ Liu on 12 August 2024.

Step 6 — Incorporation of our Company and establishment of offshore group structure

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act on 28 August 2024. On the same day, one Share was issued and allotted to the initial subscriber, an independent third party.

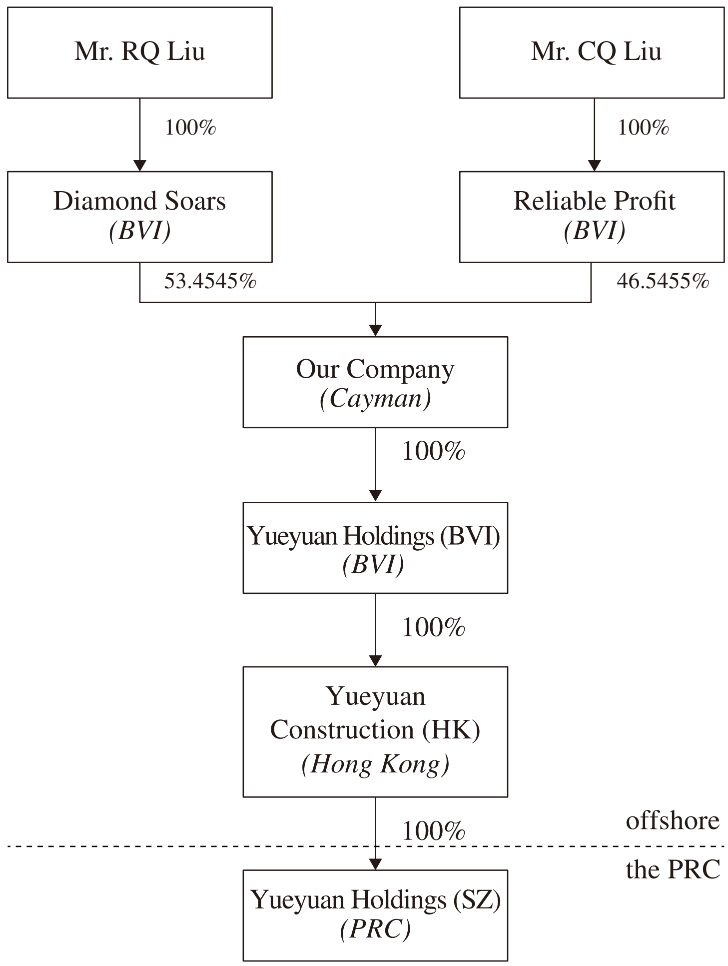
On 28 August 2024, the one Share held by the initial subscriber was transferred to Diamond Soars at par and on the same day, 529,199 and 460,800 Shares were issued and allotted to Diamond Soars and Reliable Profit, respectively. As of that date, our Company was indirectly owned as to approximately 53.45% and 46.55% by Mr. RQ Liu and Mr. CQ Liu, respectively.

On 29 August 2024, Yueyuan Holdings (BVI), an investment holding company, was incorporated in the BVI and on the same date, one fully paid share of US$1.0 was issued and allotted to our Company.

On 6 September 2024, Yueyuan Construction (HK), an investment holding company, was incorporated in Hong Kong and on the same date, one fully paid share of HK$1.0 was issued and allotted to Yueyuan Holdings (BVI).

Step 7 — Establishment of Yueyuan Holdings (SZ)

On 8 October 2024, Yueyuan Holdings (SZ) was established in the PRC as a wholly foreign-owned enterprise with a registered capital of RMB60.0 million, and was wholly-owned by Yueyuan Construction (HK). After the establishment of Yueyuan Holdings (SZ), our corporate structure was as follows:



Step 8 — Acquisition of entire issued share capital of Strength Corporation by Yueyuan Holdings (BVI)

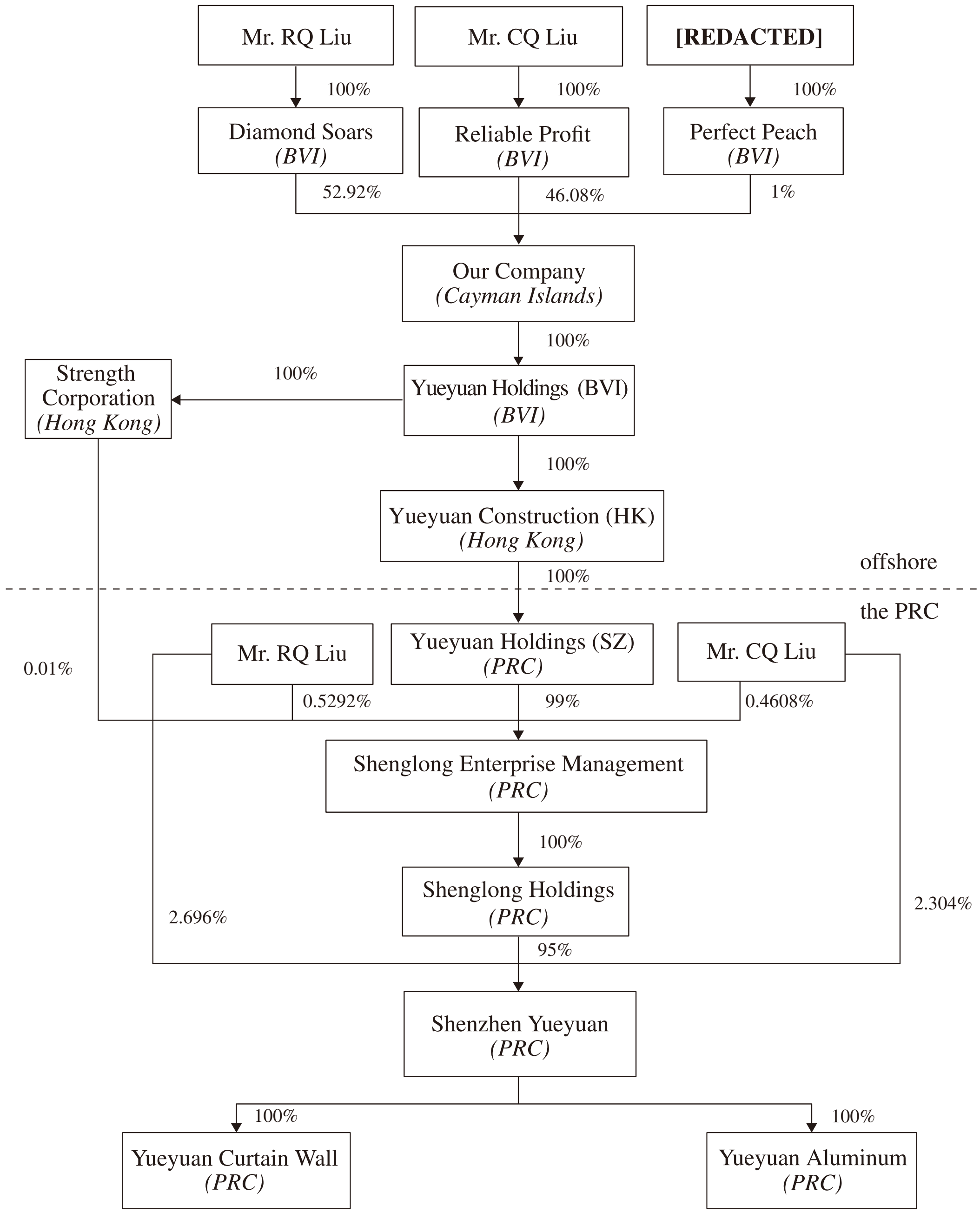
On 11 October 2024, Yueyuan Holdings (BVI) entered into a share swap agreement with Perfect Peach, pursuant to which Yueyuan Holdings (BVI) acquired the entire issued share capital of Strength Corporation in consideration of which, our Company issued and allotted 10,000 Shares to Perfect Peach as directed by Diamond Soars and Reliable Profit. Immediately after the share swap, Strength Corporation became our indirect wholly-owned subsidiary and Perfect Peach was interested in 1% of the issued share capital of our Company.

Step 9 — Capital increment in Shenglong Enterprise Management by Yueyuan Holdings (SZ)

On 15 October 2024, Yueyuan Holdings (SZ) entered into a capital increase agreement with Shenglong Enterprise Management, Mr. RQ Liu, Mr. CQ Liu and Strength Corporation, pursuant to which the registered capital of Shenglong Enterprise Management was increased from RMB1.0 million to RMB100.0 million, and the increased registered capital of RMB99.0 million was subscribed by Yueyuan Holdings (SZ). The capital increment was registered in Shenzhen AMR on 16 October 2024. Immediately upon completion of the capital increment, Shenglong Enterprise Management was owned as to 99%, 0.5292%, 0.4608% and 0.01% by Yueyuan Holdings (SZ), Mr. RQ Liu, Mr. CQ Liu and Strength Corporation, respectively.

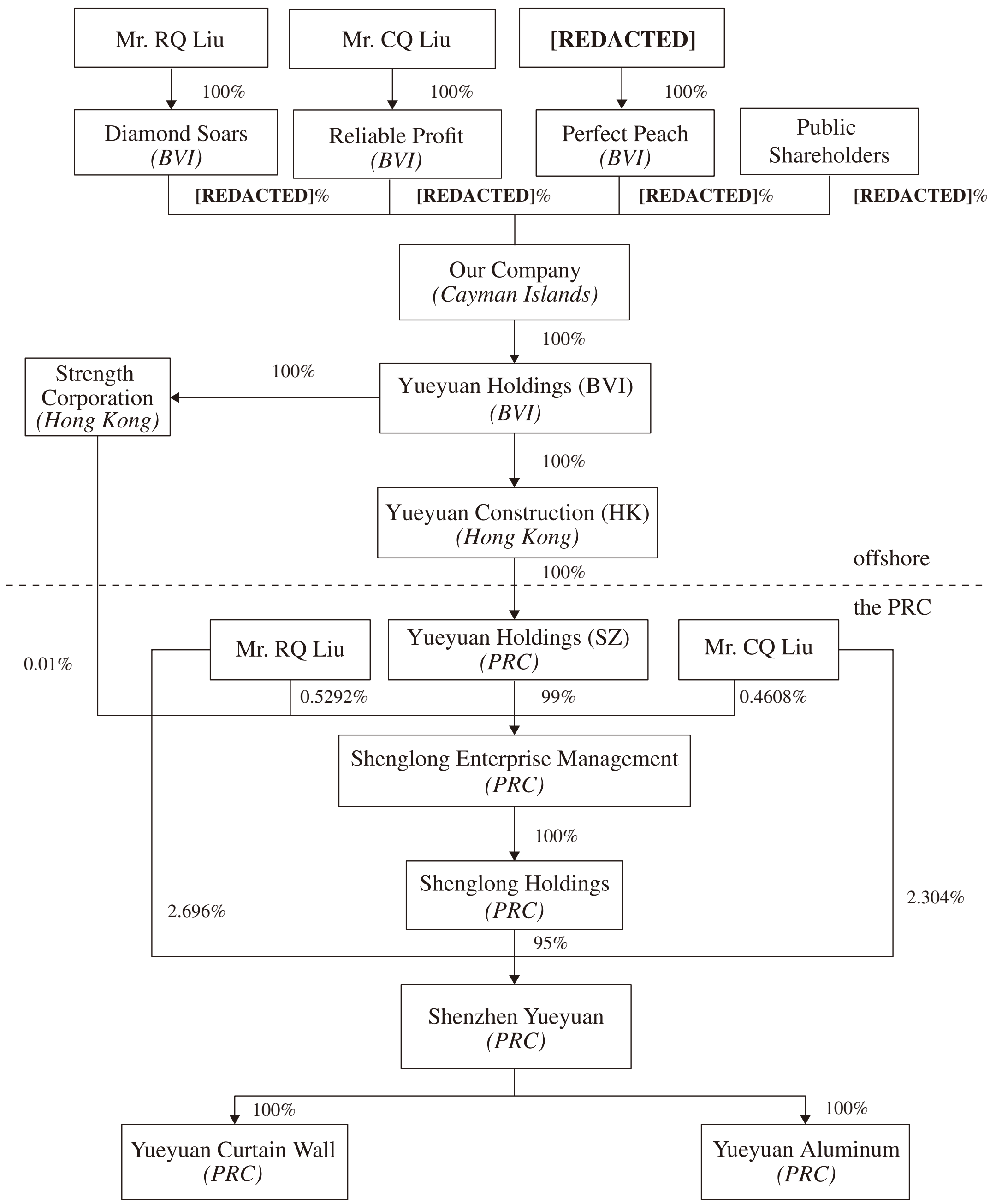
As advised by the PRC Legal Advisers, according to the Guidelines for the Administration of Foreign Investment Access (《外商投資準入管理指引手冊》) issued by MOFCOM on 18 December 2008, the transfer of equity by a foreign-invested enterprise to a foreign party is not subject to the M&A Rules, regardless of whether such foreign-invested enterprise and the foreign party are related parties or whether the foreign party is an original shareholder or a new investor of such foreign-invested enterprise. As advised by the PRC Legal Advisers, the M&A Rules only apply to mergers and acquisitions of domestic enterprises in the PRC. Since Shenglong Enterprise Management is a foreign-invested enterprise, Yueyuan Holdings (SZ)'s registered capital injection of RMB99.0 million into Shenglong Enterprise Management is not subject to any prior approval from the Ministry of Commerce of the PRC under the M&A Rules.

The following chart sets out the shareholding and corporate structure of our Group immediately after the Reorganisation:



CORPORATE STRUCTURE IMMEDIATELY UPON COMPLETION OF THE [REDACTED] AND THE [REDACTED]

The following chart sets out the shareholding and corporate structure of our Group immediately upon completion of the **[REDACTED]** and the **[REDACTED]** (assuming the **[REDACTED]** or any option that may be granted under the Share Option Scheme is not exercised):



MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

Save as disclosed in the paragraph headed "Corporate Reorganisation" above in this section, throughout the Track Record Period and up to the Latest Practicable Date, we did not conduct any major acquisitions, disposals or mergers.

PRC LEGAL COMPLIANCE

The PRC Legal Advisers have confirmed that all relevant material registrations, approvals and permits required under the PRC laws and regulations in relation to the establishment, decrease(s) and increase(s) of registered capital, equity transfers and reorganisation in respect of the PRC subsidiaries of our Group as described above have been completed and obtained.

M&A Rules

According to the Regulations on Merger with and Acquisition of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》) (the "**M&A Rules**") jointly issued by MOFCOM, the State-owned Assets Supervision and Administration Commission of the State Council, the SAT, the CSRC, the SAIC and the SAFE on 8 August 2006, effective as at 8 September 2006 and amended on 22 June 2009, a foreign investor is required to obtain necessary approvals when it (i) acquires the equity of a domestic enterprise so as to convert the domestic enterprise into a foreign-invested enterprise; (ii) subscribes for the increased capital of a domestic enterprise so as to convert the domestic enterprise into a foreign-invested enterprise; (iii) establishes a foreign-invested enterprise through which it purchases the assets of a domestic enterprise and operates these assets; or (iv) purchases the assets of a domestic enterprise, and then contributes such assets to establish a foreign-invested enterprise. The M&A Rules, among other things, further purport to require that an offshore special vehicle, or a special purpose vehicle, formed for listing purposes and controlled directly or indirectly by PRC companies or individuals, shall obtain the approval of the CSRC prior to the listing and trading of such special purpose vehicle's securities on an overseas stock exchange, especially in the event that the special purpose vehicle acquires shares of or equity interests in PRC companies in exchange for the shares of offshore companies.

As advised by the PRC Legal Advisers, the proposed **[REDACTED]** is not subject to approval from MOFCOM under the M&A Rules and our **[REDACTED]** on the Stock Exchange is not subject to prior approval from the CSRC under the M&A Rules.

Circular 37

SAFE promulgated the Circular on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents' Offshore Investment and Financing and Roundtrip Investment through Special Purpose Vehicles (《關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》) (the "**SAFE Circular 37**") on 4 July 2014, which replaced the former circular commonly known as "SAFE Circular 75" promulgated by SAFE on 21 October 2005. SAFE Circular 37 requires PRC residents to register with local branches of SAFE in connection with their direct establishment or indirect control of an offshore entity, for the purpose of overseas investment and financing, with such PRC residents' legally owned assets or equity interests in domestic enterprises or offshore assets or interests, referred to in SAFE Circular 37 as a "special purpose vehicle". SAFE Circular 37 further requires amendment to the registration in the event of any significant changes with respect to the special purpose vehicle, such as increase or decrease of capital contributed by PRC individuals, share transfer or swap, merger, division or any other material event.

On 13 February 2015, SAFE released the Notice on Further Simplifying and Improving the Policies for the Foreign Exchange Administration of Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) (the "**SAFE Circular 13**"), which became effective from 1 June 2015. According to SAFE Circular 13, local banks shall examine and handle foreign exchange registration for overseas direct investment, including the initial foreign exchange registration and amendment registration under SAFE Circular 37.

As advised by the PRC Legal Advisers, each of Mr. RQ Liu and Mr. CQ Liu has completed the relevant registration under SAFE Circular 37 on 23 September 2024.

[REDACTED] and [REDACTED]

Immediately upon completion of the **[REDACTED]**, (assuming the **[REDACTED]** or any option that may be granted under the Share Option Scheme is not exercised), Shares held by the following Shareholders who are, or directly or indirectly controlled by, our core connected persons (or their close associates) will not be counted towards the public float for the purpose of Rule 11.23 of the GEM Listing Rules:

- Diamond Soars, a company wholly-owned by Mr. RQ Liu (being one of our Controlling Shareholders and a non-executive Director) holding approximately **[REDACTED]**% of the total issued share capital of the Company;

- Reliable Profit, a company wholly-owned by Mr. CQ Liu (being one of our Controlling Shareholders and an executive Director) holding approximately **[REDACTED]**% of the total issued share capital of the Company; and

- Perfect Peach, a company wholly-owned by Ms. Liu (being a **[REDACTED]** and the daughter of Mr. CQ Liu (an executive Director and a core connected person of the Company)) holding approximately **[REDACTED]**% of the total issued share capital of the Company.

For details of Diamond Soars and Reliable Profit, please refer to "Relationship with the Controlling Shareholders — Controlling Shareholders" in this document. For details of Ms. Liu's **[REDACTED]**, please refer to "History, Reorganisation and Corporate Structure — **[REDACTED]**" in this document.

To the best knowledge of our Directors, the Shares held by the other Shareholders upon completion of the **[REDACTED]** will constitute part of the **[REDACTED]**.

Taking into account the Shares to be issued to other Shareholders pursuant to the **[REDACTED]**, upon the completion of the **[REDACTED]** (assuming the **[REDACTED]** or any option that may be granted under the Share Option Scheme is not exercised), a total of **[REDACTED]** Shares, representing **[REDACTED]** of our total issued Shares will be counted as part of the public float, which is equal to the minimum prescribed percentage of Shares required to be held in public hands under Rule 11.23(7) of the GEM Listing Rules.

Upon the completion of the **[REDACTED]** (assuming the **[REDACTED]** or any option that may be granted under the Share Option Scheme is not exercised), it is expected that at least **[REDACTED]** Shares, representing **[REDACTED]**% of our total issued Shares and a market capitalisation of HK$**[REDACTED]** (assuming an **[REDACTED]** Price of HK$**[REDACTED]** per **[REDACTED]**, being the low end of the indicative **[REDACTED]** range set out in this Document), will be held by the public and will not be subject to any disposal restrictions (whether under contract, the GEM Listing Rules, applicable laws or otherwise). Therefore, our Company is expected to satisfy the **[REDACTED]** requirement under Rule 11.23A of the GEM Listing Rules.